

YHS YEO HIAP SENG LIMITED

(Company Registration No. 195500138Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 30 September 2011

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

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

	9 Months		3 Months	
	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.07.2011 to 30.09.2011	01.07.2010 to 30.09.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	349,376	311,904	126,667	109,490
Cost of sales	(220,528)	(195,654)	(80,519)	(66,734)
Gross profit	128,848	116,250	46,148	42,756
Other income	1,568	1,602	514	616
Other gains/(losses) - net	4,169	(5,263)	3,129	(331)
Expenses				
- Advertising and promotion	(29,927)	(25,191)	(11,754)	(9,123)
- Marketing	(2,643)	(1,638)	(1,181)	(780)
- Selling and distribution	(42,521)	(42,350)	(15,524)	(13,613)
- Administrative	(17,898)	(17,876)	(6,613)	(5,644)
- Finance	(163)	(553)	(43)	(115)
Share of profits of associated companies	749	379	174	52
Profit before income tax	42,182	25,360	14,850	13,818
Income tax expense	(6,612)	(4,439)	(1,899)	(2,584)
Net profit for the period	35,570	20,921	12,951	11,234
Other comprehensive income/(losses):				
Financial assets, available-for-sale				
- Fair value gains	9,274	32,853	7,368	15,529
Currency translation differences arising from consolidation	(2,611)	3,958	4,725	(1,640)
Currency translation reserves transferred to profit or loss upon liquidation of subsidiaries	(2,182)	(1,652)	(2,182)	(1,652)
Reduction in property revaluation reserve arising from impairment of properties	-	(2,741)	-	-
Other comprehensive income for the period, net of tax	4,481	32,418	9,911	12,237
Total comprehensive income for the period	40,051	53,339	22,862	23,471
Net profit attributable to:				
Equity holders of the Company	32,867	20,487	12,232	10,583
Non-controlling interests	2,703	434	719	651
	35,570	20,921	12,951	11,234
Total comprehensive income attributable to:				
Equity holders of the Company	38,939	51,019	21,906	22,660
Non-controlling interests	1,112	2,320	956	811
	40,051	53,339	22,862	23,471

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

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

	9 Months		3 Months	
	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.07.2011 to 30.09.2011	01.07.2010 to 30.09.2010
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Dividend income from financial assets, available-for-sale	(3,709)	(2,563)	(1,334)	(1,226)
<u>Cost of sales</u>				
Depreciation	3,070	3,919	1,100	1,589
Write-down of inventories, net	39	1,328	106	525
<u>Marketing expense</u>				
Depreciation	14	20	2	7
<u>Selling and distribution expense</u>				
Depreciation	1,534	1,598	551	540
Impairment of trade receivables, net	45	715	5	132
<u>Administrative expense</u>				
Depreciation	1,659	2,102	493	645
<u>Other losses/(gains) - net</u>				
Impairment loss on property, plant and equipment	749	5,534	-	6
Property, plant and equipment written-off	13	43	10	-
Gain on liquidation of subsidiaries, net	(2,182)	(1,526)	(2,182)	(1,526)
Impairment loss on financial assets, available-for-sale	301	966	301	2
Fair value gains on financial assets, at fair value through profit or loss	(856)	(51)	(343)	(51)
Write-back of allowance for foreseeable losses on development properties	(536)	(197)	(296)	(36)
Net foreign exchange loss/(gain)	547	3,403	(416)	2,424
(Gain)/Loss on disposal of property, plant and equipment	(496)	(97)	(5)	4
Write-back of loan from an associated company	(1,155)	-	-	-
<u>Other income</u>				
Interest income	(111)	(446)	(33)	(202)
<u>Finance expense</u>				
Interest expense on bank borrowings	163	553	43	115
<u>Income tax</u>				
(Over)/Under provision of tax in respect of prior years	(235)	118	(87)	159

