YHS YEO HIAP SENG LIMITED

First Quarter Unaudited Financial Statements for the Period ended 31 March 2005

1(a) Consolidated Income Statement

	01.01.2005 to 31.03.2005	01.01.2004 to 31.03.2004 Restated
	S$'000	S$'000
Revenue	87,072	82,158
Cost of sales	(56,176)	(54,580)
Gross profit	**30,896**	**27,578**
Other operating income	881	525
Advertising and promotion expenses	(6,474)	(5,715)
Marketing expenses	(549)	(516)
Selling and distribution costs	(16,691)	(14,744)
Administrative expenses	(5,559)	(4,616)
Other operating expenses	(289)	(657)
Profit from operations	**2,215**	**1,855**
Interest expense	(646)	(556)
Share of profit of associated companies	61	312
Profit before income tax	**1,630**	**1,611**
Income tax expense	(593)	(975)
Profit for the period	**1,037**	**636**
Attributable to:		
Equity holders of the Company	70	(80)
Minority interest	967	716
	1,037	**636**

Notes to Consolidated Profit and Loss Statement

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

	Group	
	01.01.2005 to 31.03.2005	01.01.2004 to 31.03.2004 Restated
	S$'000	S$'000
Depreciation	2,916	3,011
Write-back of provision for doubtful trade debts, net	-	(75)
Impairment of trade debts, net	214	-
Write-down of inventory, net	575	1,042
(Write-back of provision)/ provision for doubtful balances to associated companies, net (non-trade)	(207)	22
Dividend income from quoted equity investments	(92)	(18)
Net foreign exchange (gain)/ loss	(359)	245
(Over)/ under provision of tax in respect of prior year	(397)	3
(Profit)/loss on sale of :		
(a) Quoted equity investments	(27)	-
(b) Plant and equipment	-	23

1(b) Balance Sheets

	Group		Company	
	As at 31.03.2005	As at 31.12.2004 Restated	As at 31.03.2005	As at 31.12.2004 Restated
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	75,480	72,999	6,688	6,095
Trade receivables	68,361	63,292	-	-
Inventories	31,104	36,111	-	-
Amounts due from subsidiaries (non-trade)	-	-	31,550	31,904
Amounts due from a related company (non-trade)	38	38	38	38
Development property	240,252	239,152	-	-
Income tax recoverable	3,905	3,508	3,019	2,632
Other receivables, deposits and prepayments	6,309	3,391	263	240
	425,449	**418,491**	**41,558**	**40,909**
Non-current assets				
Available-for-sale investments	18,864	16,387	18,281	15,810
Investments in associated companies	5,416	5,305	-	-
Investments in subsidiaries	-	-	362,936	362,936
Loans to subsidiaries	-	-	94,493	94,098
Property, plant and equipment	182,909	183,194	40,877	41,090
Goodwill	7,267	7,267	-	-
	214,456	**212,153**	**516,587**	**513,934**
Total assets	**639,905**	**630,644**	**558,145**	**554,843**
LIABILITIES				
Current liabilities				
Trade payables	27,945	22,943	-	-
Other payables and accrued operating expenses	33,702	32,180	1,477	1,352
Provision for restructuring costs/ termination benefits	1,591	1,591	-	-
Amounts due to subsidiaries (non-trade)	-	-	247,490	247,923
Loan from an associated company	1,155	1,155	1,155	1,155
Borrowings	27,841	30,368	22,400	22,400
Finance lease liabilities	41	41	33	33
Provision for current income tax	5,089	4,691	-	-
	97,364	**92,969**	**272,555**	**272,863**
Non-current liabilities				
Loans from subsidiaries	-	-	60,848	60,567
Borrowings	111,000	111,000	-	-
Finance lease liabilities	61	71	39	47
Provision for retirement benefits	2,320	2,263	-	-
Deferred income tax liabilities	7,263	7,442	-	-
	120,644	**120,776**	**60,887**	**60,614**
Total liabilities	**218,008**	**213,745**	**333,442**	**333,477**
NET ASSETS	**421,897**	**416,899**	**224,703**	**221,366**
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	142,137	142,137	142,137	142,137
Share premium	64,010	64,010	64,010	64,010
Other reserves	121,910	120,501	2,528	-
Retained earnings	34,802	32,555	16,028	15,219
	362,859	**359,203**	**224,703**	**221,366**
Minority Interest	59,038	57,696	-	-
Total equity	**421,897**	**416,899**	**224,703**	**221,366**

