

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2009**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2009 (RM'000)	Preceding Year Corresponding Quarter 31/12/2008 (RM'000)	Current Year To Date 31/12/2009 (RM'000)	Preceding Year Corresponding Year 31/12/2008 (RM'000)
Revenue	137,241	138,360	546,041	568,836
Operating expenses	(135,888)	(138,897)	(543,313)	(566,302)
Other operating income	935	761	5,221	2,784
Profit from operations	2,288	224	7,949	5,318
(Expense)/income from other investments and finance costs	(2,230)	147	(14,986)	(662)
Share of results of associates	-	-	-	(42)
Profit/(loss) before tax	58	371	(7,037)	4,614
Taxation	(1,583)	(462)	(4,041)	(2,373)
Net (loss)/profit for the period/year	(1,525)	(91)	(11,078)	2,241
Attributable to:				
- Equity holders of the Company	(1,523)	(88)	(11,078)	2,229
- Minority interest	(2)	(3)	-	12
	(1,525)	(91)	(11,078)	2,241
(Loss)/earnings per share (sen)	(1.0)	(0.1)	(7.3)	1.5

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 31 DECEMBER 2009**

	Unaudited as at 31/12/2009 (RM'000)	Audited as at 31/12/2008 (RM'000)
Non-current assets		
Property, plant and equipment	68,979	88,709
Investment properties	10,799	11,232
Other investments	12,569	26,223
Intangible asset	12,705	14,998
Prepaid lease rental	13,727	14,099
Deferred tax assets	4,840	6,344
	123,619	161,605
Current assets		
Inventories	75,818	73,678
Trade receivables	109,295	128,469
Amount due from immediate holding company	14,000	12,322
Amounts due from related companies	675	929
Other receivables, deposits and prepayments	11,781	7,842
Tax recoverable	1,400	1,789
Deposits and cash balances	41,893	16,868
	254,862	241,897
Non-current assets held for sale	-	461
	254,862	242,358
Current liabilities		
Trade payables	46,587	63,522
Other payables and accrued expenses	65,005	54,745
Amount due to penultimate holding company	1,473	330
Tax payable	561	347
	113,626	118,944
Net current assets	141,236	123,414
Non-current liabilities		
Provision for retirement benefits	6,146	6,032
Deferred tax liabilities	4,977	3,602
	11,123	9,634
Net assets	253,732	275,385
Capital and reserves attributable to equity holders of the Company		
Share capital	153,548	153,548
Reserves	101,809	123,459
Treasury shares	(1,850)	(1,847)
	253,507	275,160
Minority interest	225	225
Total equity	253,732	275,385
Net assets per share (RM) attributable to equity holders of the Company	1.66	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 YEAR ENDED 31 DECEMBER 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)
12 months period ended 31 December 2008								
Balance as at 1 January 2008	153,548	34,445	1	2,570	102,060	(1,844)	213	290,993
Currency translation differences	-	-	-	(41)	-	-	-	(41)
Net profit for the year	-	-	-	-	2,229	-	12	2,241
Treasury shares	-	-	-	-	-	(3)	-	(3)
Dividends (Final dividend for 2007)	-	-	-	-	(10,170)	-	-	(10,170)
Dividends (Interim dividend for 2008)	-	-	-	-	(7,635)	-	-	(7,635)
Balance as at 31 December 2008	<u>153,548</u>	<u>34,445</u>	<u>1</u>	<u>2,529</u>	<u>86,484</u>	<u>(1,847)</u>	<u>225</u>	<u>275,385</u>
12 months period ended 31 December 2009								
Balance as at 1 January 2009	153,548	34,445	1	2,531	86,483	(1,847)	225	275,386
Currency translation differences	-	-	-	(265)	-	-	-	(265)
Net loss for the year	-	-	-	-	(11,078)	-	-	(11,078)
Treasury shares	-	-	-	-	-	(3)	-	(3)
Dividends (Final dividend for 2008)	-	-	-	-	(6,872)	-	-	(6,872)
Dividends (Interim dividend for 2009)	-	-	-	-	(3,436)	-	-	(3,436)
Balance as at 31 December 2009	<u>153,548</u>	<u>34,445</u>	<u>1</u>	<u>2,266</u>	<u>65,097</u>	<u>(1,850)</u>	<u>225</u>	<u>253,732</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 31 DECEMBER 2009**

