

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 31 March 2009

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

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

	3 Months	
	01.01.2009 to 31.03.2009	01.01.2008 to 31.03.2008
	S\$'000	S\$'000
Revenue	95,838	106,173
Cost of sales	(66,715)	(73,924)
Gross profit	29,123	32,249
Other income	636	708
Other gains/(losses) - net	363	(1,642)
Expenses		
- Advertising and promotion	(6,865)	(8,239)
- Marketing	(649)	(553)
- Selling and distribution	(15,081)	(17,128)
- Administrative	(6,011)	(6,223)
- Finance	(349)	(556)
Share of profits of associated companies	132	51
Profit/(loss) before income tax	1,299	(1,333)
Income tax (expense)/credit	(320)	11,098
Net profit for the period	979	9,765
Other comprehensive (losses)/income, after tax:		
- Fair value loss on available-for-sale financial assets	(5,740)	(14,945)
- Currency translation differences	3,402	(2,821)
- Revaluation gain transferred from property revaluation reserve to retained earnings	(874)	(536)
- Revaluation gain from property revaluation reserve realised in retained earnings	874	536
Other comprehensive losses for the period, net of tax	(2,338)	(17,766)
Total comprehensive loss for the period	(1,359)	(8,001)
Net profit attributable to:		
Owners of the parent	1,585	9,499
Minority interests	(606)	266
	979	9,765
Total comprehensive loss attributable to:		
Owners of the parent	(393)	(7,507)
Minority interests	(966)	(494)
	(1,359)	(8,001)

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

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

	3 Months	
	01.01.2009 to 31.03.2009	01.01.2008 to 31.03.2008
	S\$'000	S\$'000
<u>Revenue</u>		
Dividend income from available-for-sale financial assets	(40)	(40)
<u>Cost of sales</u>		
Depreciation	1,256	1,160
Write down of inventories, net	208	696
<u>Marketing expense</u>		
Depreciation	7	9
<u>Selling and distribution expense</u>		
Depreciation	651	703
Impairment of trade debts, net	115	102
<u>Administrative expense</u>		
Depreciation	849	605
<u>Other (gains)/losses - net</u>		
Property, plant and equipment written-off	53	17
Impairment loss on available-for-sale financial assets	1,585	-
Net foreign exchange (gain)/loss	(1,115)	830
Loss/(gain) on sale of :		
(a) Plant and equipment	5	(1)
(b) Assets held for sale	-	(78)
Transfer of fair value gains from equity on disposal of available-for-sale financial assets	(607)	-
<u>Other income</u>		
Interest income	(63)	(240)
<u>Finance expense</u>		
Interest expenses on bank borrowings	349	556
<u>Income tax</u>		
Under/(over) provision of tax in respect of prior years	88	(11,694)

1(b) Statements of Financial Position

	Group		Company	
	As at 31.03.2009	As at 31.12.2008	As at 31.03.2009	As at 31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	77,580	67,127	1,658	576
Trade and other receivables	78,817	87,048	15,574	15,102
Inventories	41,203	50,820	-	-
Development properties	126,876	125,410	-	-
Current income tax recoverable	2,651	2,207	1,432	1,395
Other current assets	3,434	3,092	82	96
	330,561	335,704	18,746	17,169
Assets held for sale	192	192	-	-
	330,753	335,896	18,746	17,169
Non-current assets				
Available-for-sale financial assets	40,530	51,788	12,193	17,108
Loans to subsidiaries	-	-	45,084	40,846
Investments in associated companies	2,477	2,223	-	-
Investments in subsidiaries	-	-	400,857	400,857
Investment properties	53,149	51,884	34,000	34,000
Property, plant and equipment	139,695	139,852	9	9
Deferred income tax assets	3,219	3,807	-	-
	239,070	249,554	492,143	492,820
Total assets	569,823	585,450	510,889	509,989
LIABILITIES				
Current liabilities				
Trade and other payables	78,837	88,874	274,158	272,042
Current income tax liabilities	813	1,215	-	-
Borrowings	62,078	65,810	31,258	36,300
Provisions for other liabilities and charges	946	946	-	-
	142,674	156,845	305,416	308,342
Non-current liabilities				
Loans from subsidiaries	-	-	49,749	47,476
Provisions for other liabilities and charges	2,481	2,510	-	-
Deferred income tax liabilities	16,771	16,841	-	-
Other non-current liabilities	39	37	-	-
	19,291	19,388	49,749	47,476
Total liabilities	161,965	176,233	355,165	355,818
NET ASSETS	407,858	409,217	155,724	154,171
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital	218,568	218,568	218,568	218,568
Capital reserve	10,145	10,145	-	-
Revaluation and other reserves	9,369	12,221	(2,318)	(2,021)
Retained earnings/(accumulated losses)	113,206	110,747	(60,526)	(62,376)
	351,288	351,681	155,724	154,171
Minority interests	56,570	57,536	-	-
TOTAL EQUITY	407,858	409,217	155,724	154,171