Notes

The Group had provided for and subsequently paid the current income tax liability of $6,825,000 for the financial year ended 31 December 2000 on the property development profit of $26,775,000 arising from the completion of The Sterling property development project. The tax for the property development profit was based on the revalued amount of the land when the developer's license was obtained in April 1997. After taking advice from the tax counsel, the directors are of the opinion that the revaluation surplus on the land amounting to $128,800,000 is capital accretion and therefore no provision for income tax has been made thereon. Similarly, no deferred income tax liability has been provided for on the incremental revaluation surplus of the land for the Gardenvista development project and freehold land at Dunearn Road from 1994 to October 2002 of $86,547,000. The developer's license for Gardenvista was obtained in October 2002.

The Inland Revenue Authority of Singapore ("IRAS") has requested further information regarding the development projects. IRAS has expressed the view that some of the revaluation surpluses for the development projects may not be considered as being capital accretion. The matter is under discussion and pending the outcome, no additional tax assessments have been raised.

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

Amount repayable in one year or less, or on demand

As at 31.03.2005		As at 31.12.2004	
Secured	**Unsecured**	**Secured**	**Unsecured**
$9,641,000	$18,200,000	$12,168,000	$18,200,000

Amount repayable after one year

As at 31.03.2005		As at 31.12.2004	
Secured	**Unsecured**	**Secured**	**Unsecured**
$111,000,000	$0	$111,000,000	$0

Details of any collateral

The short-term borrowings of the Group are secured by corporate guarantees given by the Company and a subsidiary. The non-current borrowings are secured by a first mortgage over the residential development properties of a subsidiary.

1(c) Consolidated Cash Flow Statement

	3 months ended	
	31.03.2005	**31.03.2004 Restated**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit before income tax	1,630	1,611
Adjustments for :		
Depreciation of property, plant and equipment	2,916	3,011
Dividend income from quoted equity investments	(92)	(18)
Exchange difference on consolidation	348	(992)
Loss on disposal of property, plant and equipment	-	23
Gain on disposal of quoted equity investments	(27)	-
Interest expense	646	556
Interest income	(452)	(289)
Provision for doubtful loan to an associated company	-	13
Provision for retirement benefits (net)	67	72
Provision for restructuring costs/terminations benefits	-	150
Share of profit of associated companies	(61)	(312)
Operating cash flow before working capital change	4,975	3,825
Change in operating assets and liabilities		
Development property	(1,100)	1,926
Inventories	5,007	10,098
Trade receivables	(5,069)	523
Other debtors, deposits and prepayments	(2,918)	(157)
Trade payables	5,002	(8,061)
Other payables and accrued operating expenses	1,389	(2,086)
Due from/ to associated companies (net)	-	47
Cash generated from operations	7,286	6,115
Income tax paid	(860)	(873)
Retirement benefits paid	(29)	(8)
Net cash from operating activities	6,397	5,234

	3 months ended	
	31.03.2005	31.03.2004 Restated
	S$'000	S$'000
Cash flows from investing activities		
Dividends received from quoted equity investments	92	18
Loan to an associated company	-	(13)
Proceeds from disposal of property, plant and equipment	-	6
Proceeds from disposal of quoted equity investments	87	-
Purchase of property, plant and equipment	(1,442)	(497)
Purchase of unquoted investments	(4)	(4)
Net cash used in investing activities	(1,267)	(490)
Cash flows from financing activities		
Interest received	452	289
Interest paid	(521)	(433)
Repayment of bank loans (net)	(2,570)	(3,613)
Payment of finance lease liabilities	(10)	(9)
Net cash used in financing activities	(2,649)	(3,766)
Net increase in cash and cash equivalents	2,481	978
Cash and cash equivalents at the beginning of the financial period	72,999	58,781
Cash and cash equivalents at the end of the financial period	75,480	59,759
Represented by:		
Cash at bank and on hand	17,762	24,745
Fixed deposits with financial institutions	57,718	35,014
	75,480	59,759

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling $4,286,000 (2004: $3,453,000) 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 2005