	12 months ended 31/12/2009 (RM'000)	12 months ended 31/12/2008 (RM'000)
Cash flows from operating activities		
Net (loss)/profit before tax	(7,037)	4,614
Adjustments for non-cash items	31,524	26,256
Operating profit before working capital changes	<u>24,487</u>	<u>30,870</u>
Net change in current assets	10,242	(36,704)
Net change in current liabilities	(5,154)	(3,272)
Cash flows from operations	<u>29,575</u>	<u>(9,106)</u>
Other operating activities	(1,048)	(1,285)
Net cash flows from operating activities	<u>28,527</u>	<u>(10,391)</u>
Net cash flows from/(used in) investing activities	6,808	(116)
Net cash flows used in financing activities	(10,310)	(17,804)
Net increase/(decrease) in cash and cash equivalents	<u>25,025</u>	<u>(28,311)</u>
Cash and cash equivalents at beginning of year	16,868	45,179
Cash and cash equivalents at end of year	<u>41,893</u>	<u>16,868</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 31 DECEMBER 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 financial 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 financial 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 FRSs and Interpretations which are applicable to the Group were issued but not yet effective and have not been applied by the Group:

FRSs and Interpretations
FRSs, Amendment to FRSs and Interpretations
**Effective for financial
Periods beginning on or after**

FRS 1 : First time adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combination	1 July 2010
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 101 : Presentation of Financial Statement	1 January 2010
FRS 127 : Consolidated and Separate Financial Statement	1 July 2010
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 1 : First time adoption of Financial Reporting standards	1 January 2010
Amendments to FRS 2 : Share based payment- vesting conditions and Cancellations	1 January 2010
Amendments to FRS 2	1 July 2010
Amendments to FRS 5 : Non-current assets held for Sales and Discontinued operations	1 January 2010
Amendments to FRS 5	1 July 2010
Amendments to FRS 8 : Operating Segments	1 January 2010
Amendments to FRS 107 : Cash Flows Statements	
Amendments to FRS 108 : Accounting policies, changes in Accounting Estimates and Errors	1 January 2010
Amendments to FRS 110 : Events After The Balance Sheet Date	1 January 2010
Amendments to FRS 116 : Property, Plant & Equipment	1 January 2010
Amendments to FRS 117 : Leases	1 January 2010
Amendments to FRS 118 : Revenue	1 January 2010
Amendments to FRS 119 : Employee Benefits	1 January 2010
Amendments to FRS 121 : The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation	1 January 2010
Amendments to FRS 127 : Cost of an investment in a Subsidiary Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 128 : Investment in Associates	1 January 2010
Amendments to FRS 132 : Financial Instruments : Presentation	1 January 2010
Amendments to FRS 134 : Interim Financial Reporting	1 January 2010
Amendments to FRS 136 : Impairment of Assets	1 January 2010
Amendments to FRS 138 : Intangible Assets	

Amendments to FRS 139 Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to FRS 140 : Investment Property	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : IFRS 2 – Group and Treasury Shares Transactions	1 January 2010
IC Interpretation 14 : The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction	1 January 2010
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation	1 July 2010

The new 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 were normally influenced by higher demand during festive periods.

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and year-to-date under review.

5. Quarterly Estimations

There were no material changes in the estimation methods used in this interim reporting quarter and current year to date which will have a material effect on the financial results.

6. Debt and Equity Securities

During the quarter, the Company purchased a further 1,000 of its own shares of RM1.00 each at the price of RM1.43 per share from the open market on Bursa Malaysia. The shares are held as treasury share and the purchase was financed by internally generated funds. For the financial year ended 31 December 2009, the Company purchased 2,000 ordinary shares of its own shares for RM2,774.43. The average price paid for the shares purchased was approximately RM1.39 per share.

As at 31 December 2009, the total treasury share purchased amounted to 841,900 ordinary shares of RM1.00 each at the average price of RM2.20 per share. These shares purchased are being held as treasury shares as allowed under Section 67A of the Companies Act 1965. None of these treasury shares have been sold or cancelled.

