

This Prospectus has been seen and approved by the Directors and Promoters of Y.S.P. Southeast Asia Holding Berhad ("Y.S.P.SAH") and the Offerors and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

RHB Sakura Merchant Bankers Berhad, being the Adviser, Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering and offer for sale and is satisfied that the consolidated profit estimate and forecast of Y.S.P.SAH for the financial years ending 31 December 2003 and 31 December 2004 (for which the Directors of Y.S.P.SAH are fully responsible), prepared for inclusion in this Prospectus have been stated by the Directors of Y.S.P.SAH after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") had, *vide* its letter dated 26 September 2003, approved the issue, offer or invitation in respect of the public offering and offer for sale and that the approval shall not be taken to indicate that the SC recommends the public offering.

The SC shall not be liable for any non-disclosure on the part of Y.S.P.SAH and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

The KLSE shall not be liable for any non-disclosure on the part of Y.S.P.SAH and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the KLSE is not to be taken as an indication of the merits of the invitation, Y.S.P.SAH or of its securities.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the forms of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company of 55,000,000 ordinary shares of RM1.00 each ("Shares") on the Second Board of the KLSE is set out below:

Event	Tentative date
Opening date of the applications	23 December 2003
Closing date of the applications	31 December 2003 *
Tentative balloting date	5 January 2004
Tentative allotment date	9 January 2004
Tentative listing date	13 January 2004

Note:

- * *Applications for the Shares will close at the time and date as stated above or such other date as the Directors of Y.S.P.SAH, the Offerors (as herein defined) and the Underwriter/Placement Agent in their absolute discretion may mutually decide. Any extension of the abovementioned dates will be published in widely circulated English and Bahasa Malaysia newspapers within Malaysia.*

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DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Prospectus and the Application Forms:

Acquisition of YSSEA	:	Acquisition by Y.S.P.SAH of the entire issued and paid-up share capital of YSSEA comprising 31,000,002 ordinary shares of RM1.00 each for a total purchase consideration of RM49,424,604 satisfied by the issuance of 44,125,416 new Shares at an issue price of approximately RM1.12 per Share
Act	:	Companies Act, 1965
ADA	:	Authorised Depository Agent
AFTA	:	ASEAN Free Trade Area
Application Form(s)	:	The application form(s) for the application of the IPO Shares accompanying this Prospectus
Application List	:	List of applications for the IPO Shares
ASEAN	:	Association of South East Asian Nations
Bumiputera Investor(s)	:	Bumiputera investor(s) recognised by MITI for the purpose of meeting the Bumiputera participation criteria under the National Development Policy
BVI	:	British Virgin Islands
CAGR	:	Compound annual growth rate
CDS	:	Central Depository System
CDS Account(s)	:	An account established by MCD for a depositor to record the deposits or withdrawals of securities and for dealings in such securities by the depositor
DCA	:	Drug Control Authority
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
EPS	:	Earnings per share
ERP	:	Enterprise Resource Planning
FIC	:	Foreign Investment Committee
Flotation Scheme	:	Acquisition of YSSEA, Settlement of Inter-company Debt, IPO and Listing collectively
Frost & Sullivan	:	Frost & Sullivan Sdn Bhd (<i>Company No. 522293-W</i>)
FYE	:	Financial year ending/ended
GP(s)	:	General practitioner(s)
GMP	:	Good Manufacturing Practices
IPO	:	Offer for Sale and Public Issue collectively
IPO Shares	:	The 24,749,700 Shares which are the subject of the IPO

DEFINITIONS *(Cont'd)*

Issue Shares	:	The 8,250,000 new Shares which are the subject of the Public Issue
KLSE	:	Kuala Lumpur Stock Exchange
Kyats	:	Kyats, the lawful currency of Myanmar
KYSP	:	Kumpulan Y.S.P. (Malaysia) Sdn Bhd <i>(Company No. 170641-W)</i>
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing	:	Listing of and quotation for the entire enlarged issued and paid-up share capital of Y.S.P.SAH of RM55,000,000 comprising 55,000,000 Shares on the Second Board
Market Day	:	Any day on which the KLSE is open for the trading of securities
MCD	:	Malaysian Central Depository Sdn Bhd <i>(Company No. 165570-W)</i>
MI	:	Minority interests
MIDA	:	Malaysian Industrial Development Authority
MIH	:	Malaysian Issuing House Sdn Bhd <i>(Company No.: 258345-X)</i>
MITI	:	Ministry of International Trade and Industry
MoH	:	Ministry of Health
MYSP	:	Myanmar Yung Shin Pharma Ltd. <i>(Company No. 48/96)</i>
NPCB	:	National Pharmaceutical Control Bureau, which is under the jurisdiction of MoH
NTA	:	Net tangible assets
NTD	:	New Taiwan Dollar
OEM	:	Original Equipment Manufacturing
Offer for Sale	:	Offer for sale of 16,499,700 Offer Shares at an IPO price of RM1.43 per Offer Share to Bumiputera Investors
Offerors	:	YSP(INV), Dr. Lee Fang Hsin, Lee Tien-Te, Lin Meng-Be, Lin Min-Ju, Dr. Lee Fang-Yu, Lee Chang Yu-Ying, Dr. Lee Fang-Chen @ Lee Fang-Chuan, Dr. Lee Fang-Jen, Lee Ling-Chin, Chiang Hung-Wen, Lee I-Hsiung, Li Yu-Lin, Lee Ling-Fen, Lin Bao-Cheng, Lee Wen-Chih, Lee Wen-Jung, Tang Wei-Chen, Leu Teh-Ming and Ho Kuo-Liang collectively
Offer Shares	:	The 16,499,700 Shares to be offered pursuant to the Offer for Sale
OTC	:	Over the counter (non-prescription)
PAT	:	Profit after taxation