	Share capital	Share premium	Property Revaluation reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	General reserve	Retained earnings	Minority interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2005										
- As previously reported	142,137	64,010	154,532	-	10,145	(48,587)	1,632	35,334	57,696	416,899
- Effect of changes in accounting policies	-	-	-	4,041	-	2,779	-	(2,779)	-	4,041
- Restated	142,137	64,010	154,532	4,041	10,145	(45,808)	1,632	32,555	57,696	420,940
Fair value loss on available-for-sale investments	-	-	-	(1,513)	-	-	-	-	-	(1,513)
Currency translation differences	-	-	-	-	-	1,058	-	-	375	1,433
Net loss recognised directly in equity	-	-	-	(1,513)	-	1,058	-	-	375	(80)
Profit for the period	-	-	-	-	-	-	-	70	967	1,037
Total recognised (losses)/ gains for the period ended 31 March 2005	**-**	**-**	**-**	**(1,513)**	**-**	**1,058**	**-**	**70**	**1,342**	**957**
Transfer from reserve on realisation	-	-	(2,177)	-	-	-	-	2,177	-	-
Balance at 31 March 2005	**142,137**	**64,010**	**152,355**	**2,528**	**10,145**	**(44,750)**	**1,632**	**34,802**	**59,038**	**421,897**

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

For the financial period ended 31 March 2004

	Share capital	Share premium	Property Revaluation reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	General reserve	Retained earnings	Minority interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2004										
- As previously reported	142,137	64,010	154,927	-	11,348	(43,403)	1,632	20,875	56,333	407,859
- Effect of changes in accounting policies	-	-	-	-	-	1,793	-	(1,793)	-	-
- Restated	142,137	64,010	154,927	-	11,348	(41,610)	1,632	19,082	56,333	407,859
Currency translation differences- restated *	-	-	-	-	-	(2,096)	-	-	(732)	(2,828)
Net loss recognised directly in equity	-	-	-	-	-	(2,096)	-	-	(732)	(2,828)
Effect of adopting FRS 103	-	-	-	-	-	-	-	2,189	-	2,189
Profit/ (loss) for the period- restated *	-	-	-	-	-	-	-	(80)	716	636
Total recognised (losses)/ gains for the period ended 31 March 2004	**-**	**-**	**-**	**-**	**-**	**(2,096)**	**-**	**2,109**	**(16)**	**(3)**
Transfer from reserve on realisation	-	-	(2,589)	-	(1,203)	-	-	3,792	-	-
Balance at 31 March 2004	**142,137**	**64,010**	**152,338**	**-**	**10,145**	**(43,706)**	**1,632**	**24,983**	**56,317**	**407,856**

* Currency translation differences and net profit for the previous corresponding quarter have been restated arising from the change in accounting policy (adoption of FRS 21)

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

For the financial period ended 31 March 2005

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Fair value reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2005						
- As previously reported	142,137	64,010	(1,423)	-	16,642	221,366
- Effect of changes in accounting policies	-	-	1,423	3,952	(1,423)	3,952
- Restated	142,137	64,010	-	3,952	15,219	225,318
Fair value loss on available-for-sale investments	-	-	-	(1,424)	-	(1,424)
Net loss recognised directly in equity	-	-	-	(1,424)	-	(1,424)
Net profit for the period	-	-	-	-	809	809
Balance at 31 March 2005	142,137	64,010	-	2,528	16,028	224,703

For the financial period ended 31 March 2004

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Fair value reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2004						
- As previously reported	142,137	64,010	(1,168)	-	17,495	222,474
- Effect of changes in accounting policies	-	-	1,168	-	(1,168)	-
- Restated	142,137	64,010	-	-	16,327	222,474
Currency translation differences-restated *	-	-	-	-	-	-
Net loss for the period- restated *	-	-	-	-	(204)	(204)
Balance at 31 March 2004-restated *	142,137	64,010	-	-	16,123	222,270

* Currency translation differences and net loss for the previous corresponding quarter have been restated arising from the change in accounting policy (adoption of FRS 21)

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.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor 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 2004 and the 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.

Changes in accounting policies

In 2005, the Group and the Company adopted the Financial Reporting Standards (FRS) below. The 2004 comparatives have been amended where as required, in accordance with the relevant transitional provisions in the respective FRS.

