

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/09/2009 (RM'000)	30/09/2008 (RM'000)	30/09/2009 (RM'000)	30/09/2008 (RM'000)
Revenue	137,715	149,678	408,800	430,476
Operating expenses	(135,918)	(148,373)	(407,425)	(428,579)
Other operating income	<u>2,189</u>	<u>1,944</u>	<u>4,286</u>	<u>3,309</u>
Profit from operations	3,986	3,249	5,661	5,206
(Expense)/income from other investments and finance	(5,090)	(1,186)	(12,756)	(809)
Share of results of associates	-	(36)	-	(154)
(Loss)/profit before tax	<u>(1,104)</u>	<u>2,027</u>	<u>(7,095)</u>	<u>4,243</u>
Taxation	<u>(1,856)</u>	<u>(1,008)</u>	<u>(2,458)</u>	<u>(1,911)</u>
Net (loss)/profit for the period	<u>(2,960)</u>	<u>1,019</u>	<u>(9,553)</u>	<u>2,332</u>
Attributable to:				
- Equity holders of the Company	(2,962)	1,014	(9,555)	2,317
- Minority interest	<u>2</u>	<u>5</u>	<u>2</u>	<u>15</u>
	<u>(2,960)</u>	<u>1,019</u>	<u>(9,553)</u>	<u>2,332</u>
(Loss)/Earnings per share (sen)	<u>(1.94)</u>	<u>0.70</u>	<u>(6.26)</u>	<u>1.50</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS OF 30 SEPTEMBER 2009**

	Unaudited As At End Of Current Quarter 30/9/2009 (RM'000)	Audited As At Last Financial Year 31/12/2008 (RM'000)
Non-current assets		
Property, plant and equipment	80,821	88,709
Investment properties	10,907	11,232
Other investments	13,910	26,223
Intangible asset	13,531	14,998
Prepaid lease rental	13,820	14,099
Deferred tax assets	6,531	6,344
	139,520	161,605
Current assets		
Inventories	63,734	73,678
Trade receivables	131,984	128,469
Amount due from immediate holding company	11,760	12,322
Amounts due from related companies	1,082	929
Other receivables, deposits and prepayments	13,442	7,842
Tax recoverable	1,399	1,789
Deposits and cash balances	34,922	16,868
	258,323	241,897
Non-current assets held for sale	461	461
	258,784	242,358
Current liabilities		
Trade payables	59,044	63,521
Other payables and accrued expenses	67,967	54,746
Dividends payable	3,436	-
Amount due to penultimate holding company	580	330
Tax payable	962	347
	131,989	118,944
Net current assets	126,795	123,414
Non-current liabilities		
Provision for retirement benefits	6,047	6,032
Deferred tax liabilities	4,984	3,602
	11,031	9,634
Net assets	255,284	275,385
Capital and reserves attributable to equity holders of the Company		
Share capital	153,548	153,548
Reserves	103,357	123,459
Treasury shares	(1,848)	(1,847)
	255,057	275,160
Minority interest	227	225
Total equity	255,284	275,385
Net assets per share (RM) attributable to equity holders of the Company	1.67	1.80