DEFINITIONS *(Cont'd)*

PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Peso	:	Philippine Peso, the lawful currency of the Philippines
PICS	:	Pharmaceutical Inspection Co-operation Scheme
Placement Agent	:	RHB Sakura
Private Placement	:	Placement of 2,500,000 of the Issue Shares at an IPO price of RM1.43 per Share to investors identified by the Placement Agent
Promoters	:	YSP(INV), Lee Tien-Te, Dr. Lee Fang-Yu and Dr. Lee Fang Hsin collectively
Public Issue	:	Public issue of 8,250,000 Issue Shares at an IPO price of RM1.43 per Share, comprising 3,000,000 Issue Shares to the Malaysian public, 2,750,000 Issue Shares to the eligible employees of the Y.S.P.SAH Group and 2,500,000 Issue Shares to investors identified by the Placement Agent
QA	:	Quality assurance
QC	:	Quality control
R&D	:	Research and development
RHB Sakura	:	RHB Sakura Merchant Bankers Berhad (<i>Company No. 19663-P</i>)
Riels	:	Riels, the lawful currency of Cambodia
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission
Second Board	:	Second Board of the KLSE
Settlement of Inter-company Debt	:	Settlement by Y.S.P.SAH on YSSEA's behalf, an outstanding debt of RM2,938,660 owed by YSSEA to YSP(INV) by way of issuance of 2,623,584 new Shares at an issue price of approximately RM1.12 per Share, resulting in the creation of an amount owing by YSSEA to Y.S.P.SAH of RM2,938,660
SGD	:	Singapore Dollars, the lawful currency of Singapore
Share(s)	:	Ordinary share(s) of RM1.00 each in Y.S.P.SAH
SOP	:	Internal standard operating procedures of the Company
Taiwan, R.O.C.	:	Taiwan, Republic of China
TTA	:	Technology Transfer Agreement dated 1 September 1998 between YSP(TW) and YSPI
Underwriter	:	RHB Sakura
USA	:	United States of America

DEFINITIONS *(Cont'd)*

USD	:	USA Dollar
YS(P)	:	Yung Shin (Philippines), Inc. <i>(Company No. A200009901)</i>
YSP(C)	:	Y.S.P. (Cambodia) Pte. Ltd. <i>(Company No. 1088/01E)</i>
YSP(INV)	:	YSP SEA Investment Company Limited <i>(Company No. 450930)</i> , a company incorporated in BVI
YSP(ROV)	:	Resident representative office in Vietnam
YSP(S)	:	Yung Shin Pharma (S) Pte Ltd <i>(Company No. 199002549-W)</i>
YSP(TW)	:	Yung Shin Pharmaceutical Industries Co. Ltd. <i>(Company No. 56065601)</i> , a company incorporated in Taiwan, R.O.C.
YSPI	:	Y.S.P. Industries (M) Sdn Bhd <i>(Company No. 192593-U)</i>
YSP International	:	YSP International Company Limited <i>(Company No. 450929)</i> , a company incorporated in BVI
Y.S.P.SAH or Company	:	Y.S.P. Southeast Asia Holding Berhad <i>(Company No. 552781-X)</i>
Y.S.P.SAH Group or Group	:	Y.S.P.SAH and its subsidiary companies
YSSEA	:	Yung Shin South East Asia Sdn Bhd <i>(Company No. 463385-H)</i>

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TABLE OF CONTENTS

	Page
1. CORPORATE DIRECTORY	1
2. INFORMATION SUMMARY	4
2.1 History and business	4
2.2 Promoters, substantial shareholders, Directors, key management and key technical personnel.....	5
2.3 Major licences.....	8
2.4 Financial highlights.....	9
2.5 Proforma consolidated balance sheets of Y.S.P.SAH as at 31 August 2003	11
2.6 Audit matters	12
2.7 Principal statistics relating to the IPO.....	12
2.8 Risk factors.....	15
2.9 Utilisation of proceeds.....	17
2.10 Working capital, material litigation, capital commitments, borrowings and contingent liabilities	17
3. PARTICULARS OF THE IPO	19
3.1 Preliminary	19
3.2 Opening and closing of applications.....	20
3.3 Important tentative dates.....	20
3.4 Share capital.....	20
3.5 Details of the IPO	21
3.6 Purposes of the IPO	22
3.7 Basis of arriving at the IPO price.....	23
3.8 Utilisation of proceeds.....	23
3.9 Brokerage and underwriting commission	26
4. RISK FACTORS	29
5. INDUSTRY OVERVIEW AND FUTURE PROSPECTS	41
5.1 Economic overview	41
5.2 Overview of the Malaysian pharmaceutical industry.....	42
5.3 Prospects and plans of the Y.S.P.SAH Group	47
6. INFORMATION ON THE Y.S.P.SAH GROUP	49
6.1 Incorporation and principal activities	49
6.2 Share capital.....	50
6.3 Flotation Scheme	50
6.4 History and business overview	51
6.5 Information on subsidiary and associated companies.....	65
7. INFORMATION ON THE SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE Y.S.P.SAH GROUP	71
7.1 Promoters and substantial shareholders	71
7.1.1 Promoters' shareholdings	71
7.1.2 Substantial shareholders' shareholdings.....	72
7.1.3 Directorships and substantial shareholdings in all other public corporations for the past two years	74
7.1.4 Changes in promoters' and substantial shareholders' shareholdings in Y.S.P.SAH for the past three years.....	75

TABLE OF CONTENTS (Cont'd)

