

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 31 December 2008

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

1(a)(i) Consolidated Income Statement

	12 Months		3 Months	
	01.01.2008 to 31.12.2008	01.01.2007 to 31.12.2007	01.10.2008 to 31.12.2008	01.10.2007 to 31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	414,363	436,974	94,400	95,963
Cost of sales	(282,224)	(303,959)	(63,200)	(64,409)
Gross profit	132,139	133,015	31,200	31,554
Other income	2,948	3,158	767	819
Other gains	3,457	15,462	1,505	11,522
Expenses				
- Advertising and promotion	(31,170)	(30,209)	(8,137)	(6,218)
- Marketing	(1,983)	(3,215)	(482)	(495)
- Selling and distribution	(69,925)	(66,177)	(15,750)	(15,732)
- Administrative	(29,882)	(23,852)	(6,530)	(4,830)
- Other operating	(20,341)	(2,155)	(18,391)	(928)
- Finance	(1,921)	(3,497)	(482)	(705)
Share of (losses)/profits of associated companies	(2,005)	820	(1,771)	(508)
(Loss)/profit before income tax	(18,683)	23,350	(18,071)	14,479
Income tax credit/(expense)	13,732	(23,057)	284	(22,386)
Net (loss)/profit	(4,951)	293	(17,787)	(7,907)
Attributable to:				
Equity holders of the Company	(4,599)	2,531	(16,700)	(7,017)
Minority interests	(352)	(2,238)	(1,087)	(890)
	(4,951)	293	(17,787)	(7,907)

1(a)(ii) Notes to Consolidated Profit and Loss Statement

The net (loss)/profit is derived after charging/(crediting) the following:

	12 Months		3 Months	
	01.01.2008 to 31.12.2008	01.01.2007 to 31.12.2007	01.10.2008 to 31.12.2008	01.10.2007 to 31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from available-for-sale financial assets	(1,589)	(1,088)	(221)	(682)
<u>Cost of sales</u>				
Depreciation	4,521	4,585	1,153	1,131
Write down of inventories, net	2,209	2,640	432	1,379
<u>Marketing expense</u>				
Depreciation	32	27	9	7
Write down of inventories, net	14	16	-	2
<u>Selling and distribution expense</u>				
Depreciation	2,746	2,683	692	663
Impairment of trade debts, net	784	450	281	305
Write down of inventories, net	609	1,268	518	919
<u>Administrative expense</u>				
Impairment of goodwill	5,361	-	-	-
Depreciation	2,597	2,853	621	820
Write down of inventories, net	46	40	48	32
<u>Other operating expense/(gains)</u>				
Revaluation loss of property, plant and equipment	5,908	-	5,908	-
Property, plant and equipment written-off	1,023	53	966	26
Impairment/(write back on impairment) of available-for-sale financial assets	7,138	(42)	7,138	(42)
Write back of allowance for doubtful balances to associated companies	-	(149)	-	(153)
Impairment in associated company	47	-	-	-
Allowance for/(write back of) foreseeable losses on development properties	2,033	(10,776)	2,033	(8,064)
Fair value loss/(gain) on investment properties, net	1,258	(2,956)	1,258	(2,956)
Net foreign exchange loss	1,213	2,293	1,554	1,098
(Profit)/loss on sale of :				
(a) Plant and equipment	(69)	(284)	(44)	(11)
(b) Assets held for sale	(78)	9	-	-
Interest income	(845)	(1,853)	(189)	(413)
<u>Finance expense</u>				
	1,921	3,497	482	705
<u>Income tax credit/(expense)</u>				
(Over)/under provision of tax in respect of prior years	(16,785)	21,066	(429)	22,149