FRS 1 (revised 2004) Presentation of Financial Statements
FRS 2 (revised 2004) Inventories
FRS 8 (revised 2004) Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004) Events after the Balance Sheet Date
FRS 16 (revised 2004) Property, Plant and Equipment
FRS 17 (revised 2004) Leases
FRS 21 (revised 2004) The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004) Related Party Disclosures
FRS 27 (revised 2004) Consolidated and Separate Financial Statements
FRS 28 (revised 2004) Investments in Associates
FRS 32 (revised 2004) Financial Instruments: Disclosure and Presentation
FRS 33 (revised 2004) Earnings per Share
FRS 39 (revised 2004) Financial Instruments: Recognition and Measurement

The adoption of the above FRS did not result in changes to the Group's and Company's accounting policies except as discussed below:

5.1 Effect of changes to the financial statements

Group

	Increase/(decrease)		
	FRS 21 (revised 2004) S$'000	FRS 39 (revised 2004) S$'000	**Total S$'000**
	Note 5.2	Note 5.2	
Consolidated balance sheets items at 31 March 2005			
Fair value reserve	-	(1,513)	**(1,513)**
Available-for-sale investments	-	(1,513)	**(1,513)**
Other receivables, deposits and prepayments	-	31	**31**
Retained earnings	215	19	**234**
Foreign currency translation reserve	(215)	-	**(215)**
Minority interest	-	12	**12**
Consolidated balance sheets items at 1 January 2005			
Fair value reserve	-	4,041	**4,041**
Available-for-sale investments	-	4,041	**4,041**
Retained earnings	(2,779)	-	**(2,779)**
Foreign currency translation reserve	2,779	-	**2,779**
Consolidated income statement items for the period ended 31 March 2005			
Other operating income	215	31	**246**
Minority interest	-	12	**12**
Basic and diluted earnings per share (cents)	0.04	-	**0.04**

Group

	Increase/(decrease)		
	FRS 21 (revised 2004) S$'000	FRS 39 (revised 2004) S$'000	**Total S$'000**
	Note 5.2	Note 5.2	
Consolidated balance sheets items at 31 December 2004			
Retained earnings	(2,779)	-	**(2,779)**
Foreign currency translation reserve	2,779	-	**2,779**
Consolidated balance sheets items at 1 January 2004			
Retained earnings	(1,793)	-	**(1,793)**
Foreign currency translation reserve	1,793	-	**1,793**
Consolidated income statement items for the period ended 31 March 2004			
Other operating income	(152)	-	**(152)**
Other operating expenses	264	-	**264**
Basic and diluted earnings per share (cents)	(0.07)	-	**(0.07)**

Company

	Increase/(decrease)		
	FRS 21 (revised 2004) S$'000	FRS 39 (revised 2004) S$'000	**Total S$'000**
	Note 5.2	Note 5.2	
Balance sheet items at *31 March 2005*			
Fair value reserve	-	(1,424)	**(1,424)**
Available-for-sale investments	-	(1,424)	**(1,424)**
Retained earnings	114	-	**114**
Foreign currency translation reserve	(114)	-	**(114)**
Balance sheet items at *1 January 2005*			
Fair value reserve	-	3,952	**3,952**
Available-for-sale investments	-	3,952	**3,952**
Retained earnings	(1,423)	-	**(1,423)**
Foreign currency translation reserve	1,423	-	**1,423**
Income statement item *for the period ended 31 March 2005*			
Other operating income	114	-	**114**

Company

	Increase/(decrease) FRS 21 (revised 2004) S$'000	Increase/(decrease) FRS 39 (revised 2004) S$'000	**Total S$'000**
	Note 5.2	Note 5.2	
Balance sheet items at *31 December 2004*			
Retained earnings	(1,423)	-	**(1,423)**
Foreign currency translation reserve	1,423	-	**1,423**
Balance sheet items at *1 January 2004*			
Retained earnings	(1,168)	-	**(1,168)**
Foreign currency translation reserve	1,168	-	**1,168**
Income statement items *for the period ended 31 March 2004*			
Other operating expenses	30	-	**30**

5.2 Description of changes

(a) FRS 16 (revised 2004) requires the remeasurement of the residual value of an item of property, plant and equipment at least at each financial year end. Previously, the residual values were estimated only at date of acquisition.

The Group has reviewed the residual value of its property, plant and equipment on 31 March 2005 and is of the view that there has been no significant change in the residual value from the original estimation.

(b) FRS 21 (revised 2004) requires exchange differences on loans from the Company to its subsidiaries which forms part of Company's net investment in the subsidiaries to be included in the Company's income statement. Previously, they were included in the foreign currency translation reserve.