	Page	
7.2	Directors	76
7.2.1	Directors' shareholdings.....	76
7.2.2	Profiles.....	77
7.2.3	Directors' remuneration and benefits	79
7.2.4	Directorships and substantial shareholdings in all other public corporations for the past two years	79
7.2.5	Involvement of Executive Directors in other businesses or corporations.....	80
7.3	Key management and key technical personnel	80
7.3.1	Key management's and key technical personnel's shareholdings.....	80
7.3.2	Profiles.....	81
7.3.3	Directorships and substantial shareholdings in all other public corporations for the past two years	83
7.3.4	Involvement of key management and key technical personnel in other businesses or corporations.....	83
7.4	Declarations from the Directors, key management and key technical personnel.....	83
7.5	Audit committee	84
7.6	Family relationships.....	84
7.7	Service agreements	84
7.8	Management succession plan.....	84
8.	APPROVALS AND CONDITIONS	85
8.1	Conditions on approvals for the Flotation Scheme.....	85
8.2	Moratorium on Shares	88
9.	RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST	89
9.1	Related party transactions and conflict of interest	89
9.2	Declarations by the Advisers	99
10.	MAJOR LICENCES AND PERMITS	100
11.	LANDED PROPERTIES	102
12.	FINANCIAL INFORMATION	105
12.1	Historical financial information.....	105
12.1.1	Profit and dividend record	105
12.1.2	Segmental analysis of proforma Group's revenue.....	106
12.1.3	Segmental analysis of proforma Group's PBT and PAT.....	108
12.1.4	Directors' declaration on financial performance	109
12.1.5	Working capital, borrowings, contingent liabilities, capital commitments and material litigation.....	109
12.2	Future financial information	111
12.2.1	Consolidated profit estimate and forecast.....	111
12.2.2	Basis and assumptions underlying the consolidated profit estimate and forecast....	113
12.2.3	Directors' comments on consolidated profit estimate and forecast	116
12.2.4	Reporting Accountants' letter on the consolidated profit estimate and forecast.....	118
12.2.5	Sensitivity analysis	120
12.2.6	Dividend estimate and forecast.....	123
12.3	Proforma consolidated balance sheets of Y.S.P.SAH as at 31 August 2003	124
12.3.1	Notes to the Proforma Consolidated Balance Sheets	125
12.4	Reportig Accountants' letter on the proforma consolidated balance sheets as at 31 August 2003	127

TABLE OF CONTENTS (Cont'd)

	Page
13. ACCOUNTANTS' REPORT	129
14. INDEPENDENT MARKET RESEARCH REPORT	161
15. DIRECTORS' REPORT	272
16. FURTHER INFORMATION	273
16.1 Share capital.....	273
16.2 Articles of Association.....	273
16.3 Directors and substantial shareholders.....	280
16.4 General.....	283
16.5 Expenses and commissions.....	283
16.6 Public take-overs	283
16.7 Material litigation	284
16.8 Material contracts	284
16.9 Material agreements.....	285
16.10 Material capital commitments.....	288
16.11 Letters of consent.....	288
16.12 Responsibility statements	288
16.13 Documents available for inspection.....	289
17. PROCEDURES FOR APPLICATION AND ACCEPTANCE	290
17.1 Opening and closing of applications.....	290
17.2 Methods of Application	290
17.3 Procedures for application	290
17.4 Applications using application forms	291
17.5 Applications via electronic share applications.....	295
17.6 Application and acceptance	299
17.7 CDS Account.....	300
17.8 Notice of allotment	300
17.9 List of ADAs.....	302

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1. CORPORATE DIRECTORY**DIRECTORS**

Name	Address	Occupation	Nationality
Datuk Dr. Anis bin Ahmad <i>(Chairman)</i>	No. 80, Jalan SS22A/3 Damansara Jaya 47400 Petaling Jaya	Pharmacist	Malaysian
Dr. Lee Fang Hsin <i>(President/Group Managing Director)</i>	No. 18, Jalan Wan Kadir Taman Tun Dr. Ismail 60000 Kuala Lumpur	Company Director	Taiwanese
Lee Tien-Tc <i>(Non-Independent Non-Executive Director)</i>	No. 1191, Section 1 Chung Shan Road Tachia, Taichung Taiwan, R.O.C.	Company Director	Taiwanese
Dr. Lee Fang-Yu <i>(Non-Independent Non-Executive Director)</i>	No. 1191, Section 1 Chung Shan Road Tachia, Taichung Taiwan, R.O.C.	Pharmacist	Taiwanese
Dato' Koay Soon Eng <i>(Independent Non-Executive Director)</i>	31, Jalan Derumun Damansara Heights 50490 Kuala Lumpur	Accountant	Malaysian
Tu Shu Yao <i>(Independent Non-Executive Director)</i>	No. 10, Lorong Timor 46000 Pctaling Jaya Selangor	Company Director	Taiwanese

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Koay Soon Eng	Chairman	Independent Non-Executive Director
Tu Shu Yao	Member	Independent Non-Executive Director
Dr. Lee Fang Hsin	Member	President/Group Managing Director

1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Lim Seck Wah
(MAICSA 0799845)
No. 36, Jalan Suasana 2/2
Bandar Tun Hussein Onn, Batu 9 ¾
43200 Cheras
- M. Chandrasegaran A/L S. Murugasu
(MAICSA 0781031)
No. 1, Jalan SS18/1
47500 Subang Jaya
- REGISTERED OFFICE** : 16th Floor, Plaza IBM
No. 1, Jalan Tun Mohd Fuad
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 03-7727 6390
Fax: 03-7727 6701
Email: yypsah@yyp.com.my
Website: www.yyp.com.my
- PRINCIPAL BANKERS** : Malayan Banking Berhad
(Company No.: 3813-K)
No. 2, Lorong Rahim Kajai 14
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 03-7729 3671
- Cathay United Bank
(formerly known as United World Chinese Commercial Bank)
(Company No.: 970064C)
Licensed Offshore Bank
Level 3(C), Main Office Tower
Financial Park Labuan Complex
Jalan Merdeka
87000 Labuan F.T.
Tel: 087-452168
- AUDITORS AND REPORTING ACCOUNTANTS** : Shamsir Jasani Grant Thornton
(No.: AF-737)
Level 11-1, Faber Imperial Court
Jalan Sultan Ismail
PO Box 12337
50774 Kuala Lumpur
Tel: 03-2692 4022
- SOLICITORS FOR THE LISTING EXERCISE** : Soo Thien Ming & Nashrah
Wisma Selangor Dredging
10th Floor, South Block
142-A Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2161 2588

