

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2012**

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|---|---|
| | Current Year Quarter 31/03/2012 (RM'000) | Preceding Year Corresponding Quarter 31/03/2011 (RM'000) | Current Year To Date 31/03/2012 (RM'000) | Preceding Year Corresponding Period 31/03/2011 (RM'000) |
| Revenue | 163,348 | 151,621 | 163,348 | 151,621 |
| Operating expenses | (153,191) | (140,517) | (153,191) | (140,517) |
| Other operating income | 438 | 1,225 | 438 | 1,225 |
| Profit from operations | 10,595 | 12,329 | 10,595 | 12,329 |
| Fair value gain on financial assets at fair value through profit or loss | 273 | 421 | 273 | 421 |
| Impairment loss on available-for-sale financial assets | - | (724) | - | (724) |
| Income from other investments and finance | 46 | 34 | 46 | 34 |
| Impairment of plant, property and equipment | - | (1,200) | - | (1,200) |
| Severance payment | - | (577) | - | (577) |
| Profit before tax | 10,914 | 10,283 | 10,914 | 10,283 |
| Taxation | (2,742) | (2,647) | (2,742) | (2,647) |
| Net profit for the period | 8,172 | 7,636 | 8,172 | 7,636 |
| Other comprehensive income after tax: | | | | |
| Net currency translation differences from foreign subsidiaries | 481 | (183) | 481 | (183) |
| Net fair value gain on available-for-sale financial assets | 2,872 | 1,072 | 2,872 | 1,072 |
| Other comprehensive income for the period, net of tax | 3,353 | 889 | 3,353 | 889 |
| Total comprehensive income for the period | 11,525 | 8,525 | 11,525 | 8,525 |
| Net profit attributable to: | | | | |
| - Owners of the parent | 8,169 | 7,632 | 8,169 | 7,632 |
| - Non-controlling interests | 3 | 4 | 3 | 4 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the parent | 11,522 | 8,521 | 11,522 | 8,521 |
| - Non-controlling interests | 3 | 4 | 3 | 4 |
| Earnings per share (sen) for profit attributable to owners of the parent: | | | | |
| - basic/diluted | 5.35 | 5.00 | 5.35 | 5.00 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

| | Unaudited as at 31/03/2012 (RM'000) | Audited as at 31/12/2011 (RM'000) |
|--|--|--|
| Non-current assets | | |
| Property, plant and equipment | 73,811 | 72,450 |
| Investment properties | 17,425 | 17,530 |
| Available-for-sale financial assets | 23,167 | 20,295 |
| Intangible asset | 8,417 | 8,893 |
| Prepaid lease rental | 4,655 | 4,703 |
| Deferred tax assets | 1,085 | 1,498 |
| | 128,560 | 125,369 |
| Current assets | | |
| Inventories | 85,291 | 99,360 |
| Trade receivables | 77,708 | 53,374 |
| Amount due from penultimate holding company | 119 | - |
| Amount due from immediate holding company | - | - |
| Amounts due from related companies | - | 44 |
| Other receivables, deposits and prepayments | 40,270 | 59,978 |
| Derivative financial asset | - | - |
| Tax recoverable | 747 | 2,150 |
| Financial assets at fair value through profit or loss | 37,337 | 32,064 |
| Deposits and cash balances | 24,587 | 15,010 |
| | 266,059 | 261,980 |
| Non-current assets held-for-sale | 985 | 985 |
| | 267,044 | 262,965 |
| Less: Current liabilities | | |
| Trade payables | 26,907 | 30,276 |
| Other payables and accrued expenses | 67,376 | 61,915 |
| Amount due to penultimate holding company | - | 2,139 |
| Amount due to immediate holding company | 16,695 | 18,412 |
| Amounts due to related companies | 1,435 | 2,133 |
| Tax payable | 510 | 1,755 |
| | 112,923 | 116,630 |
| Net current assets | 154,121 | 146,335 |
| Less: Non-current liabilities | | |
| Provision for retirement benefits | 5,486 | 5,477 |
| Deferred tax liabilities | 1,441 | 1,998 |
| | 6,927 | 7,475 |
| Net assets | 275,754 | 264,229 |
| Capital and reserves attributable to owners of the parent | | |
| Share capital | 153,548 | 153,548 |
| Reserves | 123,829 | 112,307 |
| Treasury shares | (1,857) | (1,857) |
| | 275,520 | 263,998 |
| Non-controlling interests | 234 | 231 |
| Total equity | 275,754 | 264,229 |
| Net assets per share (RM) attributable to owners of the parent | 1.80 | 1.73 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2012**

