



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2010

	3 months ended		6 months ended	
	30/06/2010 RM'000	30/06/2009 RM'000	30/06/2010 RM'000	30/06/2009 RM'000
Revenue	33,179	31,689	63,403	62,828
Cost of sales	(17,219)	(16,947)	(32,561)	(32,890)
Gross profit	15,960	14,742	30,842	29,938
Other income	526	382	1,085	814
Selling & Distribution expenses	(8,477)	(8,401)	(16,250)	(15,686)
Administrative expenses	(3,365)	(2,939)	(6,256)	(5,671)
Other expenses	(464)	(148)	(1,445)	(559)
Results from operating activities	4,180	3,636	7,976	8,836
Finance costs	(223)	(372)	(538)	(698)
Profit before tax	3,957	3,264	7,438	8,138
Income tax expenses	(1,159)	(827)	(2,031)	(2,073)
Profit for the period	2,798	2,437	5,407	6,065
Attributable to:				
Equity holders of the Company	2,780	2,374	5,297	6,005
Minority interests	18	63	110	60
	2,798	2,437	5,407	6,065
Earnings per share (EPS) attributable to equity holders of the Company (sen):				
Basic EPS	2.85	2.84	5.44	7.19
Diluted EPS	2.84	2.84	5.42	7.19

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2010

	3 months ended		6 months ended	
	30/06/2010 RM'000	30/06/2009 RM'000	30/06/2010 RM'000	30/06/2009 RM'000
Profit for the period	2,798	2,437	5,407	6,065
Currency translation differences arising from consolidation	32	(277)	(921)	(39)
Total comprehensive income	2,830	2,160	4,486	6,026
Total comprehensive income attributable to:				
Equity holders of the Company	2,812	2,097	4,376	5,966
Minority interests	18	63	110	60
	2,830	2,160	4,486	6,026

The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	As at 30/06/2010 RM'000 unaudited	As at 31/12/2009 RM'000 restated
ASSETS		
Property, plant and equipment	74,833	65,091
Prepaid land lease payments	5,944	6,496
Intangible assets	551	585
Non-current Assets	<u>81,328</u>	<u>72,172</u>
Inventories	45,574	36,844
Trade receivables	34,669	35,604
Other receivables	7,919	7,596
Tax recoverable	59	-
Amount due from related parties	32	44
Amount due from associate company	314	287
Cash & cash equivalents	41,870	46,256
Current Assets	<u>130,437</u>	<u>126,631</u>
TOTAL ASSETS	<u>211,765</u>	<u>198,803</u>
EQUITY AND LIABILITIES		
Share capital	97,654	97,191
Share premium	270	213
Reserves	5,417	6,227
Retained earnings	54,191	48,894
Equity Attributable to Equity Holders of the Company	<u>157,532</u>	<u>152,525</u>
Minority interests	672	562
Total Equity	<u>158,204</u>	<u>153,087</u>
Deferred taxation	3,512	3,455
Term loan	11,894	10,443
Finance creditor	1,162	972
Non-current Liabilities	<u>16,568</u>	<u>14,870</u>
Trade payables	11,977	5,758
Other payables	7,905	8,800
Amount due to related parties	5,654	7,358
Term loan	9,957	7,519
Tax payable	-	411
Bank borrowings	1,500	1,000
Current Liabilities	<u>36,993</u>	<u>30,846</u>
Total Liabilities	<u>53,561</u>	<u>45,716</u>
TOTAL EQUITY AND LIABILITIES	<u>211,765</u>	<u>198,803</u>
Net assets per share attributable to equity holders of the Company (RM)	1.61	1.57

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2010

RM'000	Attributable to equity holders of the Company						Total	Minority Interest	Total Equity
	Non-distributable			Distributable					
	Share Capital	Share Premium	Foreign Currency Exchange Reserve	Other Reserves	Warrant Reserves	Retained Profit			
At 1 January 2009	69,051	481	307	514	6,176	47,640	124,169	1,273	125,442
Total comprehensive income for the period	-	-	(39)	-	-	6,005	5,966	60	6,026
Investment in newly incorporated subsidiary company	-	-	-	-	-	-	-	296	296
Issuance of ordinary shares pursuant to ESOS	221	-	-	-	-	-	221	-	221
Transfer from other reserves upon exercise of ESOS	-	27	-	(27)	-	-	-	-	-
Share issue expenses	-	(120)	-	-	-	-	(120)	-	(120)
At 30 June 2009	69,272	388	268	487	6,176	53,645	130,236	1,629	131,865
At 1 January 2010	97,191	213	(448)	499	6,176	48,894	152,525	562	153,087
Total comprehensive income for the period	-	-	(921)	-	-	5,297	4,376	110	4,486
Adjustment in relation to Rights Issue	-	-	-	-	165	-	165	-	165
Issuance of ordinary shares pursuant to ESOS	463	5	-	-	-	-	468	-	468
Transfer from other reserves upon exercise of ESOS	-	54	-	(54)	-	-	-	-	-
Share issue expenses	-	(1)	-	-	-	-	(1)	-	(1)
At 30 June 2010	97,654	270	(1,369)	445	6,341	54,191	157,532	672	158,204

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	6 months ended	
	30/06/2010	30/06/2009
	RM '000	RM '000
Net cash from operating activities	4,779	12,791
Net cash used in investing activities	(13,876)	(3,592)
Net cash from financing activities	4,893	1,119
Net (decrease) / increase in cash and cash equivalents	(4,204)	10,318
Cash and cash equivalents as at 1 January	46,256	16,776
Effect on foreign exchange rate changes	(182)	17
Cash and cash equivalents as at 30 June	41,870	27,111

COMPOSITION OF CASH AND CASH EQUIVALENTS

Cash and bank balances	20,933	15,904
Fixed deposits with licensed banks	20,937	11,207
	41,870	27,111

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2010

1 Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 "Interim Financial Reporting " and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009. 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 2009.