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

Amount repayable in one year or less, or on demand

As at 31.03.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
19,078	43,000	22,010	43,800

Details of any collateral

In 2009, short-term bank loans of the Group totalling \$19,077,000 (2008: \$22,007,000) are secured by investment in available-for-sale financial assets, a first mortgage over an investment property of a subsidiary and 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 \$17,753 (2008: \$18,000).

1(c) Consolidated Statement of Cash Flows

	3 months ended	
	31.03.2009	31.03.2008
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	979	9,765
Adjustments for :		
Income tax	320	(11,098)
Depreciation of property, plant and equipment	2,763	2,477
Dividend income from available-for-sale financial assets	(40)	(40)
Property, plant and equipment written-off	53	17
Exchange difference on consolidation	433	(1,528)
Loss/(gain) on disposal of plant and equipment	5	(1)
Gain on disposal of assets held for sale	-	(78)
Transfer of fair value gain from equity on disposal of available-for-sale financial assets	(607)	-
Impairment loss on available-for-sale financial assets	1,585	-
Interest expense	349	556
Interest income	(63)	(240)
Provision for retirement benefits	76	73
Share of profits of associated companies	(132)	(51)
Operating cash flow before working capital change	5,721	(148)
Change in working capital		
Trade and other receivables	8,231	2,076
Inventories	9,617	14,220
Development properties	(1,466)	690
Other current assets	(342)	(13)
Trade and other payables	(10,106)	(5,279)
Cash generated from operations	11,655	11,546
Income tax paid	(1,001)	(1,484)
Retirement benefits paid	(104)	(32)
Net cash provided by operating activities	10,550	10,030

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

	3 months ended	
	31.03.2009	31.03.2008
	S\$'000	S\$'000
Cash flows from investing activities		
Dividends received from available-for-sale financial assets	40	40
Purchase of minority interest share in a subsidiary	-	(235)
Proceeds from disposal of property, plant and equipment	4	1
Proceeds from disposal of assets held for sale	-	447
Proceeds from disposal of available-for-sale financial assets	4,540	-
Purchase of property, plant and equipment	(422)	(809)
Purchase of available-for-sale financial assets	-	(174)
Interest received	63	240
Net cash provided by/(used in) investing activities	4,225	(490)
Cash flows from financing activities		
Interest paid	(278)	(460)
Repayments of borrowings	(5,042)	(16,000)
Proceeds from borrowings	1,000	9,200
Repayments of finance lease liabilities	(2)	(2)
Net cash used in financing activities	(4,322)	(7,262)
Net increase in cash and cash equivalents	10,453	2,278
Cash and cash equivalents at the beginning of the financial period	67,127	84,306
Cash and cash equivalents at the end of the financial period	77,580	86,584
Represented by:		
Cash at bank and on hand	31,712	33,186
Fixed deposits with financial institutions	45,868	53,398
	77,580	86,584

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$26,605,000 (2008: \$29,759,000) 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 2009**

	<u>Attributable to owners of the parent</u>						<u>Minority interests</u>	<u>Total equity</u>
	Share capital \$'000	Capital reserves \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2009	218,568	10,145	101,887	(39,927)	(50,859)	1,120	110,747	351,681
Total comprehensive loss for the period	-	-	(874)	(5,392)	3,414	-	2,459	(393)
Balance at 31 March 2009	218,568	10,145	101,013	(45,319)	(47,445)	1,120	113,206	351,288
							56,570	407,858