| | ← Attributable to owners of the parent → | | | | | | | Non-Controlling Interests | Total Equity | |
|--|--|---------------|-----------------|--------------------|--------------------------|-------------------|-----------------|---------------------------|--------------|---------|
| | Issued Share Capital | Share Premium | Capital Reserve | Fair Value Reserve | Foreign Exchange Reserve | Retained Earnings | Treasury Shares | | | Total |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) | |
| 3 months period ended 31 March 2012 | | | | | | | | | | |
| Balance as at 1 January 2012 | 153,548 | 34,445 | 1 | 10,526 | (221) | 67,556 | (1,857) | 263,998 | 231 | 264,229 |
| <u>Comprehensive income:</u> | | | | | | | | | | |
| Net profit for the period | - | - | - | - | - | 8,169 | - | 8,169 | 3 | 8,172 |
| <u>Other comprehensive income:</u> | | | | | | | | | | |
| Fair value gain on available-for-sale financial assets | - | - | - | 2,872 | - | - | - | 2,872 | - | 2,872 |
| Currency translation differences from foreign subsidiaries | - | - | - | - | 481 | - | - | 481 | - | 481 |
| Total comprehensive income for the period | - | - | - | 2,872 | 481 | 8,169 | - | 11,522 | 3 | 11,525 |
| Balance as at 31 March 2012 | 153,548 | 34,445 | 1 | 13,398 | 260 | 75,725 | (1,857) | 275,520 | 234 | 275,754 |
| 3 months period ended 31 March 2011 | | | | | | | | | | |
| Balance as at 1 January 2011 | 153,548 | 34,445 | 1 | 6,956 | 4,192 | 56,316 | (1,853) | 253,605 | 226 | 253,831 |
| <u>Comprehensive income:</u> | | | | | | | | | | |
| Net profit for the period | - | - | - | - | - | 7,632 | - | 7,632 | 4 | 7,636 |
| <u>Other comprehensive income:</u> | | | | | | | | | | |
| Fair value gain on available-for-sale financial assets | - | - | - | 1,072 | - | - | - | 1,072 | - | 1,072 |
| Currency translation differences from foreign subsidiaries | - | - | - | - | (183) | - | - | (183) | - | (183) |
| Total comprehensive income/(loss) for the period | - | - | - | 1,072 | (183) | 7,632 | - | 8,521 | 4 | 8,525 |
| Balance as at 31 March 2011 | 153,548 | 34,445 | 1 | 8,028 | 4,009 | 63,948 | (1,853) | 262,126 | 230 | 262,356 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2012**