1. **CORPORATE DIRECTORY** *(Cont'd)*

ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd (Company No.: 258345-X) 27 th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: 03-2693 2075
REGISTRAR	:	Mega Corporate Services Sdn. Bhd. (Company No.: 187984-H) Level 11-2, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2692 4271
INDEPENDENT MARKET RESEARCH CONSULTANT	:	Frost & Sullivan (Company No.: 522293-W) Suite E-08-15, Block E Plaza Mont' Kiara 2, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Tel: 03-6204 5800
ADVISER, UNDERWRITER AND PLACEMENT AGENT	:	RHB Sakura (Company No.: 19663-P) Level 8, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-9287 3888
LISTING SOUGHT	:	Second Board of the KLSE

2. INFORMATION SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. INVESTORS SHOULD THEREFORE READ AND UNDERSTAND THE INFORMATION SUMMARY IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS BEFORE DECIDING TO INVEST IN THE IPO.

2.1 HISTORY AND BUSINESS

Y.S.P.SAH was incorporated in Malaysia under the Act on 10 July 2001 as a private limited company under the name of Y.S.P. South East Asia Holding Sdn. Bhd. The Company was subsequently converted into a public limited company and assumed its present name on 16 May 2002.

Y.S.P.SAH is principally an investment holding company with a wholly owned subsidiary, YSSEA, which has six subsidiaries.

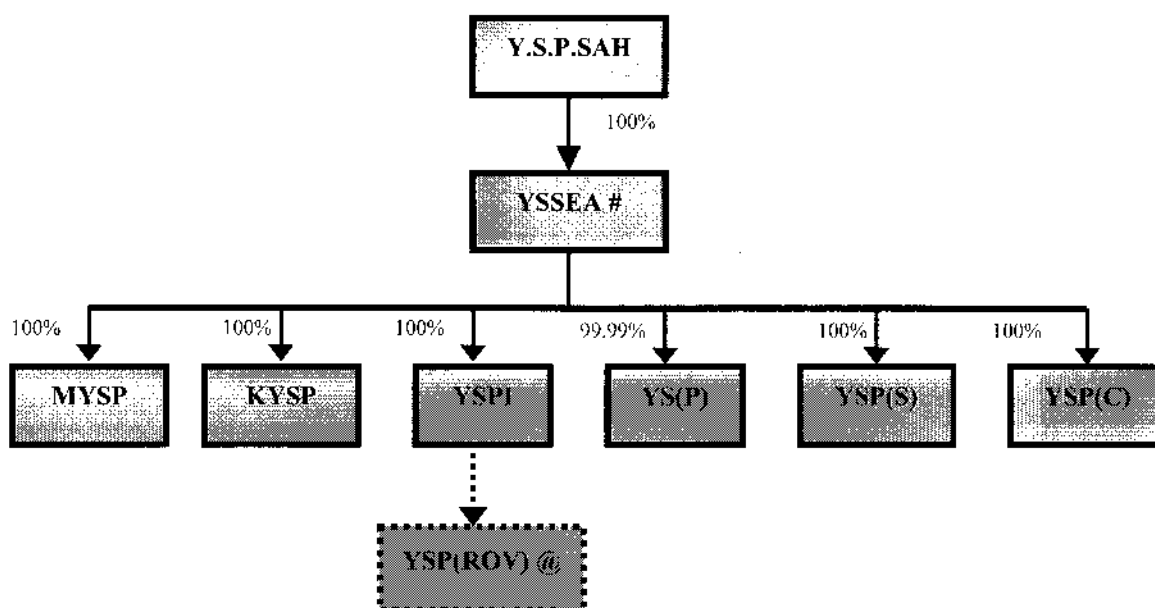
The principal activities of its subsidiaries are as follows:

Subsidiary	Date and Place of incorporation	Issued and paid-up share capital	Effective equity interest (%)	Principal activities
YSSEA	3 June 1998 Malaysia	RM31,000,002	100	Investment holding.
KYSP	24 May 1988 Malaysia	RM2,450,000	100	Importer and distributor of pharmaceutical and veterinary products and pharmaceutical fine chemicals. Has been dormant since 1 January 1994.
YSPI	22 January 1990 Malaysia	RM27,000,000	100	Importer, exporter and manufacturer of pharmaceutical products, veterinary products, aquatic products and pharmaceutical fine chemicals and provision of management services. Distribution of pharmaceutical products, veterinary and aquatic products.
YSP(S)	26 May 1990 Singapore	SGD1,063,001	100	Importers and exporters and trading in all kinds of pharmaceutical products.
YS(P)	14 August 2000 Philippines	Peso8,313,543	99.99	Manufacturing, importing, exporting, buying and selling of goods such as parenterals (pharmaceuticals), oral preparations, veterinary products, nutrition products, dermatological preparations and other related products of the same nature.
MYSP	8 June 1998 Myanmar	Kyats502,000	100	Importers and exporters and trading in all kinds of pharmaceutical products.
YSP(C)	25 April 2001 Cambodia	Riels39,448,500	100	Importers and exporters and trading in all kinds of pharmaceutical products.

Further information on the history and business of the Y.S.P.SAH Group is set out in Section 6 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

The Y.S.P.SAH Group's corporate structure is as follows:



Notes:

YSSEA will be dissolved after the Listing.

@ YSPI has established a representative office in Vietnam on 8 April 1999.

2.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

The information summary on the Promoters, substantial shareholders, Directors, key management and key technical personnel is extracted from and should be read in conjunction with the detailed information set out in Section 7 of this Prospectus.