For the financial period ended 31 March 2008

	<u>Attributable to owners of the parent</u>						<u>Minority interests</u>	<u>Total equity</u>
	Share capital \$'000	Capital reserves \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2008	218,568	10,145	88,465	(1,460)	(48,203)	1,238	113,929	382,682
Effect of acquisition of minority interests in a subsidiary	-	-	-	-	-	(118)	-	(118)
Total comprehensive loss for the period	-	-	(536)	(14,719)	(2,287)	-	10,035	(7,507)
Balance at 31 March 2008	218,568	10,145	87,929	(16,179)	(50,490)	1,120	123,964	375,057
							56,577	431,634

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

For the financial period ended 31 March 2009

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	218,568	(2,021)	(62,376)	154,171
Total comprehensive income for the period*	-	(297)	1,850	1,553
Balance at 31 March 2009	218,568	(2,318)	(60,526)	155,724

* Total comprehensive income for the period ended 31 March 2009 includes fair value loss on available-for-sale financial assets of \$297,000 and net profit for the period of \$1,850,000.

For the financial period ended 31 March 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
Total comprehensive loss for the period*	-	(5,255)	469	(4,786)
Balance at 31 March 2008	218,568	7,083	(52,167)	173,484

* Total comprehensive loss for the period ended 31 March 2008 includes fair value loss on available-for-sale financial assets of \$5,255,000 and net profit for the period of \$469,000.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital during the current financial period reported on.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year:-**

	31.03.2009	31.12.2008
Number of issued shares excluding treasury shares ('000)	573,920	573,920

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2009 (31 December 2008: 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 2008 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 2009, the Group adopted the revised Singapore Financial Reporting Standards (FRS 1R) – Presentation of financial statements.

FRS 1R requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in the Consolidated Statement of Comprehensive Income.

The 'Balance Sheets' and 'Cash flow statement' have been re-titled to 'Statements of financial position' and 'Statement of cash flows' respectively.

Comparatives for 2008 have been restated to conform to the requirements of the revised standard.

There was no impact on prior period earnings per ordinary share and net asset value per share on adoption of the revised FRS 1R.

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 owners of the parent during the period:-

(a) Based on weighted average number of ordinary share in issue (cents)

(b) On a fully diluted basis (cents)

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

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

Group	
3 months	
01.01.2009 To 31.03.2009	01.01.2008 To 31.03.2008
0.28	1.66
0.27	1.65
573,920	573,920
576,376	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.

Net asset value per ordinary share based on total number of issued shares excluding treasury shares* as at the end of the reporting period

Group		Company	
31.03.2009 Cents	31.12.2008 Cents	31.03.2009 Cents	31.12.2008 Cents
61.21	61.28	27.13	26.86

* The Company does not have any treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

8(a) Year to Date Results - 3 Months ended 31 March 2009 vs. 3 Months ended 31 March 2008

Food and Beverage division performance

The Food and Beverage ("F&B") division recorded revenue of \$93.23 million in 1Q2009, which was 10% lower than that achieved in 1Q2008 of \$103.56 million. As a result, 1Q2009 recorded lower gross profit of \$2.99 million as compared to 1Q2008 of \$30.80 million. Despite the decrease in revenue and gross profit, the F&B division recorded a loss after tax of \$0.26 million in 1Q2009, compared to a loss after tax of \$2.68 million in 1Q2008 due to:

- Lower advertising and promotion expense of \$1.37 million mainly due to lower spending in sponsorship and less promotion activities carried out in Singapore;
- Lower selling and distribution expense of \$2.07 million which is generally in line with lower sales;
- Higher other gains (net off with other operating expenses) of \$1.1 million mainly due to the absence of \$1.07 million accrual for additional payment for land use rights payable to the land authority in China and the absence of exchange loss of \$0.85 million on bank balances denominated in US dollar and Canadian dollar as a result of strengthening of Singapore dollar in 1Q2008, partially offset by Impairment of available-for-sale financial assets of \$0.9 million in Malaysia subsidiary;
- Lower income tax expense of \$0.35 million mainly due to tax recoverable position by Malaysia subsidiary as a result of losses suffered in 1Q09.

Property division performance

The property division recorded a profit after tax of \$0.44 million in 1Q2009, as compared to a profit after tax of \$12.37 million in 1Q2008. The difference was mainly due to the absence of 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 in 1Q2009.