1(b) Balance Sheets

	Group		Company	
	As at 31.12.2008	As at 31.12.2007	As at 31.12.2008	As at 31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	67,127	84,306	576	725
Trade and other receivables	87,048	94,652	15,102	27,309
Inventories	50,820	53,335	-	-
Development properties	125,410	127,372	-	-
Current income tax recoverable	2,207	1,254	1,395	37
Other current assets	3,092	1,633	96	72
	335,704	362,552	17,169	28,143
Assets held for sale	192	369	-	-
	335,896	362,921	17,169	28,143
Non-current assets				
Available-for-sale financial assets	51,788	99,543	17,108	36,683
Loans to subsidiaries	-	-	40,846	40,575
Investments in associated companies	2,223	4,280	-	-
Investments in subsidiaries	-	-	400,857	400,857
Investment properties	51,884	54,325	34,000	34,000
Property, plant and equipment	139,852	123,865	9	10
Goodwill	-	5,361	-	-
Deferred income tax assets	3,807	4,839	-	-
	249,554	292,213	492,820	512,125
Total assets	585,450	655,134	509,989	540,268
LIABILITIES				
Current liabilities				
Trade and other payables	88,874	94,635	272,042	273,762
Current income tax liabilities	1,215	30,133	-	-
Borrowings	65,810	56,606	36,300	39,000
Provisions for other liabilities and charges	946	977	-	30
	156,845	182,351	308,342	312,792
Non-current liabilities				
Loans from subsidiaries	-	-	47,476	47,271
Borrowings	-	18,003	-	-
Provisions for other liabilities and charges	2,510	2,484	-	-
Deferred income tax liabilities	16,841	12,423	-	1,935
Other non-current liabilities	37	3	-	-
	19,388	32,913	47,476	49,206
Total liabilities	176,233	215,264	355,818	361,998
NET ASSETS	409,217	439,870	154,171	178,270
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	218,568	218,568	218,568	218,568
Capital reserve	10,145	10,145	-	-
Revaluation and other reserves	12,221	40,040	(2,021)	12,338
Retained earnings/(accumulated losses)	110,747	113,929	(62,376)	(52,636)
	351,681	382,682	154,171	178,270
Minority interests	57,536	57,188	-	-
TOTAL EQUITY	409,217	439,870	154,171	178,270

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

Amount repayable in one year or less, or on demand

As at 31.12.2008		As at 31.12.2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
22,010	43,800	15,246	41,360

Amount repayable after one year

As at 31.12.2008		As at 31.12.2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	18,003	-

Details of any collateral

In 2008, short-term bank loans of the Group totalling \$22,007,000 are secured by investment in available-for-sale financial assets, a first mortgage over the leasehold property of a subsidiary and a first mortgage over the residential freehold development property of a subsidiary. In the prior year, short-term bank loans totalling \$15,239,000 is secured by a corporate guarantee given by the Company and a first mortgage over the leasehold property of a subsidiary and investment in available-for-sale financial assets. The non-current bank loans are secured by a first mortgage over the residential freehold development property of a subsidiary.

Certain property, plant and equipment were purchased under finance lease agreements. The net book value of these assets acquired amounted to \$18,000 (2007: \$21,000).

1(c) Consolidated Cash Flow Statement

	12 months ended		3 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net (loss)/profit	(4,951)	293	(17,787)	(7,907)
Adjustments for :				
Income tax	(13,732)	23,057	(284)	22,386
Depreciation of property, plant and equipment	9,896	10,148	2,475	2,621
Dividend income from available-for-sale financial assets	(1,589)	(1,088)	(221)	(682)
Property, plant and equipment written-off	1,023	53	966	26
Fair value loss/(gain) on investment properties, net	1,258	(2,956)	1,258	(2,956)
Exchange difference on consolidation	(3,385)	784	(90)	(640)
Gain on disposal of plant and equipment	(69)	(284)	(44)	(11)
(Gain)/loss on disposal of assets held for sale	(78)	9	-	-
Gain on liquidation of subsidiary	(21)	-	(21)	-
Impairment of goodwill	5,361	-	-	-
Impairment/(write back of impairment) of available-for-sale financial assets	7,138	(42)	7,138	(42)
Interest expense	1,921	3,497	482	705
Interest income	(845)	(1,853)	(189)	(413)
Allowance for/(write back of) foreseeable losses on development properties	2,033	(10,776)	2,033	(8,064)
Allowance for impairment in associated company	47	-	-	-
Provision for retirement benefits (net)	299	3	72	(236)
Reversal of provision for restructuring cost	(30)	-	(30)	-
Impairment of property, plant and equipment	5,908	-	5,908	-
Share of results of associated companies	2,005	(820)	1,771	508
Operating cash flow before working capital change	12,189	20,025	3,437	5,295
Change in working capital				
Development properties	(71)	43,995	(1,825)	5,415
Inventories	2,515	4,288	(8,802)	(6,254)
Receivables	7,604	27,132	15,920	14,542
Other current assets	(1,459)	(1,436)	202	377
Trade and other payables	(6,707)	(12,827)	(11,408)	(7,783)
Cash generated from/(used in) operations	14,071	81,177	(2,476)	11,592
Income tax (paid)/refunded	(16,613)	(366)	60	218
Restructuring costs paid	(1)	(10)	-	-
Retirement benefits paid	(151)	(176)	(29)	(38)
Net cash (used in)/provided by operating activities	(2,694)	80,625	(2,445)	11,772