1(b) Balance Sheets

	Group		Company	
	As at 30.09.2011	As at 31.12.2010	As at 30.09.2011	As at 31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	122,495	100,634	600	7,171
Financial assets, at fair value through profit or loss	28,978	20,429	-	-
Trade and other receivables	81,551	64,822	14,136	14,888
Inventories	45,277	46,886	-	-
Development properties	103,077	117,432	-	-
Current income tax recoverable	167	604	-	-
Other current assets	3,344	3,105	56	60
	384,889	353,912	14,792	22,119
Assets held for sale	1,088	-	-	-
	385,977	353,912	14,792	22,119
Non-current assets				
Financial assets, available-for-sale	117,340	108,548	7,946	8,568
Loans to subsidiaries	-	-	21,900	21,868
Investments in associated companies	4,119	3,204	-	-
Investments in subsidiaries	-	-	301,398	398,227
Investment properties	54,927	56,555	33,000	33,000
Property, plant and equipment	112,330	109,420	3,876	11
Intangible asset	-	17	-	-
Deferred income tax assets	1,174	1,381	-	-
	289,890	279,125	368,120	461,674
Total assets	675,867	633,037	382,912	483,793
LIABILITIES				
Current liabilities				
Trade and other payables	85,333	71,178	67,850	263,006
Current income tax liabilities	2,813	2,822	404	320
Borrowings	14,871	26,857	5,000	13,000
	103,017	100,857	73,254	276,326
Non-current liabilities				
Loans from subsidiaries	-	-	-	13,724
Provisions for other liabilities and charges	2,218	2,237	-	-
Deferred income tax liabilities	22,423	19,615	364	238
Other non-current liabilities	34	34	-	-
	24,675	21,886	364	13,962
Total liabilities	127,692	122,743	73,618	290,288
NET ASSETS	548,175	510,294	309,294	193,505
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	218,568	218,568	218,568	218,568
Capital reserves	6,066	6,066	-	-
Other reserves	113,326	119,298	3,192	3,690
Retained profits/(Accumulated losses)	156,834	111,923	87,534	(28,753)
	494,794	455,855	309,294	193,505
Non-controlling interests	53,381	54,439	-	-
TOTAL EQUITY	548,175	510,294	309,294	193,505

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

Amount repayable in one year or less, or on demand

As at 30.09.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,871	9,000	6,857	20,000

Details of any collateral

As at 30 September 2011, short-term bank loans of the Group totalling \$5,871,000 are secured by a first mortgage over an investment property of a subsidiary.

As at 31 December 2010, short-term bank loans of the Group totalling \$6,857,000 are secured by certain available-for-sale financial assets, fixed deposits and a first mortgage over an investment property of a subsidiary.

1(c) Consolidated Statement of Cash Flows

	9 Months ended		3 Months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net profit for the period	35,570	20,921	12,951	11,234
Adjustments for :				
Income tax expense	6,612	4,439	1,899	2,584
Depreciation of property, plant and equipment	6,277	7,639	2,146	2,781
Dividend income from financial assets, available-for-sale	(3,709)	(2,563)	(1,334)	(1,226)
Property, plant and equipment written-off	13	43	10	-
Currency exchange difference on consolidation	(1,334)	2,909	664	189
(Gain)/Loss on disposal of property, plant and equipment	(496)	(97)	(5)	4
Fair value gains on financial assets, at fair value through profit or loss	(856)	(51)	(343)	(51)
Gain on liquidation of subsidiaries	(2,182)	(1,526)	(2,182)	(1,526)
Write-off of intangible assets	17	-	-	-
Impairment loss on financial assets, available-for-sale	301	966	301	2
Interest expense	163	553	43	115
Interest income	(111)	(446)	(33)	(202)
Write-back of allowance for foreseeable losses on development properties	(536)	(197)	(296)	(36)
Provision for retirement benefits	223	233	69	80
Impairment loss on property, plant and equipment	749	5,534	-	6
Share of profits of associated companies	(749)	(379)	(174)	(52)
Operating cash flow before working capital change	39,952	37,978	13,716	13,902
Change in working capital				
Trade and other receivables	(16,729)	(1,136)	(9,938)	(6,365)
Inventories	1,609	11,273	(2,592)	(892)
Development properties	14,891	12,217	5,681	8,920
Other current assets	(239)	(49)	(72)	81
Trade and other payables	11,977	(8,656)	8,185	(819)
Cash generated from operations	51,461	51,627	14,980	14,827
Income tax (paid)/refunded	(3,063)	1,280	(1,131)	(401)
Restructuring costs paid	-	(15)	-	(6)
Retirement benefits paid	(187)	(149)	(11)	(53)
Net cash provided by operating activities	48,211	52,743	13,838	14,367