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

9. Significant Events

- (i) 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.

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.

As at financial year ended 31 December 2009 the financial impact on the revenue and cost of carrying out the recall due to the cancellation of the affected ML numbers were RM4.5 million and RM1.0 million respectively and inventories write off of RM0.4 million.

The cancellation of 15 out of 31 ML numbers will have an adverse financial impact on PT YHS Indonesia’s business but will not significantly impact the Group. 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.

- (ii) On 5 November 2009, the Company entered into an agreement with its major shareholder and immediate holding company, YHS (Singapore) Pte Ltd (“YHSS”) to dispose to YHSS a PET production line for a total consideration of SGD3.5 million (RM8.5 million).

The PET production line (“Equipment”) is part of the plant and machinery that was acquired by the Company from YHSS in 2001 as part of Yeo Hiap Seng Limited (“YHSL”) Group restructuring exercise at a cost of RM17.0 million. The net book value of the equipment at the point of disposal was RM8.4 million. The transaction has been completed and payment received before the year ended.

The disposal is aimed to dispose surplus equipment that is not in need to support current and future operations. Further, the disposal has resulted in a cash inflow of RM8.5 million to the Company, which has further strengthen the cash position of the Company.

10. Subsequent Events

- (a) Subsequent to the financial year ended 31 December 2009, Yeo Hiap Seng Trading Sdn Bhd (“YHST”) a wholly owned subsidiary of the Company has terminated its business alliance with Allswell Trading Pte Ltd (“Allswell”) for the sales and distribution of “Red Bull” products in Malaysia, effective from 1 April 2010.

The business alliance between Allswell and YHST was formed in April 2005, whereby YHST was appointed by Allswell to distribute “Red Bull” products in Malaysia through YHST’s extensive distribution network.

The termination notice, which was received by YHST on 18 January 2010, was served by Allswell after the



parties failed to agree on new distribution terms.

For the financial year ended 31 December 2009, the revenue and operating profits contributed by Red Bull products to YHSM Group were RM108.3 million and RM1.2 million, representing 19.8% and 15.2% of the Group results of RM546.0 million and RM7.9 million.

While the Group will continue to focus and place greater emphasis on building its own food and beverage products under the "Yeos" brand, the impact of the termination on the revenue and operating profits of the Group is estimated at 10.8% and 7.8% respectively, for the financial year ending 31 December 2010.

The termination is not expected to have any material impact on the net assets of the Group for the financial year ending 31 December 2010.

b) Material litigation as described in Note 23.

11. **Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter and current year to date, other than the disposal of Senawang Edible Oil Sdn Bhd.

12. **Contingent Liabilities**

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

13. **Performance of the Group**

The Group recorded revenue of RM137.2 million for the current quarter under review, comparable to RM138.3 million generated for the same quarter last year. Overall, for the financial year ended 31 December 2009, the Group revenue has dropped from RM568.8 million to RM546.0 million, representing a 4% drop in revenue. The lower revenue was mainly due to lower sales to Indonesia as a result of cancellation of 15 out of 31 ML numbers by the Indonesian authorities and in Malaysia due to timing differences in current year festive season sales.

In this quarter, the Group recorded an operating profit of RM2.3 million, a turnaround from a profit of RM0.2 million in the previous year corresponding quarter. However, after the recognition of a further impairment loss in an investment and fixed assets write off totaling RM2.3 million, the pre-tax profit has dropped to RM0.05 million compared to a pre-tax profit of RM0.4 million from its previous year corresponding period.

The Group recorded an operating profit of RM7.9 million for the current year to-date compared to RM5.3 million achieved in the previous year. After taking into account the impairment of investments and fixed assets write-off totaling RM15.3 million, the Group recorded a pre-tax loss of RM7.0 million compared to a pre-tax profit of RM4.6 million in the previous year.

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

The Group recorded operating profit of RM2.3 million for the current quarter compared to RM4.0 million achieved in the preceding quarter. After the recognition of impairment in an investment and certain fixed assets write off totaling RM2.3 million, the profit has dropped to RM0.05 million compared to a pre-tax loss of RM1.1 million from its immediate preceding quarter.