| | 3 months ended 31/03/2012 (RM'000) | 3 months ended 31/03/2011 (RM'000) |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 10,914 | 10,283 |
| Adjustments for non-cash items | 4,366 | 4,084 |
| Operating profit before working capital changes | <u>15,280</u> | <u>14,367</u> |
| Net change in current assets | 8,196 | 10,798 |
| Net change in current liabilities | (2,577) | 1,991 |
| Tax paid | (2,728) | (1,448) |
| Net cash flows from operating activities | <u>18,171</u> | <u>25,708</u> |
| Cash flows from investing activities | | |
| Purchases of plant and equipment | (3,580) | (968) |
| Purchases of financial assets at fair value through profit or loss investment | (5,000) | (20,000) |
| Proceeds from disposal of plant and equipment | 68 | 1,140 |
| Interest received | 29 | 17 |
| Dividend received | 17 | 17 |
| Net cash flows used in investing activities | <u>(8,466)</u> | <u>(19,794)</u> |
| Cash flows from financing activities | | |
| Purchase of treasury shares | - | - |
| Dividend paid | - | - |
| Net cash flows used in financing activities | <u>-</u> | <u>-</u> |
| Net increase in cash and cash equivalents | 9,705 | 5,914 |
| Cash and cash equivalents at beginning of the financial year | 15,010 | 16,501 |
| Effects of foreign exchange on opening balance | (128) | 43 |
| Cash and cash equivalents at the end of period | <u>24,587</u> | <u>22,458</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2012**
1. Accounting Policies and Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011. 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 2011.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2011 except for the adoption of the following new standards, amendments to and interpretations on existing standards which are applicable in accordance to Group's financial statements.

The Group adopted the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS") with effect from 1 January 2012. In adopting the new framework, the Group has applied MFRS 1 "First Time Adoption of MFRS". The adoption of MFRS 1 did not result in a significant impact on the financial statements of the Group. Accordingly, the financial statements have been properly drawn up in accordance with MFRS for the quarter ended 31 March 2012. In addition, the financial statements comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

MFRSs or Amendments to MFRSs and Interpretations effective for financial year beginning on 1 January 2012

| | |
|------------------------------------|--|
| Amendment to MFRS 1 | First Time Adoption on Fixed Dates and Hyperinflation |
| Amendment to MFRS 7 | Financial Instruments: Disclosures on Transfers of Financial Assets |
| Amendment to MFRS 112 | Income Taxes |
| MFRS 124 | Related Party Disclosures |
| MFRS 139 | Financial Instruments: Recognition and Measurement |
| Amendments to IC Interpretation 14 | MFRS 119 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and Their Interaction |

The adoption of the Amendments to MFRSs and IC Interpretation above did not have any financial impact on the Group.

2. Disclosure of Preceding Year Unqualified Audit Report

The preceding year's audit report for the financial year ended 31 December 2011 was unqualified.

3. Cyclicity of Operations

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

4. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There was no unusual item affecting assets, liabilities, equity, net income or cash flows in the current reporting quarter.

5. Quarterly Estimations

There was no material change in the estimation methods used in this interim reporting quarter, which will have a material effect on the financial results.

6. Debt and Equity Securities

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

7. Segmental Reporting

| | <u>Malaysia</u> (RM'000) | <u>Indonesia</u> (RM'000) | <u>Singapore and others</u> (RM'000) | <u>Total</u> (RM'000) |
|--|--|--|---|--------------------------|
| 1st quarter and YTD ended 31 March 2012 | | | | |
| Revenue | 129,132 | 7,593 | 26,623 | 163,348 |
| Profit/(loss) before tax | 11,748 | (1,258) | 424 | 10,914 |
| 1st quarter and YTD ended 31 March 2011 | | | | |
| Revenue | 123,973 | 3,510 | 24,138 | 151,621 |
| Profit before tax | 10,060 | 178 | 45 | 10,283 |
| Segment assets as at: | | | | |
| | <u>Malaysia</u> (RM'000) | <u>Indonesia</u> (RM'000) | <u>Singapore and others</u> (RM'000) | <u>Total</u> (RM'000) |
| 31 March 2012 | 349,249 | 21,356 | 23,167 | 393,772 |
| 31 December 2011 | 345,057 | 19,335 | 20,294 | 384,686 |
| Assets Reconciliation | | | | |
| | <u>As at 31 Mar 2012</u> (RM'000) | <u>As at 31 Dec 2011</u> (RM'000) | | |
| Segment assets | 393,772 | 384,686 | | |
| Deferred tax assets | 1,085 | 1,498 | | |
| Tax recoverable | 747 | 2,150 | | |
| Total assets | <u>395,604</u> | <u>388,334</u> | | |

8. Valuations of Property, Plant and Equipment

There was no amendment to the valuations of property, plant and equipment brought forward.