2.2.1 Promoters

The direct and indirect interests of the Promoters of Y.S.P.SAH in the Shares after the IPO are as follows:

Promoter	Country of Incorporation / Nationality	<---Direct--->		<---Indirect--->	
		No. of Shares	%	No. of Shares	%
YSP(INV)	BVI	23,184,300	42.2	-	-
Lee Tien-Te	Taiwanese	553,055	1.0	27,158,693(a)	49.4
Dr. Lee Fang-Yu	Taiwanese	526,052	1.0	27,185,696(b)	49.4
Dr. Lee Fang Hsin	Taiwanese	1,620,160	2.9	26,091,588(c)	47.4

Notes:

(a) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).

2. INFORMATION SUMMARY (Cont'd)

- (b) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (c) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).

2.2.2 Substantial shareholders

The direct and indirect interests of the substantial shareholders of Y.S.P.SAH in the Shares after the IPO are as follows:

Substantial shareholder	Country of incorporation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
YSP(INV)	BVI	23,184,300	42.2	-	-
Lee Tien-Te	Taiwanese	553,055	1.0	27,158,693(a)	49.4
Dr. Lee Fang-Yu	Taiwanese	526,052	1.0	27,185,696(b)	49.4
Dr. Lee Fang-Hsin	Taiwanese	1,620,160	2.9	26,091,588(c)	47.4
Dr. Lee Fang-Chen @ Lee Fang-Chuan	Taiwanese	421,042	0.8	27,290,706(d)	49.6
Dr. Lee Fang-Jen	Taiwanese	403,040	0.7	27,308,708(e)	49.7
Lee Ling-Chin	Taiwanese	314,031	0.6	27,397,717(f)	49.8
Lee Ling-Fen	Taiwanese	230,023	0.4	27,481,725(g)	50.0
Lee-Chang Yu-Ying	Taiwanese	460,045	0.8	27,251,703(h)	49.6
Lembaga Tabung Haji	Malaysia	8,250,000@	15.0	-	-
Permodalan Nasional Berhad	Malaysia	4,000,000@	7.3	-	-
YSP International	BVI	-	-	23,184,300(i)	42.2
YSP(TW)	Taiwan, R.O.C.	-	-	23,184,300(j)	42.2

Notes:

- (a) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (b) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (c) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (d) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (e) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (f) Deemed interested by virtue of her family members' direct shareholding in Y.S.P.SAH and by virtue of her own together with her family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (g) Deemed interested by virtue of her family members' direct shareholding in Y.S.P.SAH and by virtue of her own together with her family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).

2. INFORMATION SUMMARY (Cont'd)

- (h) Deemed interested by virtue of her family members' direct shareholding in Y.S.P.SAH and by virtue of her own together with her family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (i) Deemed interested by virtue of Section 6A of the Act, through its 100% interest in YSP(INV).
- (j) Deemed interested by virtue of Section 6A of the Act, through its 100% interest in YSP International which in turn wholly owns YSP(INV).
- @ Represent the number of Shares allocated to Lembaga Tabung Haji and Permodalan Nasional Berhad pursuant to the Offer for Sale, and assuming that they subscribe in full for the respective number of Shares allocated to them.

2.2.3 Directors

The direct and indirect interests of the Directors of Y.S.P.SAH in the Shares after the IPO are as follows:

Director	Designation	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Datuk Dr Anis bin Ahmad	Chairman	2,555,000	4.6	-	-
Dr. Lee Fang Hsin	President/Group Managing Director	1,620,160	2.9	26,091,588(a)	47.4
Lee Tien-Te	Non-Independent Non-Executive Director	553,055	1.0	27,158,693(b)	49.4
Dr. Lee Fang-Yu	Non-Independent Non-Executive Director	526,052	1.0	27,185,588(c)	49.4
Dato' Koay Soon Eng	Independent Non- Executive Director	-	-	-	-
Tu Shu Yao	Independent Non- Executive Director	-	-	-	-

Notes:

- (a) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (b) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).
- (c) Deemed interested by virtue of his family members' direct shareholding in Y.S.P.SAH and by virtue of his own together with his family members' shareholding of more than 15% in YSP(TW) which wholly owns YSP International which in turn wholly owns YSP(INV).

2. INFORMATION SUMMARY (Cont'd)

2.2.4 Key management and key technical personnel

Y.S.P.SAH was incorporated as an investment holding company. The key management and key technical personnel of the Y.S.P.SAH Group are under the direct employment of its subsidiary companies.

As at 10 December 2003, none of the key management and key technical personnel has any direct or indirect interests in the Y.S.P.SAH Group. The details of the key management and key technical personnel and their respective direct and indirect interests in the Y.S.P.SAH Group after the IPO are as follows:

Key management and key technical personnel	Designation	Direct %	Indirect %
Yap Yen Mee	Vice President (Production and Services)	0.29*	-
Sia Pik Nee	Senior Manager (Business Development)	0.27*	-
Chin Yoke Ching	Senior Manager (Marketing)	0.27*	-
Yap Li Chen	Senior Manager (Production) cum Special Assistant to the President/Group Managing Director	0.27*	-
Chu Hong Jian	Manager (Accounts, Finance and Credit Control, Service Division 1)	0.27*	-
Ong Heng	Manager (Marketing for YSP(S))	-	-
Chan You Tak	Area Manager (Veterinary) cum Veterinary Export Manager	0.05*	-
Yap Sze Shong	Administrator (R&D Division)	0.02*	-
Ananda Prakash a/l Ulaganathan	Assistant Manager (Production)	0.05*	-
Lai Chen Chun	Manager (Marketing Division 2)	0.20*	-
Law Wogi Jian	Assistant Manager (Marketing Division 1)	0.05*	-

Note:

- * Represent the percentage of the enlarged issued and paid-up share capital of Y.S.P.SAH to be held by the key management and key technical personnel after taking into account the pink form allocations, assuming that they subscribe in full for the respective number of Shares allocated to them.