15. **Prospects of the Group**

While the economic situation has shown signs of recovery, growing competition in the market has made pricing very competitive. However, the Group will continue to take measures in cost reduction and strive to improve operating profit in the coming year.



16. Variance from Profit Forecast

Not applicable.

17. Taxation

The tax expense is as follows:

	Current Quarter (RM'000)	YTD (RM'000)
Income tax:		
Current tax	257	997
(Over)/under provision in prior year	(397)	49
Deferred tax:		
Origination and reversal of temporary differences	1,733	3,248
Over provision in prior year	(9)	(253)
	<u>1,583</u>	<u>4,041</u>

The Group's effective tax rate in the current quarter and current year to date ended 31 December 2009, is higher than the statutory tax rate of 25% mainly due to the non-deductibility of the impairment of investments, certain expenses not being allowable for deduction and reversal of deferred tax assets for certain subsidiaries.

18. Gain on Sale of Properties

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

19. 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 further provision for impairment loss of RM1.2 million has been made for the current quarter under review in addition to the RM12.3 million provided in the previous quarters as the Directors are of the view that the impairment loss in an investment would be permanent. The provision for impairment loss for investments as at financial year ended 31 December 2009 totalled RM13.5 million.

At cost	(RM'000) 27,395
Provision for impairment in value	<u>(14,826)</u>
Carrying value	<u>12,569</u>
Current market value	<u>15,341</u>

20. Corporate Proposals

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

21. Group Borrowings

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

22. Financial Instruments

The Group has not entered into any forward foreign exchange currencies contracts to hedge its exposure to fluctuations in foreign currency arising from sales and purchases.

23. Material Litigation

There were no changes in material litigations since the last annual audited financial statements other than the following :

- (i) A legal action for an alleged breach of agreement with regard to contract packing arrangement brought by FY Sdn Bhd ("the Plaintiff"), a company incorporated in Malaysia, against the Company in 2003. There was no specified sum in the original statement of claim filed in 2003 which seeks, inter alia that the Company pays general damages.

The matter came up for trial before the court on the 25th and 26th January 2010 and the Plaintiff is now claiming for damages of approximately RM6.2 million, interest and cost thereon. The Company is contesting the claim and based on the advice from its legal advisors, the Directors are of the opinion that the claim is unsustainable. The date of the next hearing is 22 February 2010.

- (ii) The Company received a formal notification on 1 February 2010 from the Central Jakarta District Court informing that the Jakarta High Court has decided in favour of the Company and its subsidiary, PT YHS Indonesia in respect of an appeal filed by PT Kharisma Inti Persada ("Plaintiff") in the Jakarta High Court against the Company and its subsidiary, PT YHS Indonesia, claiming for approximately Rupiah 219.9 billion (approximately RM77 million) for an alleged breach of an alleged distribution agreement and an alleged distributor's appointment.

24. Dividend Proposed/Paid

- a) (i) A final dividend of 6 sen per ordinary share of RM1.00 each less Malaysian Corporate Tax of 25% for financial year ended 31 December 2009 amounting to RM6.9 million has been recommended for shareholders' approval.

(ii) The book closure and the payment dates will be determined at a later date.

- b) (i) 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 second quarter and paid on 8 July 2009.

(ii) An interim dividend of 3 sen per RM1.00 share less Malaysian Corporate tax 25% amounting to RM3.44 million in respect of financial year ended 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 in the last quarter and paid on 15 October 2009.

25. Earnings Per Share	Preceding Year		Current Year To Date 31/12/2009	Preceding Year Corresponding Year 31/12/2008
	Current Year Quarter 31/12/2009	Corresponding Quarter 31/12/2008		
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(1,523)	(88)	(11,078)	2,229
Weighted average number of ordinary shares in issue (units)	152,705,728	152,707,684	152,706,531	152,708,552
Basic (loss)/earning per share (sen)	<u>(1.0)</u>	<u>(0.1)</u>	<u>(7.3)</u>	<u>1.5</u>

By Order of the Board
SAU EAN NEE
Company Secretary
10 February 2010
Petaling Jaya