8(b) Statements of financial Position - 31 March 2009 vs. 31 December 2008

Group

Trade and other receivables for the Group decreased by \$8.23 million from \$87.05 million as at 31 December 2008 to \$78.82 million as at 31 March 2009. The decrease was mainly due to improved collection from the food and beverage division, partially offset by increased receivables as a result of additional sales of development properties in 1Q2009,

Inventories were reduced by \$9.62 million from \$50.82 million as at 31 December 2008 to \$41.2 million as at 31 March 2009 mainly due to sale of Chinese New Year stocks built up in December 2008 for the festive season.

Available-for-sale financial assets decreased by \$11.26 million from \$51.79 million as at 31 December 2008 to \$40.53 million as at 31 March 2009. The decrease is due to \$5.13 million loss on revaluation of quoted investments at their fair value at balance sheet date, impairment loss of \$1.59 million and disposal of \$4.54 million quoted investments in 1Q2009.

Trade and other payables decreased by \$10.03 million from \$88.87 million as at 31 December 2008 to \$78.84 million as at 31 March 2009. The decrease was mainly due to prompt settlement of trade and other payables in F&B division and progress payment of accrued construction cost for Gardenvista project.

Bank borrowings decreased by \$3.73 million as at 31 March 2009 mainly due to repayment of short term bank loans.

Company

Available-for-sale financial assets decreased by \$4.92 million from \$17.11 million as at 31 December 2008 to \$12.19 million as at 31 March 2009 due to \$0.31 million fair value gain on revaluation of quoted investments, impairment loss of \$0.69 million and disposal of \$4.54 million quoted investments in 1Q2009.

Loan from subsidiaries (net off with loan to subsidiaries) decreased by \$1.96 million from \$6.63 million as at 31 December 2008 to \$4.67 million as at 31 March 2009. This is due to unrealised exchange gain from the Company's loan to China subsidiaries denominated in Chinese Renminbi and US dollar, partially offset by unrealised exchange loss from the Company's Hong Kong dollar loans from a subsidiary as a result of weakening of Singapore dollar.

Trade and other payables increased by \$2.12 million from \$272.04 million as at 31 December 2008 to \$274.16 million as at 31 March 2009 largely due to an advance received from a subsidiary.

Borrowings decreased by \$5.04 million from \$36.3 million as at 31 December 2008 to \$31.26 million as at 31 March 2009 due to repayment of short term bank loans.

8(c) Statement of Cash Flows

3 months ended 31 March 2009 vs. 3 months ended 31 March 2008

The Group reported a net increase in cash of \$10.45 million for the 3 months ended 31 March 2009 as compared to a net increase in cash of \$2.28 million for the previous corresponding quarter.

The food and beverage operations generated cashflow of \$14.85 million, while the property division generated negative cashflow of \$4.3 million mainly due to payment of construction cost for development properties.

Cash inflow from investing activities of \$4.23 million was mainly due to proceeds from disposal of available-for-sale financial assets of \$4.54 million, partially offset by purchase of property, plant & equipment worth \$0.42 million.

Cash outflow from financing activities of \$4.32 million was mainly due to net repayment of bank borrowings of \$4.04 million and interest paid of \$0.28 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 global recession will continue 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 development properties in 2009.

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 2008, the Central Jakarta District Court has dismissed the suit in favour of certain subsidiaries of the Group, Yeo Hiap Seng (Malaysia) Berhad (YHSM) and PT YHS Indonesia (Incorporated in Indonesia), in relation to a suit filed by PT Kharisma Inti Persada ("Plaintiff") in Central Jakarta District Court, claiming for approximately Rupiah 219.9 billion (approximately \$32 million) for an alleged breach of an alleged distribution agreement and an alleged distribution appointment. Subsequently a formal notification on the Plaintiff's appeal together with the Plaintiff's memorial of appeal has been served against YHSM. YHSM will be contesting the appeal and based on the advice from YHSM's legal advisor 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.

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
28 April 2009

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

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period ended 31 March 2009 to be false or misleading in any material respect.

On behalf of the Directors



TJONG YIK MIN
Director

28 April 2009



OW TIN NYAP
Director