	12 months ended		3 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from available-for-sale financial assets	1,589	1,088	221	682
Purchase of minority interest share in a subsidiary	(235)	(484)	-	(484)
Proceeds from disposal of property, plant and equipment	187	904	155	(7)
Proceeds from disposal of assets held for sale	427	68	-	-
Dividend income received from associated company	-	1,247	-	316
Purchase of property, plant and equipment	(2,980)	(5,581)	(770)	(921)
Renovation of investment property	(12)	-	-	-
Purchase of available-for-sale financial assets	(174)	(81,942)	-	(10)
Net cash used in investing activities	(1,198)	(84,700)	(394)	(424)
Cash flows from financing activities				
Dividends paid to minority shareholders of a subsidiary	(2,880)	(3,004)	(1,242)	(1,290)
Issue of share capital	-	9,100	-	-
Purchase of treasury shares	(1)	(217)	-	-
Interest received	845	1,853	189	413
Interest paid	(2,060)	(2,908)	(739)	(420)
Repayment of borrowings	(57,758)	(59,500)	(16,351)	(26,500)
Proceeds from borrowings	48,573	60,960	13,216	18,500
Repayment of finance lease liabilities	(6)	(6)	(1)	(1)
Net cash (used in)/provided by financing activities	(13,287)	6,278	(4,928)	(9,298)
Net (decrease)/increase in cash and cash equivalents	(17,179)	2,203	(7,767)	2,050
Cash and cash equivalents at the beginning of the financial period	84,306	82,103	74,894	82,256
Cash and cash equivalents at the end of the financial period	67,127	84,306	67,127	84,306
Represented by:				
Cash at bank and on hand	23,124	35,086	23,124	35,086
Fixed deposits with financial institutions	44,003	49,220	44,003	49,220
	67,127	84,306	67,127	84,306

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$29,759,000 (2007: \$28,908,000) 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 2008

	Total share capital	Capital reserve	Property revaluation reserve	Fair value reserve	Foreign currency translation reserve	General reserve	Retained earnings	Minority interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	218,568	10,145	88,465	(1,460)	(48,203)	1,238	113,929	57,188	439,870
Fair value loss on available-for-sale investments	-	-	-	(14,719)	-	-	-	(226)	(14,945)
Currency translation differences	-	-	-	-	(2,287)	-	-	(534)	(2,821)
Net loss recognised directly in equity	-	-	-	(14,719)	(2,287)	-	-	(760)	(17,766)
Profit for the period	-	-	-	-	-	-	9,499	266	9,765
Total recognised (losses)/gain for the period ended 31 March 2008	-	-	-	(14,719)	(2,287)	-	9,499	(494)	(8,001)
Effect of acquisition of minority interest shares in a subsidiary	-	-	-	-	-	(118)	-	(117)	(235)
Transfer from reserve on realisation	-	-	(536)	-	-	-	536	-	-
Balance at 31 March 2008	218,568	10,145	87,929	(16,179)	(50,490)	1,120	123,964	56,577	431,634
Fair value gain/(loss) on available-for-sale investments	-	-	-	5,781	-	-	-	(413)	5,368
Currency translation differences	-	-	-	-	(3,615)	-	-	(2,073)	(5,688)
Net gain/(loss) recognised directly in equity	-	-	-	5,781	(3,615)	-	-	(2,486)	(320)
(Loss)/profit for the period	-	-	-	-	-	-	(4,366)	43	(4,323)
Total recognised gain/(losses) for the period ended 30 June 2008	-	-	-	5,781	(3,615)	-	(4,366)	(2,443)	(4,643)
Effect of treasury shares in a subsidiary acquired from minority interest	-	-	-	-	-	-	-	(1)	(1)
Dividend	-	-	-	-	-	-	-	(1,638)	(1,638)
Transfer from reserve on realisation	-	-	(578)	-	-	-	578	-	-
Balance at 30 June 2008	218,568	10,145	87,351	(10,398)	(54,105)	1,120	120,176	52,495	425,352
Fair value (loss)/gain on available-for-sale investments	-	-	-	(20,523)	-	-	-	268	(20,255)
Currency translation differences	-	-	-	-	2,413	-	-	(399)	2,014
Net (loss)/gain recognised directly in equity	-	-	-	(20,523)	2,413	-	-	(131)	(18,241)
Profit for the period	-	-	-	-	-	-	6,968	426	7,394
Total recognised (loss)/gains for the period ended 30 September 2008	-	-	-	(20,523)	2,413	-	6,968	295	(10,847)
Dividend	-	-	-	-	-	-	-	(1,242)	(1,242)
Transfer from reserve on realisation	-	-	(24)	-	-	-	24	-	-
Balance at 30 September 2008	218,568	10,145	87,327	(30,921)	(51,692)	1,120	127,168	51,548	413,263
Fair value loss on available-for-sale investments	-	-	-	(9,006)	-	-	-	(274)	(9,280)
Revaluation gain on property, plant and equipment	-	-	14,839	-	-	-	-	7,023	21,862
Currency translation differences	-	-	-	-	821	-	-	327	1,148
Liquidation of subsidiary	-	-	-	-	12	-	-	-	12
Net gain/(loss) recognised directly in equity	-	-	14,839	(9,006)	833	-	-	7,076	13,742
Loss for the period	-	-	-	-	-	-	(16,700)	(1,087)	(17,787)
Total recognised gains/(losses) for the period ended 31 December 2008	-	-	14,839	(9,006)	833	-	(16,700)	5,989	(4,045)
Effect of treasury shares in a subsidiary acquired from minority interest	-	-	-	-	-	-	-	(1)	(1)
Transfer from reserve on realisation	-	-	(279)	-	-	-	279	-	-
Balance at 31 December 2008	218,568	10,145	101,887	(39,927)	(50,859)	1,120	110,747	57,536	409,217