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	Issued Share Capital (RM'000)	Share Premium (RM'000)	Capital Reserves (RM'000)	Foreign Exchange Reserves (RM'000)	Retained Earnings (RM'000)	Treasury Shares (RM'000)	Minority Interest (RM'000)	Total Equity (RM'000)
9 months period ended 30 September 2008								
Balance as at 1 January 2008	153,548	34,445	1	2,570	102,060	(1,844)	213	290,993
Currency translation differences	-	-	-	51	-	-	-	51
Net profit for the period	-	-	-	-	2,317	-	15	2,332
Treasury shares	-	-	-	-	-	(2)	-	(2)
Dividends (Final dividend for 2007)	-	-	-	-	(10,170)	-	-	(10,170)
Dividends (Interim dividend for 2008)	-	-	-	-	(7,636)	-	-	(7,636)
Balance as at 30 September 2008	<u>153,548</u>	<u>34,445</u>	<u>1</u>	<u>2,621</u>	<u>86,571</u>	<u>(1,846)</u>	<u>228</u>	<u>275,568</u>
9 months period ended 30 September 2009								
Balance as at 1 January 2009	153,548	34,445	1	2,529	86,484	(1,847)	225	275,385
Currency translation differences	-	-	-	(239)	-	-	-	(239)
Net loss for the period	-	-	-	-	(9,555)	-	2	(9,553)
Treasury shares	-	-	-	-	-	(1)	-	(1)
Dividends (Final dividend for 2008)	-	-	-	-	(6,872)	-	-	(6,872)
Dividends (Interim dividend for 2009)	-	-	-	-	(3,436)	-	-	(3,436)
Balance as at 30 September 2009	<u>153,548</u>	<u>34,445</u>	<u>1</u>	<u>2,290</u>	<u>66,621</u>	<u>(1,848)</u>	<u>227</u>	<u>255,284</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	9 months ended 30/9/2009 (RM'000)	9 months ended 30/09/2008 (RM'000)
Cash flows from operating activities		
Net (loss)/profit before tax	(7,095)	4,243
Adjustments for non-cash items	23,339	17,450
Operating profit before working capital changes	<u>16,244</u>	<u>21,693</u>
Net change in current assets	3,518	(23,204)
Net change in current liabilities	9,113	2,721
Cash flows from operations	<u>28,875</u>	<u>1,210</u>
Other operating activities	(692)	(1,209)
Net cash flows from operating activities	<u>28,183</u>	<u>1</u>
Net cash flows (used in)/from investing activities	(3,257)	46
Net cash flows used in financing activities	(6,872)	(10,172)
Net increase/(decrease) in cash and cash equivalents	<u>18,054</u>	<u>(10,125)</u>
Cash and cash equivalents at beginning of period	16,868	45,179
Cash and cash equivalents at end of period	<u>34,922</u>	<u>35,054</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

1. Accounting Policies and Basis of Preparation

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (FRS) 134 Interim Financial Reporting (2007) and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2008.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group are consistent with those used in the preparation of the most recent audited financial statements and are in compliance with the Malaysian Financial Reporting Standards (FRSs) and other interpretations that are effective, for financial statements commencing 1 January 2009.

The following new, amendments to the existing FRSs and Interpretations which are applicable to the Group were issued but not yet effective (effective for financial year beginning on or after 1 January 2010) and have not been applied by the Group:

FRSs, Amendment to FRSs and Interpretations

FRS 7 : Financial Instruments: Disclosures

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 2 : Share based payment- vesting conditions and Cancellations

Amendments to FRS 5 : Non-current assets held for Sales and Discontinued operations

Amendments to FRS 8 : Operating Segments

Amendments to FRS 101 : Presentation of Financial Statements

Amendments to FRS 107 : Cash Flows Statements

Amendments to FRS 108 : Accounting policies, changes in Accounting Estimates and Errors

Amendments to FRS 110 : Events After The Balance Sheet Date

Amendments to FRS 116 : Property, Plant & Equipment

Amendments to FRS 117 : Leases

Amendments to FRS 118 : Revenue

Amendments to FRS 119 : Employee Benefits

Amendments to FRS 121 : The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

Amendments to FRS 127 : Cost of an investment in a Subsidiary Jointly Controlled Entity or Associate

Amendments to FRS 128 : Investment in Associates

Amendments to FRS 132 : Financial Instruments : Presentation

Amendments to FRS 134 : Interim Financial Reporting

Amendments to FRS 136 : Impairment of Assets

Amendments to FRS 138 : Intangible Assets

Amendments to FRS 139 Financial Instruments : Recognition and Measurement

Amendments to FRS 140 : Investment Property

IC Interpretation 9 : Reassessment of Embedded Derivatives

IC Interpretation 10 : Interim Financial Reporting and Impairment

IC Interpretation 11 : IFRS 2 – Group and Treasury Shares Transactions

IC Interpretation 14 : The Limit on a Defined Benefit Asset, Minimum
Funding Requirements and their interaction

IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation (effective 1 July 2010)

The new and amendments to the existing FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application.