2.3 MAJOR LICENCES

The Y.S.P.SAH Group is principally involved in the manufacture, distribution and export of pharmaceutical and veterinary products. Its manufacturing activities are governed by the manufacturing licences issued by MITI and the manufacturing and import licences issued by DCA.

For further details on the major licences of the Y.S.P.SAH Group, please refer to Section 10 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.4 FINANCIAL HIGHLIGHTS

The following table sets out a summary of the proforma Group's financial performance for the past five FYE 31 December 2002 and 8 months financial period ended 31 August 2003, based on the assumption that the current structure of the Group had been in existence throughout the years/period under review. The proforma consolidated profit and dividend records should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 13 of this Prospectus.

RM'000	←-----FYE 31 December----->					8-mths financial period ended
	1998	1999	2000	2001	2002	31 Aug 2003
Revenue	32,272	36,516	47,177	56,253	61,249	45,811
EBITDA	3,103	5,868	8,220	12,014	11,966	7,793
Amortisation	(182)	(24)	-	-	-	-
Depreciation	(980)	(1,099)	(1,288)	(1,059)	(1,418)	(971)
Interest expenses	(971)	(1,063)	(862)	(433)	(221)	(97)
PBT and exceptional item	970	3,682	6,070	10,522	10,327	6,725
Exceptional item ¹	215	-	-	-	-	-
PBT	1,185	3,682	6,070	10,522	10,327	6,725
Taxation	171	(30)	(988)	(2,237)	(2,544)	(1,734)
PAT	1,356	3,652	5,082	8,285	7,783	4,991
Number of Shares ('000) ²	46,750	46,750	46,750	46,750	46,750	46,750
Basic:						
Gross EPS (sen) ³	2.53	7.88	12.98	22.51	22.09	21.58 ⁹
Net EPS (sen) ⁴	2.90	7.81	10.87	17.72	16.65	16.01 ⁹
Number of Shares ('000) ⁵	55,000	55,000	55,000	55,000	55,000	55,000
Fully diluted:						
Gross EPS (sen) ⁶	2.15	6.69	11.04	19.13	18.78	18.34 ⁹
Net EPS (sen) ⁷	2.47	6.64	9.24	15.07	14.15	13.61 ⁹
Dividend rate (%)	-	-	-	-	8.7	-

Notes:

1. The exceptional item for the FYE 31 December 1998 was due to a foreign exchange gain derived from the translation of a USD denominated term loan from Cathay United Bank (formerly known as United World Chinese Commercial Bank), an offshore bank based in the Federal Territory of Labuan.
2. Number of Shares assumed in issue after the Acquisition of YSSFA and Settlement of Inter-company Debt but prior to the Public Issue.
3. Based on the PBT divided by the number of Shares assumed in issue after the Acquisition of YSSFA and Settlement of Inter-company Debt but prior to the Public Issue.
4. Based on the PAT divided by the number of Shares assumed in issue after the Acquisition of YSSFA and Settlement of Inter-company Debt but prior to the Public Issue.

2. INFORMATION SUMMARY (Cont'd)

5. *Number of Shares assumed in issue after the Acquisition of YSSEA, Settlement of Inter-company Debt and Public Issue.*
6. *Based on the PBT divided by the number of Shares assumed in issue after the Acquisition of YSSEA, Settlement of Inter-company Debt and Public Issue.*
7. *Based on the PAT divided by the number of Shares assumed in issue after the Acquisition of YSSEA, Settlement of Inter-company Debt and Public Issue.*
8. *There is no extraordinary item reported by the Y.S.P.SAH Group during the financial years and period under review.*
9. *Annualised.*

For further details and commentary on the proforma consolidated profit and dividend records, please refer to Section 12.1 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.5 PROFORMA CONSOLIDATED BALANCE SHEETS OF Y.S.P.SAH AS AT 31 AUGUST 2003

The proforma consolidated balance sheets set out below are provided for illustrative purposes only to show the effects of the IPO assuming that the Acquisition of YSSEA, Settlement of Inter-company Debt and IPO had been effected on 31 August 2003. The proforma consolidated balance sheets should be read in conjunction with the accompanying notes included in the Proforma Consolidated Balance Sheets as set out in Section 12.3 of this Prospectus.

	Company Audited as at 31.8.2003 RM'000	Group		
		Proforma I RM'000	Proforma II RM'000	Proforma III RM'000
SHARE CAPITAL	1	44,126	46,750	55,000
RESERVE	(6)	15,441	15,756	17,803
SHAREHOLDERS' FUND	(5)	59,567	62,506	72,803
LOAN AND BORROWINGS	-	762	762	762
DEFERRED TAXATION	-	529	529	529
	(5)	60,858	63,797	74,094
REPRESENTED BY:				
PROPERTY, PLANT AND EQUIPMENT	-	23,634	23,634	31,180
INTANGIBLE ASSETS	-	1	1	1
CURRENT ASSETS				
Inventories	-	18,897	18,897	18,897
Receivables	-	27,375	27,375	27,375
Fixed deposit with a licensed bank	-	2,094	2,094	2,094
Tax recoverable	-	274	274	274
Cash and bank balances	3	5,649	5,649	8,400
	3	54,289	54,289	57,040
CURRENT LIABILITIES				
Payables	8	13,854	10,915	10,915
Loan and borrowings	-	3,048	3,048	3,048
Tax payables	-	164	164	164
	8	17,066	14,127	14,127
NET CURRENT (LIABILITIES)/ASSETS	(5)	37,223	40,162	42,913
	(5)	60,858	63,797	74,094
NTA PER SHARE (RM)	(4.53)	1.35	1.34	1.32

2. INFORMATION SUMMARY (Cont'd)

Proforma I	:	After Acquisition of YSSEA.
Proforma II	:	After proforma I and Settlement of Inter-company Debt.
Proforma III	:	After proformas I, II and Public Issue and utilisation of proceeds (the estimated listing expenses of RM1.5 million shall be set off against the share premium account).