1(d)(i) Consolidated Statement of Changes in Equity
For the financial year ended 31 December 2007

	Total share capital \$'000	Capital reserve \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Retained earnings \$'000	Minority interest \$'000	Total equity \$'000
Balance at 1 January 2007	209,468	10,145	95,492	5,547	(48,405)	1,774	91,466	59,768	425,255
Fair value loss on available-for-sale financial assets	-	-	-	(188)	-	-	-	(36)	(224)
Revaluation gain on property, plant and equipment	-	-	8,421	-	-	-	-	-	8,421
Currency translation differences	-	-	-	-	965	-	-	643	1,608
Net gain recognised directly in equity	-	-	8,421	(188)	965	-	-	607	9,805
Profit for the period	-	-	-	-	-	-	3,863	800	4,663
Total recognised gains/(loss) for the period ended 31 March 2007	-	-	8,421	(188)	965	-	3,863	1,407	14,468
Effect of treasury shares in a subsidiary acquired from minority interest	-	-	(7,315)	-	-	(52)	7,315	(164)	(216)
Transfer from reserve on realisation	-	-	-	-	(47,440)	1,722	102,644	61,011	439,507
Balance at 31 March 2007	209,468	10,145	96,598	5,359	(47,440)	1,722	102,644	61,011	439,507
Fair value gain/(loss) on available-for-sale investments	-	-	-	1,851	-	-	-	(320)	1,531
Currency translation differences	-	-	-	-	2,346	-	-	710	3,056
Net gain recognised directly in equity	-	-	-	1,851	2,346	-	-	390	4,587
Profit/(loss) for the period	-	-	-	-	-	-	3,871	(774)	3,097
Total recognised gains/(loss) for the period ended 30 June 2007	-	-	-	1,851	2,346	-	3,871	(384)	7,684
Issue of share capital	9,100	-	-	-	-	-	-	(1,714)	9,100
Dividend	-	-	(7,816)	-	-	-	7,816	-	(1,714)
Transfer from reserve on realisation	-	-	-	-	-	-	-	-	-
Balance at 30 June 2007	218,568	10,145	88,782	7,210	(45,094)	1,722	114,331	58,913	454,577
Fair value(loss)/gain on available-for-sale investments	-	-	-	(6,246)	-	-	-	303	(5,943)
Currency translation differences	-	-	-	-	(1,091)	-	-	(1,080)	(2,171)
Net loss recognised directly in equity	-	-	-	(6,246)	(1,091)	-	-	(777)	(8,114)
Profit/(loss) for the period	-	-	-	-	-	-	1,814	(1,374)	440
Total recognised (losses)/gain for the period ended 30 September 2007	-	-	-	(6,246)	(1,091)	-	1,814	(2,151)	(7,674)
Issue of share capital	-	-	-	-	-	-	-	-	-
Deferred tax adjustment	-	-	666	-	(1)	-	-	431	1,096
Effect of treasury shares in a subsidiary acquired from minority interest	-	-	-	-	-	-	-	(1)	(1)
Transfer from reserve on realisation	-	-	(1,656)	-	-	-	1,665	6	15
Balance at 30 September 2007	218,568	10,145	87,792	964	(46,186)	1,722	117,810	57,198	448,013
Fair value loss on available-for-sale investments	-	-	-	(2,424)	-	-	-	(298)	(2,722)
Currency translation differences	-	-	3,809	-	(2,017)	-	-	2,466	6,275
Net loss recognised directly in equity	-	-	3,809	(2,424)	(2,017)	-	(7,017)	2	(2,015)
Loss for the period	-	-	-	-	-	-	-	2,170	1,538
Total recognised loss for the period ended 31 December 2007	-	-	3,809	(2,424)	(2,017)	-	(7,017)	1,280	(6,369)
Dividend	-	-	-	-	-	-	-	(1,290)	(1,290)
Effect of acquisition of minority interest shares in a subsidiary	-	-	(3,136)	-	-	(484)	3,136	-	(484)
Transfer from reserve on realisation	-	-	-	-	-	-	-	-	-
Balance at 31 December 2007	218,568	10,145	88,465	(1,460)	(48,203)	1,238	113,929	57,188	439,870