The Group has applied the transitional provisions in FRS 7 and FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of these standards on its financial statements.

2. Disclosure of Preceding Year Unqualified Audit Report

The preceding year's audit report for the year ended 31 December 2008 was unqualified.

3. Cyclicity of Operations

The operations are normally influenced by higher demand during festive periods.

4. Unusual items

There are no unusual items affecting assets, liabilities, equity, net income or cash flows.

5. Quarterly Estimations

There are no material changes in the estimation methods used in this interim reporting quarter which will have a material effect on the financial results other than those mentioned in Subsequent Events (Note 9).

6. Debt and Equity Securities

During the quarter, the Company did not purchase any of its own shares.

7. Segmental Reporting

The Group is principally involved in one primary segment, which is production, marketing and distribution of beverage and food products.

8. Valuations of Property, Plant and Equipment

There are no amendments to the valuations of property, plant and equipment brought forward.

9. Subsequent Events

On 24 August 2009, the Badan Pengawas Obat & Makanan (“BPOM”) of Indonesia, a statutory body governing the issuance of product registration numbers has issued a letter notifying PT YHS Indonesia a wholly owned subsidiary of the Company that 15 out of the total 31 Makanan Luar Negeri Registration Numbers (“ML numbers”) for marketing and sales of Yeo’s products in Indonesia have been cancelled. BPOM gave PT YHS Indonesia two months grace period, until 24 October 2009 to clear its stock in the market affected by the cancellation.

The cancellation was as a consequence of the Jakarta Supreme Court decision on a case between PT Kharisma Inti Persada (“KIP”), a company incorporated in Indonesia, against BPOM. KIP alleged that they are the distributor of Yeo’s products in Indonesia and that the ML numbers issued by BPOM to PT YHS Indonesia were not valid and requested that the ML numbers be cancelled. The Jakarta Supreme Court ruled in favor of KIP on 5 May 2008.

The BPOM letters were mistakenly sent to a wrong address and PT YHS Indonesia came to know of the cancellation only on 14 October 2009. PT YHS Indonesia has applied to BPOM to extend the deadline by 6 months, until 13 April 2010, for clearing its stock of products affected by the cancellation. PT YHS Indonesia has yet to receive a response from BPOM as at the reporting date.

If BPOM does not extend the deadline, the affected products need to be recalled. It is estimated that for the financial year ending 31 December 2009 the Group’s revenue will be affected by RM6million and the cost of carrying out the recall is estimated to be RM3million.

The cancellation of 15 out of 31 ML numbers will have an adverse financial impact on PT YHS Indonesia’s business. PT YHS Indonesia will continue to sell the products with unaffected ML numbers and is in the process of applying for new ML numbers for those products affected by the cancellation.

PT YHS Indonesia’s business is expected to recover if it receives approval of the new ML numbers.

10. Changes in the Composition of the Group

There are no changes in the composition of the Group for the current quarter.

11. Contingent Liabilities

There are no changes in the status of contingent liabilities since the last annual balance sheet date.

12. Performance of the Group

The Group recorded revenue of RM137.7 million for the current quarter under review, compared to RM149.6 million generated for the same quarter last year, representing a 8% drop in sales. The lower revenue was mainly due to lower sales from the food sector and can beverages as a result of temporary packing and raw materials supply issues.

The Group recorded an operating profit of RM3.9 million for the current quarter under review compared to RM3.2 million achieved in its previous corresponding quarter. In this quarter, the Group took impairment charges totaling RM5.3 million for a quoted investment and fixed assets not in use resulting in a pre-tax loss of RM1.1 million, compared to a pre-tax profit of RM2.0 million from its previous corresponding period.

The Group recorded an operating profit of RM5.6 million for the current year to-date, while its pre-tax loss stood at RM7.1 million compared to a pre-tax profit of RM4.2 million in the previous corresponding period. The pre-tax loss was mainly due to the impairment of quoted investments and fixed assets not in use totaling RM13.1 million.