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

	9 Months ended		3 Months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from financial assets, available-for-sale	3,709	2,563	1,334	1,226
Proceeds from disposal of property, plant and equipment	523	138	4	-
Proceeds from sales of financial assets, at fair value through profit or loss	8,209	-	8,209	-
Purchases of property, plant and equipment	(10,072)	(3,718)	(6,052)	(899)
Renovation of investment property	-	(96)	-	4
Purchases of financial assets, available-for-sale	(24)	(27)	-	-
Purchases of financial assets, at fair value through profit or loss	(16,418)	(27,430)	(152)	(27,430)
Interest received	111	446	33	202
Net cash (used in)/provided by investing activities	(13,962)	(28,124)	3,376	(26,897)
Cash flows from financing activities				
Dividends paid to non-controlling shareholders of a subsidiary	-	(1,146)	-	(1,146)
Withdrawal of a fixed deposit pledged for bank borrowings	6,718	-	-	-
Purchases of treasury shares in a subsidiary from non-controlling interests	(1)	(1)	-	-
Interest paid	(154)	(541)	(43)	(121)
Repayments of borrowings	(15,000)	(24,000)	-	(12,000)
Proceeds from borrowings	3,000	-	-	-
Net cash used in financing activities	(5,437)	(25,688)	(43)	(13,267)
Net increase/(decrease) in cash and cash equivalents	28,812	(1,069)	17,171	(25,797)
Cash and cash equivalents at the beginning of the financial period	93,683	85,801	105,324	110,529
Cash and cash equivalents at the end of the financial period*	122,495	84,732	122,495	84,732
Represented by:				
Cash at bank and on hand	64,495	34,945	64,495	34,945
Fixed deposits with financial institutions	58,000	57,314	58,000	57,314
Cash and cash equivalents as per balance sheet	122,495	92,259	122,495	92,259
Less: Fixed deposits pledged for bank borrowings	-	(7,527)	-	(7,527)
Cash and cash equivalents as per above*	122,495	84,732	122,495	84,732

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$85,767,000 (2010: \$48,804,000) held under the Housing Developers (Project Account) (Amendment) Rules 1997 and the Housing Developers (Project Account) Rules (1990 Ed), withdrawals from which must be in accordance with the said Rules.

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

For the financial period ended 30 September 2011

	Attributable to equity holders of the Company							Non-controlling interests	Total equity	
	Share capital \$'000	Capital reserves \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Retained profits \$'000			Total \$'000
Balance at 1 January 2011	218,568	6,066	84,241	66,586	(32,649)	1,120	111,923	455,855	54,439	510,294
Transfer to retained profits on realisation	-	-	(2,342)	-	-	-	2,342	-	-	-
Total comprehensive losses for the period	-	-	-	(7,403)	(2,473)	-	5,951	(3,925)	799	(3,126)
Balance at 31 March 2011	218,568	6,066	81,899	59,183	(35,122)	1,120	120,216	451,930	55,238	507,168
Effect of treasury shares in a subsidiary acquired from non-controlling interests	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	(1,627)	(1,627)
Transfer to retained profits on realisation	-	-	(5,274)	-	-	-	5,274	-	-	-
Total comprehensive income for the period	-	-	-	9,162	(2,888)	-	14,684	20,958	(643)	20,315
Balance at 30 June 2011	218,568	6,066	76,625	68,345	(38,010)	1,120	140,174	472,888	52,967	525,855
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	(542)	(542)
Transfer to retained profits on realisation	-	-	(4,428)	-	-	-	4,428	-	-	-
Total comprehensive income for the period	-	-	-	7,640	2,034	-	12,232	21,906	956	22,862
Balance at 30 September 2011	218,568	6,066	72,197	75,985	(38,976)	1,120	156,834	494,794	53,381	548,175

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

For the financial period ended 30 September 2010

	Attributable to equity holders of the Company							Non-controlling interests	Total equity	
	Share capital \$'000	Capital reserves \$'000	Property revaluation reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	General reserve \$'000	Retained profits \$'000			
Balance at 1 January 2010	218,568	10,145	96,087	13,195	(30,485)	1,120	70,827	379,457	55,005	434,462
Transfer to retained profits on realisation	-	-	(1,385)	-	-	-	1,385	-	-	-
Total comprehensive income for the period	-	-	-	6,659	2,814	-	4,512	13,985	2,659	16,644
Balance at 31 March 2010	218,568	10,145	94,702	19,854	(27,671)	1,120	76,724	393,442	57,664	451,106
Effect of treasury shares in a subsidiary acquired from non-controlling interests	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	(1,146)	(1,146)
Transfer to retained profits on realisation	-	-	(1,683)	-	-	-	1,683	-	-	-
Total comprehensive income for the period	-	-	(1,664)	10,404	242	-	5,392	14,374	(1,150)	13,224
Balance at 30 June 2010	218,568	10,145	91,355	30,258	(27,429)	1,120	83,799	407,816	55,367	463,183
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	(954)	(954)
Transfer to retained profits on realisation	-	(4,079)	(4,313)	-	-	-	8,392	-	-	-
Total comprehensive income for the period	-	-	-	15,283	(3,206)	-	10,583	22,660	811	23,471
Balance at 30 September 2010	218,568	6,066	87,042	45,541	(30,635)	1,120	102,774	430,476	55,224	485,700