Balance at 1 January 2007
Fair value loss on available-for-sale financial assets
Revaluation gain on property, plant and equipment
Currency translation differences
Net gain recognised directly in equity
Profit for the period
Total recognised gains/(loss) for the period ended 31 March 2007
Effect of treasury shares in a subsidiary acquired from minority interest
Transfer from reserve on realisation
Balance at 31 March 2007
Fair value gain/(loss) on available-for-sale investments
Currency translation differences
Net gain recognised directly in equity
Profit/(loss) for the period
Total recognised gains/(loss) for the period ended 30 June 2007
Issue of share capital
Dividend
Transfer from reserve on realisation
Balance at 30 June 2007
Fair value(loss)/gain on available-for-sale investments
Currency translation differences
Net loss recognised directly in equity
Profit/(loss) for the period
Total recognised (losses)/gain for the period ended 30 September 2007
Issue of share capital
Deferred tax adjustment
Effect of treasury shares in a subsidiary acquired from minority interest
Transfer from reserve on realisation
Balance at 30 September 2007
Fair value loss on available-for-sale investments
Currency translation differences
Net loss recognised directly in equity
Loss for the period
Total recognised loss for the period ended 31 December 2007
Dividend
Effect of acquisition of minority interest shares in a subsidiary
Transfer from reserve on realisation
Balance at 31 December 2007

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

For the financial year ended 31 December 2008

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	218,568	12,338	(52,636)	178,270
Fair value loss on available-for-sale investments	-	(5,255)	-	(5,255)
Net loss recognised directly in equity	-	(5,255)	-	(5,255)
Net profit for the period	-	-	469	469
Balance at 31 March 2008	218,568	7,083	(52,167)	173,484
Fair value loss on available-for-sale investments	-	(3,999)	-	(3,999)
Net loss recognised directly in equity	-	(3,999)	-	(3,999)
Net profit for the period	-	-	332	332
Balance at 30 June 2008	218,568	3,084	(51,835)	169,817
Fair value loss on available-for-sale investments	-	(2,708)	-	(2,708)
Net loss recognised directly in equity	-	(2,708)	-	(2,708)
Net loss for the period	-	-	(971)	(971)
Balance at 30 September 2008	218,568	376	(52,806)	166,138
Fair value loss on available-for-sale investments	-	(2,397)	-	(2,397)
Net loss recognised directly in equity	-	(2,397)	-	(2,397)
Net loss for the period	-	-	(9,570)	(9,570)
Balance at 31 December 2008	218,568	(2,021)	(62,376)	154,171

For the financial year ended 31 December 2007

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2007	209,468	4,987	(4,943)	209,512
Fair value loss on available-for-sale investments	-	(131)	-	(131)
Net loss recognised directly in equity		(131)	-	(131)
Net profit for the period	-	-	550	550
Balance at 31 March 2007	209,468	4,856	(4,393)	209,931
Fair value gain on available-for-sale investments	-	2,347	-	2,347
Net gain recognised directly in equity	-	2,347	-	2,347
Net loss for the period	-	-	(8,087)	(8,087)
Issue of share capital	9,100	-	-	9,100
Balance at 30 June 2007	218,568	7,203	(12,480)	213,291
Fair value gain on available-for-sale investments	-	3,849	-	3,849
Net gain recognised directly in equity	-	3,849	-	3,849
Net loss for the period	-	-	(25,752)	(25,752)
Balance at 30 September 2007	218,568	11,052	(38,232)	191,388
Fair value gain on available-for-sale investments	-	1,286	-	1,286
Net gain recognised directly in equity	-	1,286	-	1,286
Net loss for the period	-	-	(14,404)	(14,404)
Balance at 31 December 2007	218,568	12,338	(52,636)	178,270

- 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:-

	31.12.2008	31.12.2007
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 2008 (31 December 2007: 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 2007.

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.

Not applicable.