13. Material Change in Profit Before Tax As Compared to the Immediate Preceding Quarter

The Group recorded an operating profit of RM3.9 million for the current quarter compared to RM2.8 million achieved last quarter. The pre-tax loss stood at RM1.1 million in the current quarter compared to pre-tax profit of RM2.9 million from its immediate preceding quarter. The pre-tax loss for the current quarter was mainly due to impairment of an investment and fixed assets not in use totaling RM5.3 million.

14. Prospects of the Group

The economic situation has shown signs of recovery but growing competition from existing players in the market has made the pricing very competitive. The Group will continue to take measures in cost reduction and has launched new products to mitigate the impact. The financial performance of the Group will also be temporarily affected by the reduction of sales to Indonesia as a result of the cancellation of the ML numbers mentioned in notes for Subsequent Events (Note 9).

15. Variance from Profit Forecast

Not applicable.

16. Taxation

The tax expense is as follows:

	Current Quarter (RM'000)	YTD (RM'000)
Income tax:		
Current tax	385	740
Under provision in prior year	446	446
Deferred tax:		
Origination and reversal of temporary differences	895	1,516
Under/(Over) provision in prior year	<u>130</u>	<u>(244)</u>
	<u>1,856</u>	<u>2,458</u>

The Group's effective tax rate in the current quarter and financial period ended 30 September 2009, is higher than the statutory tax rate of 25% mainly due to the non deductibility of the provision for impairment and certain expenses not being allowable for deduction.

17. Gain on Sale of Properties

There was no sale of properties for the current quarter and current year to date.

18. Quoted Securities

- a. During the quarter, there was no purchase / sale of quoted shares.
- b. All long term investments are reviewed for impairment at the end of each quarter. A long term investment is deemed to have suffered impairment other than temporary if its market share price is 10% below the carrying value of the long term investment for four consecutive quarters. A provision for impairment of RM4.5 million has been made for the current quarter under review as the Directors are of the view that the impairment in an investment would be permanent.

	(RM'000)
At cost	27,517
Provision for impairment in value	<u>(13,607)</u>
Carrying value	<u>13,910</u>
Current market value	<u>16,807</u>

19. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

20. Group Borrowings

There were no borrowings as at the end of the reporting period.

21. Financial Instruments

As at 23 October 2009, (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report) the Group has entered into the following forward foreign exchange currencies contracts to hedge its exposure to fluctuations in foreign currency arising from sales and purchases.

The details of the open foreign exchange forward contracts are as follows:-

Currency	Contracted Amount	Equivalent Amount in	Expiry Dates	Average Contracted rate
	SGD '000	RM'000		
SGD	7,550	18,480	23 October 2009 to 24 December 2009	2.42183

Any exchange differences arising from these transactions are deferred until the related sales and purchases are transacted, at which time they are included in the measurement of such transactions.

The above instruments are executed with credit worthy financial institutions in Malaysia and as such credit and counterparties risks are minimal. There are no transaction costs at the inception of these contracts.

22. Material Litigations

There were no changes in material litigations since the last annual audited financial statements.

23. Dividend Propose/Paid

- a) A final dividend of 6 sen per RM1.00 share less Malaysian Corporate tax of 25% for financial year ended 31 December 2008 amounting to RM6.9 million was approved in the previous quarter and paid on 8 July 2009.
- b) An interim dividend of 3 sen per RM1.00 share less Malaysian Corporate tax of 25% amounting to RM3.44 million in respect of financial year ending 31 December 2009 (for financial year ended 31 December 2008, 5 sen per RM1.00 share tax exempt amounting to RM7.6 million) was declared and approved in the current quarter and paid on 15 October 2009.

24. Earnings Per Share

	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	30/09/2009	Quarter	To Date	Period
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(2,962)	1,014	(9,555)	2,317
Weighted average number of ordinary shares in issue (units)	152,706,801	152,708,369	152,706,369	152,708,803
Basic (loss)/earnings per share (sen)	<u>(1.94)</u>	<u>0.70</u>	<u>(6.26)</u>	<u>1.50</u>

By Order of the Board
SAU EAN NEE
Company Secretary
28 October 2009
Petaling Jaya