Where a monetary item that forms part of the Company's net investment in a subsidiary and is denominated in a currency other than the functional currency of either the Company or the subsidiary, FRS 21 (revised 2004) requires the exchange differences that arise on translating the monetary item into the functional currency of the Company or the subsidiary to be recognised in the Group's consolidated income statement. Previously, they were included in the Group's foreign currency translation reserve.

(c) FRS 27 (revised 2004) requires the Group to present minority interests in the consolidated balance sheet within equity, separately from the shareholders' equity of the Company. The superseded FRS 27 did not require the presentation of minority interests within equity.

(d) FRS 39 (revised 2004) has affected:

(i) Classification and consequential accounting of financial assets and financial liabilities

FRS 39 requires all financial assets and liabilities to be classified into appropriate categories at initial recognition and re-evaluates this designation at every reporting date. The classification depends on the purpose for which the financial asset or liabilities were acquired or incurred. The categories and the respective subsequent measurement rules are as follows:

- Financial assets or financial liabilities at fair value through profit and loss

  The Group's derivative contracts that are not hedges are classified in this category. This is initially recognised at fair value and subsequently re-measured to fair value at the balance sheet date with all gain and loss recognised in profit or loss in the period in which the change in fair value arise.

  Previously, the Group's derivative contracts that are not hedges were stated at the lower of cost and market value on an aggregated portfolio basis, with changes in market value included in the income statement.

- Loans and receivables

  These include the Group's trade and other receivables and cash and bank balances. They are initially recognised at its fair value plus transaction costs and subsequently accounted for at amortised cost using the effective interest method, less impairment (see note (ii) below).

  Previously, the Group's trade and other receivables were stated at the gross proceeds receivable less an allowance for doubtful receivable. Cash and bank balances were recognised at cost. Interest-free loans from the Company to its subsidiaries were stated at gross receivables in the Company's balance sheet.

- Available-for-sale financial assets

  These include the Group's investments that are not classified in the 2 categories above, namely the investment in equity interest of other companies. They are initially recognised at its fair value and subsequently measured at the fair values at the balance sheet date with all gains and losses other than impairment loss taken to equity. Impairment losses are taken to the income statement in the period it arises. On disposal, gains and losses previously taken to equity are included in the income statement.

  Previously, such investments of the Group were stated at cost less provision for diminution in value that was other than temporary, which was charged to the income statement when it arose. Any reversal of the provision was also included in the income statement.

- Other financial liabilities

  These are financial liabilities that are not held for trading nor designated as fair value through profit or loss. These include the Group's trade and other payables and bank borrowings. They are initially recognised at its fair value less transaction costs and subsequently accounted for at amortised cost using the effective interest method.

  Previously, trade and other payables were stated at cost. Bank borrowings were stated at the proceeds received and transaction costs on borrowings were classified as deferred charges and amortised on a straight-line basis over the period of the borrowings.

(ii) Impairment and uncollectibility of financial assets

FRS 39 (revised 2004) requires the Group to assess at each balance sheet date if there is any objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Impairment of trade receivables is established when there is objective that the Group will not be able to collect all amounts due according to the original terms of receivables. The impairment charge is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment charge is recognised in the income statement.

Previously, the Group maintains a general provision against its trade and other receivables for risks that are not specifically identified to any customer. See note (i) above for previous accounting treatment of investments.

(iii) Fair values of financial assets and liabilities

At each balance sheet date, the fair values of quoted financial assets and liabilities are based on current bid prices. If the market for a financial asset or liabilities is not active (and for unquoted financial assets and liabilities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Previously, the Group uses the last transacted prices of quoted financial assets or liabilities as the market values. Fair values of unquoted financial assets and liabilities were measured at cost and an allowance for diminution is made where, in the opinion of the directors, there is a decline other than temporary in the value of such investment. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months	
	01.01.2005 to 31.03.2005 Cents	01.01.2004 to 31.03.2004 Cents
Earnings 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	0.01	(0.01)
(b) On a fully diluted basis	0.01	(0.01)
Weighted average number of ordinary shares in issue for basic and diluted earnings per share ('000)	568,549	568,549

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

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

	Group		Company	
	31.03.2005 Cents	31.12.2004 Cents	31.03.2005 Cents	31.12.2004 Cents
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	63.82	63.18	39.52	38.94

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 2005 vs. 3 Months ended 31 March 2004

Net Profit/Operating Profit

The Group reported a net profit after tax and minority interests of $0.07 million for the first quarter ended 31 March 2005 as compared to loss of $0.08 million in the previous corresponding quarter. Operating profit for the current quarter amounted to $2.22 million, a 19.4% increase from $1.86 million in the previous corresponding quarter.