2.6 AUDIT MATTERS

Shamsir Jasani Grant Thornton ("SJ") was appointed as Auditors of Y.S.P.SAH on 10 July 2001 (the date of incorporation of Y.S.P.SAH). Except for YS(P), MYSP, YSP(S) and YSP(C), SJ has audited the subsidiaries of Y.S.P.SAH for the relevant financial years/period under review and has reported on the financial statements of these subsidiaries without qualification and their respective Auditors' Reports did not include any emphasis of matter.

The financial statements of YS(P), MYSP and YSP(S) were audited by other firms of Chartered Accountants since their respective date of incorporation and were reported on without qualification.

The financial statements of YSP(C) have not been audited since its incorporation as there is no statutory requirement by the local authority to conduct the audit.

In the relevant financial years/period under review, the financial accounting dates of Y.S.P.SAH's subsidiaries are coterminous with Y.S.P.SAH, namely 31 December, except for MYSP whereby its financial accounting date is 31 March. Special audits of MYSP have been carried out for the FYE 31 December 2000 to FYE 31 December 2002 for consolidation purposes.

2.7 PRINCIPAL STATISTICS RELATING TO THE IPO

2.7.1 Share capital

	RM
<i>Authorised</i>	
100,000,000 ordinary shares of RM1.00 each	<u>100,000,000</u>
<i>Issued and fully paid-up as at the date of this Prospectus</i>	
46,750,000 ordinary shares of RM 1.00 each	46,750,000
<i>To be issued pursuant to the Public Issue</i>	
8,250,000 new ordinary shares of RM1.00 each	8,250,000
<i>Enlarged issued and paid-up share capital</i>	<u>55,000,000</u>

There is only one class of shares in Y.S.P.SAH, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with each other. The IPO Shares will rank *pari passu* in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of the Issue Shares.

For further details on the share capital of Y.S.P.SAH, please refer to Section 6.2 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.7.2 IPO price

The offer/issue price in respect of the IPO is RM1.43 per Share. For further details on the basis of arriving at the IPO price, please refer to Section 3.7 of this Prospectus.

2.7.3 Proforma consolidated NTA as at 31 August 2003

The following information has been extracted from and should be read in conjunction with the accompanying notes included in the Proforma Consolidated Balance Sheets set out in Section 12.3 of this Prospectus.

Proforma consolidated NTA
(after the Public Issue and deducting estimated listing expenses of RM1,500,000) RM72,802,060

Proforma consolidated NTA per Share
(based on the enlarged issued and paid-up share capital of 55,000,000 Shares) RM1.32

2.7.4 Consolidated profit estimate and forecast

The following table sets out a summary of the consolidated profit estimate and forecast of Y.S.P.SAH for the FYE 31 December 2003 and FYE 31 December 2004 and should be read in conjunction with the accompanying notes included in the consolidated profit estimate and forecast set out in Section 12.2 of this Prospectus.

FYE 31 December	Estimate 2003 RM'000	Forecast 2004 RM'000
Revenue	70,076	75,407
Consolidated PBT	11,698	12,606
Less: Taxation	(2,973)	(3,275)
Consolidated PAT before MI	8,725	9,331
MI	-	-
Consolidated PAT after MI	8,725	9,331
Less: Pre-acquisition profits ¹	(6,126)	-
Consolidated PAT after MI and net of pre-acquisition profits	2,599	9,331
Issued and paid-up share capital after the Public Issue:		
(i) number of Shares in issue ('000)	55,000	55,000
(ii) weighted average number of Shares in issue ('000) ²	11,688	55,000
Based on consolidated PBT/PAT before deducting pre-acquisition profits and on the enlarged issued and paid-up share capital of 55,000,000 Shares		
Gross EPS (sen)	21.3	22.9
Net EPS (sen)	15.9	17.0
Gross PE Multiple (times) ³	6.7	6.2
Net PE Multiple (times) ³	9.0	8.4
Based on consolidated PBT/PAT before deducting pre-acquisition profits and on the weighted average number of Shares in issue		
Gross EPS (sen)	100.1	22.9
Net EPS (sen)	74.6	17.0

2. INFORMATION SUMMARY (Cont'd)

FYE 31 December	Estimate 2003 RM'000	Forecast 2004 RM'000
Gross PE Multiple (times) ³	1.4	6.2
Net PE Multiple (times) ³	1.9	8.4
Based on consolidated PBT/PAT after deducting pre-acquisition profits and on the enlarged issued and paid-up share capital of 55,000,000 Shares		
Gross EPS (sen)	6.6 ⁴	22.9
Net EPS (sen)	4.7	17.0
Gross PE Multiple (times) ³	21.7	6.2
Net PE Multiple (times) ³	30.4	8.4
Based on consolidated PBT/PAT after deducting pre-acquisition profits and on the weighted average number of Shares in issue		
Gross EPS (sen)	31.0 ⁴	22.9
Net EPS (sen)	22.2	17.0
Gross PE Multiple (times) ³	4.6	6.2
Net PE Multiple (times) ³	6.4	8.4

Notes:

ii Negligible.

1. The pre-acquisition profits are computed based on the estimated profits for the 9 months from 1 January 2003 to 30 September 2003.
2. The weighted average number of Shares in issue is computed based on the assumption that the IPO is completed by January 2004.
3. The gross/net PE Multiple is computed based on the IPO price of RM1.43 per Share over the gross/net EPS per Share.
4. Computed based on the consolidated PBT but after pre-acquisition profits of RM3,626,750 (for FYE 31 December 2003).

2. INFORMATION SUMMARY (Cont'd)

2.7.5 Dividend estimate and forecast

The following table sets out a summary of the dividend estimate and forecast for the FYE 31 December 2003 and FYE 31 December 2004 respectively and should be read in conjunction with the accompanying notes included in the dividend estimate and forecast set out in Section 12.2.6 of this Prospectus.