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	
	01.01.2008 To 31.12.2008	01.01.2007 To 31.12.2007	01.10.2008 To 31.12.2008	01.10.2007 To 31.12.2007
(Loss)/earnings per ordinary share for the period based on net (loss)/ profit attributable to equity holders of the Company during the period:-				
(a) Based on weighted average number of ordinary share in issue (cents)	(0.80)	0.44	(2.91)	(1.22)
(b) On a fully diluted basis (cents)	(0.80)	0.44	(2.90)	(1.22)
Weighted average number of ordinary shares in issue for calculation of basic (loss)/earnings per share ('000)	573,920	571,698	573,920	573,920
Weighted average number of ordinary shares in issue for calculation of diluted (loss)/earnings per share ('000)	576,404	578,572	576,404	576,404

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

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

	Group		Company	
	31.12.2008 Cents	31.12.2007 Cents	31.12.2008 Cents	31.12.2007 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	61.28	66.68	26.86	31.06

* 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 2008 vs. 12 Months ended 31 December 2007**

Food and Beverage division performance

The Food and Beverage ("F&B") division recorded revenue of \$406.07 million for the current financial year ended 31 December 2008, which was 9.6% higher than the \$370.61 million achieved in the previous financial year. The growth in revenue increased gross margins by \$14.29 million year-on-year. The increase was partially offset by higher selling and distribution costs of \$4.29 million largely in line with higher sales, higher share of loss of associated companies of \$2.83 million and lower income tax credit of 1.17 million. The net increase in profit after tax of \$6 million was however offset by the following charges in the current financial year:

- Goodwill impairment of \$5.36 million recorded in 2Q2008 under administrative expenses. A subsidiary in China is experiencing larger than expected losses as a result of increase in raw material prices in the foreseeable future, for which the subsidiary may not be able to fully pass on the increase in cost to the customers due to competitive pressures. Therefore the operating margins of China subsidiary will be negatively affected and the carrying amounts of the Group's investment in China have consequently been revised downwards;
- \$1.02 million of idle production equipments and obsolete machinery in a China subsidiary written off;
- Revaluation loss of property, plant and equipment of \$2.74 million;
- Impairment of available-for-sale financial assets of \$2.94 million pertaining to those quoted investments which suffered significant or prolonged decline in their fair values in Malaysia subsidiary;

As a result, despite the increase in F&B revenue and operating profits, the F&B division recorded a loss after tax of \$10.72 million in current financial year, as compared to a loss after tax of \$5.16 million in previous financial year.

Property division performance

The Property division recorded revenue of \$6.33 million in the current financial year, which was 90.3% lower than the \$64.98 million achieved in the previous financial year. The decrease in revenue was mainly due to full revenue recognition on sales from the Gardenvista development when the project obtained its Certificate of Completion in 2007.

Despite the decrease in revenue, the Property division recorded a profit after tax of \$12.07 million in the current financial year, as compared to a profit after tax of \$1.85 million in the previous financial year due to:

- \$1.47 million lower marketing and selling expenses as 97% of the Gardenvista development has already been sold in prior year, and the new development, Jardin has just commenced construction in September 2008;

- \$11.52 million income tax credit, mainly due to a write back of \$11.83 million over provision of prior years' tax arising from the settlement of its tax issue on revaluation surplus on land with IRAS. Higher provision of income tax of \$25.45 million was made in 2007 largely due to a \$23.3 million protective tax assessment raised by IRAS on same issue.

The increase was partially offset by the following:

- \$15.83 million lower gross profit due to lower current year sales;
- Additional allowance for foreseeable losses of \$2.03 million provided in current financial year, compared with write back of \$10.78 million allowance for foreseeable losses for development properties sold in 2007.

8(b) Fourth Quarter Results - 3 Months ended 31 December 2008 vs. 3 Months ended 31 December 2007

Food and Beverage division performance

The Food and Beverage ("F&B") division recorded revenue of \$92.82 million in 4Q2008, which was 15.6% higher than that achieved in 4Q2007 of \$80.3 million. The growth in revenue increased gross profit by \$6.75 million in 4Q2008. Despite the increase in revenue and gross profit, the F&B division recorded a loss after tax of \$8.31 million in 4Q2008, compared to a loss after tax of \$4.06 million in 4Q2007 due to:

- Higher advertising and promotion expense of \$1.92 million due mainly to higher level of promotion activities carried out in Malaysia to generate sales and launch of new product in China and Hong Kong market;
- Impairment of property, plant and equipment of \$2.74 million as a result of revaluation of group land and buildings at balance sheet date and \$0.97 million of idle production equipments and obsolete machinery in a China subsidiary written off;
- Impairment of available-for-sale financial assets of \$2.94 million in Malaysia subsidiary;
- Higher share of loss of associated companies of \$1.26 million due to poor performance of a China associated company in current quarter;
- Higher tax expense of \$1.31 million due mainly to higher tax provision made in current quarter.