Revenue and Operating Costs

The Group's revenue increased by 6.0% to $87.07 million for the first quarter ended 31 March 2005 from $82.16 million in the previous corresponding quarter. The increase was due mainly to higher sales from food and beverage division in Singapore and Malaysia.

The other operating income registered an increase of 67.8% to $0.88 million in the first quarter ended 31 March 2005 from $0.53 million for the previous corresponding quarter, which was derived mainly from higher foreign exchange gains and interest income.

The Group had increased its total marketing, advertising and promotion spending to $7.02 million for the first quarter ended 31 March 2005 as compared to $6.23 million in the previous corresponding quarter. The increase was due mainly to the aggressive promotion activities during the Chinese New Year festive season and advertising programs.

The Group's had increased its selling and distribution costs and administrative expenses to $22.25 million for the first quarter ended 31 March 2005 as compared to $19.36 million in the previous corresponding quarter. The increase was due mainly to higher sales commissions and Chinese New Year's sales incentives, increased expenses in line with higher sales and higher professional fees.

The Group recorded a lower share of profit from its associated company in China to $0.06 million for the first quarter ended 31 March 2005 as compared to $0.31 million in the previous corresponding quarter.

The lower taxation for the first quarter ended 31 March 2005 was due to over provision of tax for prior years written back in first quarter 2005.

8(b) Balance Sheet

Group

Trade receivables increased by $5.07 million to $68.36 million as at 31 March 2005 from $63.29 million as at 31 December 2004. The increase was due mainly to the higher sales from the food and beverage division during the Chinese New Year festive season.

Inventories was reduced to $31.10 million as at 31 March 2005 as compared to $36.11 million as at 31 December 2004 due mainly to stock piling in December 2004 for the Chinese New Year festive season.

Other receivables, deposits and prepayments increased by $2.92 million to $6.31 million as at 31 March 2005 from $3.39 million as at 31 December 2004. The increase was due mainly to payment in advance for purchases of raw materials amounting to $2.0 million.

Available-for-sale investments increased by $2.47 million to $18.86 million as at 31 March 2005 from $16.39 million as at 31 December 2004. The increase was due to the measurement of quoted investments at higher market value as at 31 March 2005 following the adoption of FRS 39 (revised 2004).

Trade payables increased by 21.8% to $27.95 million as at 31 March 2005 from $22.94 million as at 31 December 2004. The increase was due to higher purchases in current quarter 2005 to meet the increase in production volumes.

Short-term bank borrowings reduced by 8.3% to $27.84 million as at 31 March 2005 as a result of partial loan repayment.

Company

The Company's cash and cash equivalent increased by $0.59 million from $6.10 million as at 31 December 2004 to $6.69 million as at 31 March 2005. The increase in cash and cash equivalent was due mainly to payment from subsidiaries partly offset by settlement of a prior year income tax assessment.

Arising from the settlement of the prior year income tax assessment, there is a corresponding increase in the income tax recoverable of $0.39 million to $3.02 million as at 31 March 2005.

Available-for-sale investments increased by $2.47 million to $18.28 million as at 31 March 2005 from $15.81 million as at 31 December 2004. The increase was due to the measurement of quoted investments at higher market value as at 31 March 2005 following the adoption of FRS 39 (revised 2004).

8(c) Cash Flow Statement

3 months ended 31 March 2005

The Group reported a net increase in cash of $2.48 million for the first quarter ended 31 March 2005 as compared to a net increase in cash of $0.98 million for the previous corresponding quarter.

The net increase in cash for the current quarter was contributed by $6.40 million from operating activities, less inter alia $1.44 million used for the purchase of property, plant and equipment and $2.57 million used for the partial repayment of short-term borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current announced results are in line with the prospect statement disclosed previously.

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.

Raw materials prices continue to rise and the selling prices continue to be very competitive. Nevertheless, barring any significant change in operating conditions, the Group expects its Year 2005 earnings for the Food and Beverage division to remain satisfactory.

For the Property division, the Group will continue to drive sales on its existing developments.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend is recommended for the financial period reported on.

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
6 May 2005