FYE 31 December	Estimate 2003	Forecast 2004
Proposed tax-exempt dividend per Share ¹ (sen)	6	6
Net dividend yield ² (%)	4.2	4.2
Net dividend cover (times)	0.7	2.8

Notes:

1. Depending on the Group's future earnings and capital requirements, the Directors of Y.S.P.SAH propose to declare a tax-exempt dividend of 6% for the FYE 31 December 2003, the payment of which shall be made in the FYE 31 December 2004 and reflected in the consolidated income statements of Y.S.P.SAH for the FYE 31 December 2004 when approved by shareholders. Similarly, the Directors of Y.S.P.SAH propose to declare a tax-exempt dividend of 6% for FYE 31 December 2004, the payment of which shall be made in the FYE 31 December 2005 and reflected in the consolidated income statements of Y.S.P.SAH for the FYE 31 December 2005. YSPI has sufficient tax-exempt income available to frank all its retained profits as at 31 August 2003, if paid out as dividends. The tax-exempt dividend shall be declared by YSPI to Y.S.P.SAH and thereafter to the shareholders of Y.S.P.SAH.
2. Computed based on the IPO price of RM1.43 per Share.

2.8 RISK FACTORS

An investment in the Shares to be listed on the KLSE involves a certain degree of risks. Applicants for the IPO Shares should therefore rely on their own evaluations and are advised to carefully consider the following summary of risk factors (which may not be exhaustive) in addition to the other information contained elsewhere in this Prospectus before applying for the IPO Shares:

- (i) Business risks, such as:
 - Foreign competition;
 - Local competition;
 - Price competition;
 - Perception of generic pharmaceutical products;
 - Product distribution channel;
 - Domestic market size;
 - Product liability;
 - Negative publicity due to product recalls;
 - Intellectual property rights;

2. **INFORMATION SUMMARY** *(Cont'd)*

- Technological risks;
 - Reliance on YSP(TW);
 - Foreign operational risks;
 - Dependence on range of products;
 - Demand for new products;
 - Dependence on imported raw materials;
 - Foreign exchange exposure;
 - Dependence on key management;
 - Production uncertainties;
 - Risk associated with borrowings;
 - Ownership and control of the Group; and
 - Related party transactions and potential conflict of interests.
- (ii) Economic, political and regulatory risks
- (iii) Environmental risks
- (iv) Potential delay or failure of the Listing
- (v) No prior market for the Shares
- (vi) Volatility in the share price and trading volume
- (vii) Ability to pay dividends
- (viii) Profit estimate and forecast and forward-looking statements

For details on the risk factors, please refer to Section 4 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)

2.9 UTILISATION OF PROCEEDS

None of the proceeds of the Offer for Sale will accrue to Y.S.P.SAH as the proceeds from the Offer for Sale amounting to RM23,594,571 will accrue entirely to the Offerors.

The total gross proceeds arising from the Public Issue of RM11,797,500 will accrue entirely to the Company and will be utilised in the following manner:

Details of utilisation	RM'000
Purchase of land	4,000
Extension of factory and purchase of machinery	3,546
Repayment of hire purchase creditors	1,971
Working capital*	781
Estimated listing expenses*	1,500
	11,798

Note:

* If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.

For further details on the utilisation of proceeds arising from the Public Issue, please refer to Section 3.8 of this Prospectus.

2.10 WORKING CAPITAL, MATERIAL LITIGATION, CAPITAL COMMITMENTS, BORROWINGS AND CONTINGENT LIABILITIES

(a) Working capital

The Directors of Y.S.P.SAH are of the opinion that after taking into account the cash flow projections, the banking facilities available and the proceeds to be raised from the Public Issue, the Y.S.P.SAH Group will have adequate working capital for a period of 12 months from the date of issue of this Prospectus.

(b) Material litigation

Neither Y.S.P.SAH nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of Y.S.P.SAH or its subsidiaries and the Directors of Y.S.P.SAH have no knowledge of any proceedings pending or threatened against Y.S.P.SAH or its subsidiaries or of any facts likely to give rise to any proceedings which may materially and adversely affect the position and business of Y.S.P.SAH or its subsidiaries.

(c) Capital commitments

As at 10 December 2003 (being the latest practicable date of which such amounts could be calculated prior to the registration of this Prospectus), the material capital commitments incurred or known to be incurred by the Y.S.P.SAH Group that may have a substantial impact on the results of the financial position of the Group are as follows:

	RM'000
Approved and contracted for	10,493
Approved but not contracted for	-
Total	10,493

2. INFORMATION SUMMARY (Cont'd)**(d) Borrowings**

As at 10 December 2003 (being the latest practicable date at which such amounts could be calculated prior to the registration of this Prospectus), the Y.S.P.SAH Group had total borrowings of approximately RM7.2 million, details of which are set out below:

	Foreign Currency ('000)	Exchange Rate	Local Currency RM'000 (or equivalent)
Interest bearing borrowings:			
<i>Short term borrowings</i>			
Overdraft (RM)			3,025
Term Loan (USD)	800	3.81	3,048
Term Loan (SGD)	20	2.22	44
<i>Long term borrowings</i>			
Term Loan (SGD)	505	2.22	1,121
Total			7,238

In so far as the Directors of Y.S.P.SAH are aware, there has not been any default on payments of interest and/or principal sums for the borrowings disclosed above.

(e) Contingent liabilities

As at 10 December 2003 (being the latest practicable date prior to the registration of this Prospectus), the Directors of Y.S.P.SAH are not aware of any material contingent liabilities which have become enforceable or is likely to become enforceable, which in the opinion of the Directors of Y.S.P.SAH, will or may substantially affect the ability of the Group or the Company to meet their obligations as and when they fall due.

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