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

For the financial period ended 30 September 2011

	Share capital	Fair value reserve	(Accumulated losses) / Retained profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2011	218,568	3,690	(28,753)	193,505
Total comprehensive income for the period	-	322	(176)	146
Balance at 31 March 2011	218,568	4,012	(28,929)	193,651
Total comprehensive income for the period	-	(93)	116,309	116,216
Balance at 30 June 2011	218,568	3,919	87,380	309,867
Total comprehensive losses for the period	-	(727)	154	(573)
Balance at 30 September 2011	218,568	3,192	87,534	309,294

For the financial period ended 30 September 2010

	Share capital	Fair value reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2010	218,568	1,678	(53,270)	166,976
Total comprehensive losses for the period	-	78	(287)	(209)
Balance at 31 March 2010	218,568	1,756	(53,557)	166,767
Total comprehensive income for the period	-	631	19,335	19,966
Balance at 30 June 2010	218,568	2,387	(34,222)	186,733
Total comprehensive losses for the period	-	905	(3,648)	(2,743)
Balance at 30 September 2010	218,568	3,292	(37,870)	183,990

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

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

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

	30.09.2011	31.12.2010
Number of issued shares excluding treasury shares ('000)	573,920	573,920

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2011 (31 December 2010: Nil). The Company does not have any treasury shares.

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

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2010 except for the adoption of revised Financial Reporting Standards disclosed in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 January 2011, the Group adopted the following amendment to existing standard that has been published.

Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

There was no material impact on the financial statements of the Group and of the Company on adoption of the amendment to FRS mentioned above.

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

	Group		Group	
	9 Months		3 Months	
	01.01.2011 To 30.09.2011	01.01.2010 To 30.09.2010	01.07.2011 To 30.09.2011	01.07.2010 To 30.09.2010
Earnings per ordinary share for the period based on net profit attributable to equity holders of the Company during the period:-				
(a) Based on weighted average number of ordinary share in issue (cents)	5.73	3.57	2.13	1.84
(b) On a fully diluted basis (cents)	5.73	3.57	2.13	1.84
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	573,920	573,920	573,920	573,920
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	573,920	573,920	573,920	573,920

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

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

	Group		Company	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares* as at the end of the reporting period	86.21	79.43	53.89	33.72

* The Company does not have any treasury shares.

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

8(a) Year to Date Results - 9 Months ended 30 September 2011 vs. 9 Months ended 30 September 2010

Food and Beverage division performance

The Food and Beverage ("F&B") revenue increased by 5.3% to \$286.56 million for the financial period ended 30 September 2011 as compared to \$272.16 million recorded in the corresponding period last year. The F&B division gross profit improved by 5.8% to \$103.97 million as compared to \$98.26 million in the corresponding period last year.

Overall, the F&B division recorded higher net profit after tax of \$9.74 million in the current period as compared to net profit after tax of \$6.78 million in the corresponding period last year due to:

- Higher gross profit of \$5.71 million which is in line with higher revenue; and
- Lower impairment loss on property, plant and equipment of \$4.79 million as the bulk of the impairment loss arising from the reorganisation of the Group's Malaysia and China manufacturing facilities was recognised in the corresponding period last year.

The increase was partially offset by:

- Higher advertising and promotion expenses of \$4.74 million mainly due to increased promotion activities carried out in Singapore and Malaysia;
- Higher tax expense of \$1.11 million which is in line with higher operating profits in Malaysia; and
- Higher allocation to non-controlling shareholders of \$2.27 million due to higher profits earned by the non-wholly owned Malaysia subsidiaries.

Property division performance

Revenue from Property division, which is recognised progressively, increased by \$21.89 million to \$59.14 million in the current period as compared to \$37.25 million recorded in the corresponding period last year. Net profit after tax of \$15.28 million is recorded in the current period as compared to \$11.46 million in the corresponding period last year.

The higher revenue and profit after tax is mainly due to progressive recognition of profits from sold units as well as higher selling price for the units of development properties sold in the current period.