9. Significant Events

As of to-date, the Group has received RM16.0 million out of the approved claims of RM17.8 million from the insurance companies for the Bukit Jelutong warehouse incident. Further details have been disclosed in Note 34 to the audited financial statements for the financial year ended 31 December 2011.

10. Subsequent Events

There was no subsequent event for the current reporting quarter.

11. Changes in the Composition of the Group

There was no change in the composition of the Group for the current reporting quarter.

12. Contingent Liabilities

There was no change in the status of contingent liabilities since the financial year ended 31 December 2011 except as disclosed in Note 22 of this interim financial statements.

13. Performance of the Group

The Group recorded revenue of RM163.3 million for the current quarter under review, compared to RM151.6 million generated in the same quarter last year, an increase of 8%. Sales for Malaysia, Indonesia and Singapore/Export Market grew by 4%, 116% and 10% respectively during the quarter. The increase in Malaysian sales is mainly due to strong promotions during the Chinese New Year festive period. Indonesia continue to see positive growth with the re-launching of the products and more brand building activities together with distribution growth. Singapore/Export Market is also registering strong growth mainly due to growth in the Indo-China market.

In the current quarter under review, the Group recorded an operating profit of RM10.6 million as compared to RM12.3 million in the previous corresponding quarter. The lower profitability in the current quarter is mainly due to unrealised foreign exchange loss and lower gain on disposal of plant and equipment.

The Group recorded a pre-tax profit of RM10.9 million for the current quarter, an increase of 6%, against a pre-tax profit of RM10.3 million in the previous corresponding quarter. The pre-tax profit for Malaysia and Singapore/Export Market has improved by 17% and 848% in the current quarter. The improvement is mainly due to higher sales and better cost management. Indonesia suffered losses this quarter mainly due to higher advertising costs and exchange losses in the current quarter as compared to exchange gain in the previous corresponding quarter.

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

The Group recorded an operating profit of RM10.6 million for the current quarter compared to RM7.7 million in the immediate preceding quarter. The better performance is mainly due to higher sales and lower operating cost during the festive period.

The Group recorded a pre-tax profit of RM10.9 million for the current quarter against a pre-tax profit of RM7.0 million, compared to the immediate preceding quarter. The higher profit recorded in the current quarter is mainly due to higher festive sales, lower operating cost and no impairment loss on available-for-sale financial assets.

15. Prospects of the Group

Global economic conditions in 2012 are expected to remain challenging. However, the economies in Asia, including Malaysia are expected to be stable and supported by increasing domestic demand. The Group is positive on its prospect for the current year. It will continue to grow its profit through brand building, promotion efforts and cost management.

16. Capital Commitment

Authorised capital commitments not provided and not contracted for in the interim financial statements as at 31 March 2012 in respect of plant and equipment amounted to RM114.8 million.

17. Variance from Profit Forecast

Not applicable.

18. Taxation

The tax is as follows:

| | <u>Current Quarter</u> (RM'000) | <u>Year To Date</u> (RM'000) |
|---|------------------------------------|---------------------------------|
| Income tax: | | |
| Current tax | 2,885 | 2,885 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | (151) | (151) |
| Under provision in the prior years | 8 | 8 |
| | <u>2,742</u> | <u>2,742</u> |

The Group's effective tax rate is 25% in the current quarter and financial period ended 31 March 2012.

19. Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this report.

20. Group Borrowings

The Group has no borrowing at the end of the reporting period.

21. Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained earnings/(accumulated losses) at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

Realised and Unrealised Profits or Losses

| | <u>As at</u> <u>31 Mar 2012</u> | <u>As at</u> <u>31 Dec 2011</u> |
|---|------------------------------------|------------------------------------|
| | <u>RM'000</u> | <u>RM'000</u> |
| Total retained earnings of Yeo Hiap Seng (M) Berhad and its subsidiaries: | | |
| - Realised | 73,803 | 66,032 |
| - Unrealised | 2,625 | 3,358 |
| | <u>76,428</u> | <u>69,390</u> |
| Add : Consolidation adjustments | (703) | (1,834) |
| Total Group's retained earnings as per consolidated accounts | <u>75,725</u> | <u>67,556</u> |

22. Material Litigation

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

- (i) The Board of Directors announced on 2 February 2010 that the Jakarta High Court had decided in favour of the Company and its subsidiary, PT YHS Indonesia regarding a suit filed by PT Kharisma Inti Persada ("the Plaintiff"), claiming for approximately Rupiah219.9 billion (approximately RM77 million) for an alleged breach of an alleged agreement and an alleged distributor's appointment. The Company has on 23 March 2010 received a formal notification from the Central Jakarta District Court that the Plaintiff has filed an appeal against the Jakarta High Court's decision and the Company had, on 5 April 2010, filed a counter memorandum to the Court. The Company is still awaiting the Indonesia Supreme Court decision and there has been no change in status since the last quarter reporting.

(ii) The Board of Directors announced on 11 March 2010 that the High Court of Shah Alam has on 10 March 2010 vide the proceedings under Civil Suit no. MT3-22-936-2003 granted judgement against the Company in favour of F.Y. Sdn Bhd ("the Plaintiff"), for the alleged breach of an agreement. The High Court did not award the quantum of damages and ordered that damages be assessed before the Registrar of the High Court. Our lawyer has advised that we have a strong case to appeal and a memorandum of appeal has been filed with the Court on 28 June 2010. The Board of Directors announced on 28 March 2012 that the Court of Appeal upon hearing on 27 March 2012, has granted judgement in favour of the Company and allowed the Company's appeal with costs. On 2 April 2012, the Plaintiff has withdrawn its application for assessment of damages at the High Court.

23. Dividend Proposed/Paid

There was no dividend declared or paid for the period under review.

24. Earnings Per Share

| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
|---|-------------------------|--|-------------------------|---|
| | 31/03/2012 | 31/03/2011 | 31/03/2012 | 31/03/2011 |
| Net profit attributable to owners of the parent (RM'000) | 8,169 | 7,632 | 8,169 | 7,632 |
| Weighted average number of ordinary shares in issue (units) | 152,701,369 | 152,703,369 | 152,701,369 | 152,703,369 |
| Earnings per share: | | | | |
| - Basic/diluted (sen) | <u>5.35</u> | <u>5.00</u> | <u>5.35</u> | <u>5.00</u> |

The diluted earnings per share is the same as the basic earnings per share as the Group did not have any financial instrument in this reporting period, which may entitle its holders to ordinary shares of the Company and therefore dilute the basic earnings per share.

25. Notes to the Condensed Consolidated Statement of Comprehensive Income

The following amounts have been credited/(charged) in arriving at profit before tax:

| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
|--|-------------------------|--|-------------------------|---|
| | 31/03/2012 | 31/03/2011 | 31/03/2012 | 31/03/2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| a) Interest income | 29 | 17 | 29 | 17 |
| b) Dividend income | 17 | 17 | 17 | 17 |
| c) Interest expenses | N/A | N/A | N/A | N/A |
| d) Depreciation and amortisation | (2,368) | (2,512) | (2,368) | (2,512) |
| e) Bad debts write-offs | - | 10 | - | 10 |
| f) Provision for write-offs of inventories | (537) | (976) | (537) | (976) |
| g) Gain on disposal of investments | - | - | - | - |
| h) Gain on disposal of properties | - | - | - | - |
| i) Foreign exchange (loss)/gain | (912) | 345 | (912) | 345 |

By Order of the Board
SAU EAN NEE
 Company Secretary
 25 April 2012
 Petaling Jaya