Property division performance

The Property division recorded revenue of \$1.25 million in 4Q2008, which was 91.6% lower than the \$14.95 million achieved in 4Q2007. Despite the decrease in revenue, the Property division recorded a lower after tax loss of \$6.02 million in 4Q2008 mainly due to higher provision of income tax of \$22.87 million made in 4Q2007 as a result of \$23.3 million protective tax assessment raised by IRAS on a subsidiary's revaluation surplus on land.

The increase was partially offset by the following:

- \$6.79 million lower gross profit due to lower sales in 4Q2008;
- Additional allowance for foreseeable losses of \$2.03 million in 4Q2008, compared with write back of \$8.06 million allowance for foreseeable losses for development properties sold in 4Q2007.

8(c) Balance Sheet - 31 December 2008 vs. 31 December 2007

Group

Trade and other receivables for the Group decreased by \$7.6 million from \$94.65 million as at 31 December 2007 to \$87.05 million as at 31 December 2008. The decrease was mainly due to the collection of Jardin and Gradenvista sales proceeds, partially offset by increased F&B trade receivables in Singapore and Malaysia which was largely in line with the higher sales.

Available-for-sale financial assets decreased by \$47.75 million from \$99.54 million as at 31 December 2007 to \$51.79 million as at 31 December 2008 due mainly to \$47.2 million loss on revaluation of quoted investments at their fair value at balance sheet date.

Property, plant and equipment increased by \$15.98 million from \$123.87 million as at 31 December 2007 to \$139.85 million as at 31 December 2008, mainly due to the addition of \$4.11 million property and equipment and revaluation gain of \$29.06 million, partially offset by depreciation charge of \$9.9 million, impairment loss of \$5.91 million and production equipment write off of \$1.02 million in current year.

Goodwill arising from the Group's investment in Guangzhou subsidiary, amounting to \$5.36 million was impaired in 2Q2008 thus reducing the goodwill balance to Nil as at 31 December 2008.

Trade and other payables decreased by \$5.77 million from \$94.64 million as at 31 December 2007 to \$88.87 million as at 31 December 2008. The decrease was mainly due to faster settlement of trade payables, partially offset by increase in promotion and FOC expense accruals due to higher sales in Malaysia subsidiaries and payment of accruals for promotion expenses in property division.

Current income tax liabilities decreased by \$28.91 million from \$30.13 million as at 31 December 2007 to \$1.22 million as at 31 December 2008. The decrease was largely due to payment of \$12.51 million for the settlement of tax issue on revaluation surpluses for The Sterling and Dunearn development projects with IRAS and write back of \$16.79 million over provision in prior years.

Total borrowings decreased by \$8.8 million as at 31 December 2008 mainly due to repayment of long term property loan of \$8 million.

Company

Trade and other receivables decreased by \$12.21 million from \$27.31 million as at 31 December 2007 to \$15.1 million as at 31 December 2008 mainly due to repayment by a subsidiary during the year.

Available-for-sale financial assets decreased by \$19.57 million from \$36.68 million as at 31 December 2007 to \$17.11 million as at 31 December 2008 largely due to \$19.54 million fair value loss on revaluation of quoted investments.

Borrowings decreased by \$2.7 million from \$39 million as at 31 December 2007 to \$36.3 million as at 31 December 2008 due mainly to repayment of bank borrowings during the year.

Deferred income tax liabilities of \$1.94 million as at 31 December 2007 had been written back during the year as a result of decrease in fair value of quoted investments at balance sheet date.

8(d) Cash Flow Statement

Year to Date - 12 months ended 31 December 2008

The Group reported a net decrease in cash of \$17.18 million for the 12 months ended 31 December 2008 as compared to a net increase in cash of \$2.2 million for the financial year ended 31 December 2007.

The food and beverage operations generated negative cashflow of \$0.2 million, while the property division generated negative cashflow of \$2.5 million to the group due mainly to tax payment of \$14 million to settle prior years' tax issue with IRAS.

Cash outflow from investing activities of \$1.2 million was mainly due to purchase of property, plant & equipment worth \$2.98 million, partially offset by the dividends received from available-for-sale financial assets of \$1.59 million.

Cash outflow from financing activities of \$13.29 million was mainly due to net repayment of bank borrowings of \$9.19 million, dividend paid to minority shareholders of a subsidiary of \$2.88 million and net interest paid of \$1.22 million.

Fourth Quarter – 3 Months ended 31 December 2008

The Group registered a net decrease in cash of \$7.77 million in 4Q2008.

The food and beverage operations generated negative cashflow of \$1.35 million, while the property division generated negative cashflow of \$1.1 million due to lower collection from sales and payment of development cost for Jardin in 4Q2008.

Cash outflow from financing activities of \$4.93million was mainly due to net repayment of bank borrowing of \$3.14 million and dividend payment of \$1.24 million to minority shareholders' of a subsidiary.