Group performance

The improved performance from both the F&B and property divisions in the current period, coupled with higher dividend income from available-for-sale financial assets of \$1.15 million, write-back of a loan from an associated company of \$1.16 million, higher fair value gains on financial assets, at fair value through profit or loss of \$0.80 million and higher gain of \$0.66 million on liquidation of subsidiaries, contributed to \$12.38 million higher net profit after tax attributable to equity holders of the Company of \$32.87 million in the current period, as compared to a net profit after tax of \$20.49 million in the corresponding period last year.

8(b) Third Quarter Results - 3 Months ended 30 September 2011 vs. 3 Months ended 30 September 2010

Food and Beverage division performance

The F&B revenue increased by 16.1% to \$102.18 million for the quarter ended 30 September 2011 as compared to \$88.00 million recorded in the corresponding quarter last year. The F&B division recorded a higher gross profit of \$37.00 million as compared to \$33.00 million in the corresponding quarter last year. The 12.1% increase in gross profit is lower than the 16.1%

growth in revenue due to an increase in cost of sales as a result of higher sugar, fuel, and aluminium costs. The above gains were offset by:

- Higher advertising and promotion expenses of \$2.63 million mainly due to more activities in Singapore and Malaysia in line with higher sales; and
- Higher selling and distribution expenses of \$1.92 million mainly due to higher transport and freight cost from Malaysia in line with higher sales.

Overall, the F&B division recorded a lower net profit after tax of \$2.47 million in the current quarter as compared to net profit after tax of \$3.33 million in the corresponding quarter last year.

Property division performance

Revenue from Property division, which is recognised progressively, increased by \$2.87 million to \$23.18 million in the current quarter as compared to \$20.31 million recorded in the corresponding quarter last year. Net profit after tax of \$5.38 million is recorded in the current quarter as compared to \$6.47 million in the corresponding quarter last year.

The higher revenue is mainly due to progressive recognition of profits from sold units as well as from higher selling price for units sold in the current quarter compared to corresponding quarter last year. The lower profit after tax despite higher revenue is mainly due to \$0.79 million lower gross profit as a result of higher construction costs and one-time payment of \$0.38 million to the Singapore Land Authority for the extension of TOP date for the Jardin project by 6 months.

Group performance

Despite the \$1.95 million lower net profit after tax from both the F&B and Property divisions, the Group achieved \$1.65 million higher net profit after tax attributable to equity holders of the Company of \$12.23 million in the current period, as compared to a net profit after tax of \$10.58 million in the corresponding quarter last year due to:

- higher gain from the liquidation of subsidiaries of \$0.66 million;
- higher fair value gains on financial assets, at fair value through profit or loss of \$0.29 million; and
- net exchange gain of \$0.42 million in the current period as compared to a net exchange loss of \$2.42 million in the corresponding quarter.

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

Group

Financial assets, at fair value through profit or loss, increased by \$8.55 million from \$20.43 million as at 31 December 2010 to \$28.98 million as at 30 September 2011. The increase was mainly due to additional investment in unit trusts by the Group's Malaysian subsidiary in the current financial period.

Trade and other receivables increased by \$16.73 million from \$64.82 million as at 31 December 2010 to \$81.55 million as at 30 September 2011. The increase was largely in line with higher sales in the current financial period.

Development properties decreased by \$14.35 million from \$117.43 million as at 31 December 2010 to \$103.08 million as at 30 September 2011 due to continued sale of development properties in the current financial period.

Financial assets, available-for-sale, increased by \$8.79 million from \$108.55 million as at 31 December 2010 to \$117.34 million as at 30 September 2011 largely due to fair value gain in the current financial period.

Trade and other payables increased by \$14.15 million from \$71.18 million as at 31 December 2010 to \$85.33 million as at 30 September 2011 mainly due to higher accruals from more advertising and promotion activities in Malaysia and Singapore.

Bank borrowings decreased by \$11.99 million from \$26.86 million as at 31 December 2010 to \$14.87 million as at 30 September 2011 mainly due to repayment of short-term bank loans.

Company

Investments in subsidiaries decreased by \$96.83 million from \$398.23 million as at 31 December 2010 to \$301.40 million as at 30 September 2011 mainly due to liquidation of subsidiaries.

Property, plant and equipment increased by \$3.87 million due to construction of a new warehouse building which is still in progress as at 30 September 2011.

Trade and other payables decreased by \$195.16 million from \$263.01 million as at 31 December 2010 to \$67.85 million as at 30 September 2011 mainly due to settlement of intercompany balance of \$198.00 million upon liquidation of subsidiaries, and write-back of a loan from an associated company of \$1.16 million. The decrease was partially offset by a \$3.60 million loan from a Singapore subsidiary to pay for construction cost of the new warehouse.

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

Loans from subsidiaries decreased by \$13.72 million to zero as at 30 September 2011 the balances were settled during the current quarter upon liquidation of subsidiaries.

8(d) Statement of Cash Flows

Year to Date - 9 months ended 30 September 2011 vs. 9 months ended 30 September 2010

The Group registered a net increase in cash and cash equivalents of \$28.81 million for the period ended 30 September 2011.

Net operating cash inflows generated by the Food and Beverage division and the Property division were \$3.71 million and \$44.50 million respectively.

Cash outflow from investing activities of \$13.96 million was mainly due to purchase of financial assets, at fair value through profit or loss of \$16.42 million and purchase of property, plant and equipment of \$10.07 million, partially offset by proceeds from sales of financial assets, at fair value through profit or loss of \$8.21 million, proceeds from disposal of property, plant and equipment of \$0.52 million and dividend income received of \$3.71 million.

Cash outflow from financing activities of \$5.44 million was due to net repayment of bank borrowings of \$12.0 million, partially offset by withdrawal of a fixed deposit of \$6.72 million which was previously pledged for bank borrowings.

Third Quarter - 3 months ended 30 September 2011 vs. 3 months ended 30 September 2010

The Group registered a net increase in cash of \$17.17 million for the quarter ended 30 September 2011.

Net operating cash flows from the Food and Beverage division and the Property division were an outflow of \$2.16 million and an inflow of \$16.00 million respectively.

Cash inflow from investing activities of \$3.38 million was mainly due to proceeds from sales of financial assets, at fair value through profit or loss of \$8.21 million and dividend income received of \$1.33 million, partially offset by purchase of property, plant and equipment of \$6.05 million.

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

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In the next 12 months, the Group's F&B division's margins are expected to be squeezed because raw material prices and energy costs will continue to rise while the selling prices will continue to be competitive.

Management will continue to improve on operating efficiency and production process to partially counter the effects of rising costs in the F&B division.

One-time costs relating to the relocation of the Group's Guangzhou factory to San Shui will be incurred at the beginning of 2012 and some of the costs will be expensed to profit or loss.

For the Property division, the Group will continue to sell its 44 remaining units of development properties.

Overall, the Group's performance is expected to remain satisfactory.

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

11. **Contingent Liability**

- (a) In 2003, a legal action for an alleged breach of agreement with regard to contract packing arrangement was brought by FY Sdn Bhd ("the Plaintiff"), a company incorporated in Malaysia, against Yeo Hiap Seng (Malaysia) Berhad ("YHSM"), a subsidiary of the Group, claiming for damages of approximately \$2.6 million (RM6.2 million) with interest and cost thereon.

On 10 March 2010, the High Court of Shah Alam has vide the proceedings under Civil Suit no. MT3-22-936-2003 and granted judgement against YHSM in favour of the Plaintiff. The High Court did not award the quantum of damages and ordered that damages be assessed before the Registrar of the High Court. Based on the advice from its legal advisors, YHSM has a strong case to appeal and a memorandum of appeal has been filed with the Court on 28 June 2010. There has been no change in status since the last quarter reporting except the Registrar of the High Court has fixed a hearing for the assessment of damages on 6 December 2011.

- (b) On 1 February 2010, YHSM received a formal notification from the Central Jakarta District Court informing that the Jakarta High Court has decided in favour of YHSM and its subsidiary, PT YHS Indonesia, in respect of an appeal filed by PT Kharisma Inti Persada ("the Plaintiff") in the Jakarta High Court against YHSM and its subsidiary, PT YHS Indonesia, claiming for approximately \$32 million (Rupiah 219.9 billion) for an alleged breach of an alleged distribution agreement and an alleged distributor's appointment. On 23 March 2010, the Plaintiff filed an appeal to the Supreme Court, and YHSM filed a counter memorandum to the court on 5 April 2010. YHSM is still awaiting for the Indonesia Supreme Court's decision and there has been no change in status since the last quarter reporting.

No provision has been made for the above contingent liabilities in the financial period reported on.

12. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

13. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend is recommended for the financial period reported on.

14. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

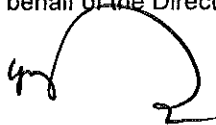
BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
11 November 2011

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

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

On behalf of the Directors



TJONG YIK MIN
Director



YAP NG SENG
Director

11 November 2011