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

On 2 February 2009, the Company made a profit guidance announcement whereby the Group is expected to be loss making in 2008 as a result of fair value or revaluation losses on the revaluation of the Group's assets. The actual results are in line with the profit guidance.

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.

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

In spite of challenging market conditions, the Group will continue to drive sales of its properties, including the newly launched development, Jardin which commenced construction in September 2008.

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

11. Contingent Liability

In June 2008, PT Kharisma Inti Persada, a company incorporated in Indonesia had filed a new suit in Central Jakarta District Court against certain subsidiaries of the Group, Yeo Hiap Seng (Malaysia) Berhad (YHSM) and PT YHS Indonesia (Incorporated in Indonesia), claiming for approximately Rupiah 219.9 billion (approximately S\$32 million), with interest for an alleged breach of an alleged distribution agreement and an alleged distribution appointment. In October 2008, the Central Jakarta District Court has dismissed the suit in favour of YHSM and PT YHS Indonesia.

PT Kharisma Inti Persada has filed an appeal request and the Central Jakarta District Court has on 9 January 2009 served on YHSM and PT YHS Indonesia, a formal notification on the appeal together with the memorial of appeal. YHSM will be contesting the claim. Based on the advice from YHSM's legal advisor in Indonesia, the Directors of YHSM are of the opinion that the claim is without merit and therefore unsustainable.

12. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

13. If no dividend has been declared/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 S\$'000	Property development S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Year ended 31 December 2008					
Revenue					
- External sales	406,068	6,326	1,969	-	414,363
- Inter-segment sales	-	-	3,380	(3,380)	-
	<u>406,068</u>	<u>6,326</u>	<u>5,349</u>	<u>(3,380)</u>	<u>414,363</u>
(Loss)/profit from operation	(9,402)	553	(5,908)	-	(14,757)
Share of results of associated companies	(2,005)	-	-	-	(2,005)
Segment result	<u>(11,407)</u>	<u>553</u>	<u>(5,908)</u>	<u>-</u>	<u>(16,762)</u>
Finance expense					(1,921)
Loss before income tax					<u>(18,683)</u>
Income tax					<u>13,732</u>
Loss after income tax					<u>(4,951)</u>
Minority interest					<u>352</u>
Net loss attributable to members of the Company					<u>(4,599)</u>

	Consumer food and beverage products S\$'000	Property development S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Year ended 31 December 2007 (Restated*)					
Revenue					
- External sales	370,606	64,978	1,390	-	436,974
- Inter-segment sales	-	-	2,908	(2,908)	-
	<u>370,606</u>	<u>64,978</u>	<u>4,298</u>	<u>(2,908)</u>	<u>436,974</u>
(Loss)/profit from operation	(5,980)	27,292	4,715	-	26,027
Share of results of associated companies	820	-	-	-	820
Segment result	<u>(5,160)</u>	<u>27,292</u>	<u>4,715</u>	<u>-</u>	<u>26,847</u>
Finance expense					(3,497)
Profit before income tax					<u>23,350</u>
Income tax					<u>(23,057)</u>
Profit after income tax					<u>293</u>
Minority interest					<u>2,238</u>
Net profit attributable to members of the Company					<u>2,531</u>

* Restatement arose mainly from reclassification of business segments of the group to conform with the current year presentation.

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 increase in revenue of \$35.46 million for consumer food and beverage products for the financial year ended 31 December 2008 was due mainly to improved food and beverage sales by the Group's Singapore and Malaysia subsidiaries. The growth in revenue increased gross profit by \$14.29 million.

15.2 Property Development

The segment recorded a lower operating profit of \$0.55 million as compared to \$27.29 million in previous financial year.

The lower operating profit was mainly due to the lower gross profit of \$15.83 million generally in line with lower sales in 2008 and additional allowance for foreseeable losses of \$2.03 million provided in current year and the absence of write back of \$10.78 million allowance for foreseeable losses made in 2007.

15.3 Others

The segment reported an operating loss of \$5.91 million as compared to operating profit of \$4.72 million in the previous financial year due mainly to the one time impairment of property of \$3.17 million and impairment of available-for-sale financial assets of \$4.14 million in the Company as well as the fair value loss of \$1.32 million on investment properties in subsidiaries.

16. A breakdown of sales

	Group		
	Latest financial year S\$'000	Previous financial year S\$'000	% increase/ (decrease)
Sales reported for first half year	209,606	233,410	-10.2%
Operating profit after tax before deducting minority interests reported for first half year	5,442	7,760	-29.9%
Sales reported for second half year	204,757	203,564	0.6%
Operating loss after tax before deducting minority interests reported for second half year	(10,393)	(7,467)	39.2%

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
24 February 2009