2 Significant Accounting Policies

The accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs) with effect from 1 January 2010.

2.1 Change in accounting policy

(a) FRS 123, Borrowing Costs

Before 1 January 2010, borrowing costs were all expensed through profit or loss as and when they were incurred. With the adoption of FRS 123, the Group capitalises borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset as part of the cost of asset for which the commencement date of capitalisation is on or after 1 January 2010.

The change in accounting policy has been applied prospectively in accordance with the transitional provisions of FRS 123.

Therefore, the adoption of FRS 123 does not affect the basic and diluted earnings per share for prior periods and has no material impact to current period's basic and diluted earnings per share.

(b) FRS 101, Presentation of Financial Statements

FRS 101 classifies changes in equity as either owner changes in equity which are presented in the statement of changes in equity or non-owner changes in equity which are presented as a single line known as total comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. This standard does not have any impact on earnings per share.

(c) FRS 117, Leases

Prior to the adoption of the amendment to FRS 117, leasehold lands were classified as operating leases. The payments made were presented as prepaid land lease payments in the statement of financial position.

With the adoption of the amendment to FRS 117, the classification of a leasehold land as a finance lease or operating lease is based on the lease term and the extent to which risks and rewards incident to ownership lies with the lessor or the lessee.

Accordingly, the Group has reclassified certain leasehold land to property, plant and equipment. This change in classification does not affect the basic and diluted earnings per share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	As at 31/12/09	
	As restated RM'000	As previously stated RM'000
Property, plant and equipment	65,091	55,774
Prepaid land lease payments	6,496	15,813

3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2009 was not qualified.

4 Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal or cyclical factors.

5 Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-date.

6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the financial year-to-date results.

7 Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial year-to-date ended 30 June 2010 other than the issuance of 463,308 ordinary shares of RM1.00 each pursuant to the exercise of Company's ESOS at the following option prices:

Exercise Price	No. of shares issued	Cash Proceeds
RM		RM
1.00	412,996	412,996
1.10	<u>50,312</u>	<u>55,343</u>
	<u>463,308</u>	<u>468,339</u>

8 Dividends Paid

No dividend was paid during the financial year-to-date.

9 Segment Information

Segmental analysis of the results and assets employed during the financial year-to-date ended 30 June 2010.

Business segments	Revenue RM'000	Profit Before Tax RM'000	Assets Employed RM'000
Trading	11,889	1,132	25,497
Manufacturing	54,334	6,823	182,862
Investment holding	10,648	9,770	154,565
Inter-company balances	<u>(13,468)</u>	<u>(10,287)</u>	<u>(151,159)</u>
	<u>63,403</u>	<u>7,438</u>	<u>211,765</u>

10 Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2009.

11 Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current quarter.

12 Changes in the Composition of the Group

On 08 April 2010, the Company incorporated a wholly-owned subsidiary, namely Y.S.P.SAH (Vietnam) Investment Pte. Ltd. ("Y.S.P.SAH (Vietnam)") under the Companies Act (Cap. 50) in Singapore.

Y.S.P.SAH (Vietnam) is an investment holding company with an initial paid-up capital of SGD1.00.

On 14 July 2010, the Company changed its name from Y.S.P.SAH (Vietnam) Investment Pte. Ltd. to Y.S.P.SAH Investment Pte. Ltd.

As at the reporting date, the total paid-up capital in Y.S.P.SAH Investment Pte. Ltd. is SGD200,000.00 comprising 200,000 ordinary shares of SGD1.00 each fully paid-up.

The above said incorporation is not expected to have any material impact on the net assets and earnings of the Company.

Other than disclosed above, there were no changes in the composition of the Group as at the reporting date.

13 Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual reporting date.

14 Capital Commitment.

Capital commitments expenditure not provided for in the interim financial statements as at end of financial year-to-date were as follows:

	As at 30/06/2010 RM'000
Approved & contracted for:-	
Building in progress	5,834
Plant & machinery	<u>2,844</u>
	<u>8,678</u>
Approved but not contracted for:-	
Plant & machinery	<u>9,349</u>

15 Related Party Transactions

Significant related party transactions as at end of financial year-to-date were as follows:

	As at 30/06/2010 RM'000
<u>Yung Shin Pharmaceutical Industries Co. Ltd.</u>	
Purchase of pharmaceutical products	<u>3,782</u>

16 Review of Performance

The Group recorded a higher **revenue** of RM63.4 million for the financial period ended 30 June 2010 as compared to RM62.8 million achieved for the financial period ended 30 June 2009. The increase in revenue was mainly due to improved performance of both Traditional Chinese Medicine and Hospital segments.

The Group's **profit before tax** declined by 8.6% to RM7.4 million from RM8.1 million reported in the financial period ended 30 June 2010 due to higher operating expenses and unrealised foreign exchange loss.

17 Comparison with the Preceding Quarter's Results

	Qtr 2 (30/06/10) RM'000	Qtr 1 (31/03/10) RM'000	Variance	
			RM'000	%
Revenue	33,179	30,224	2,955	9.8
Profit before tax	3,957	3,481	476	13.7

The Group recorded a revenue for the current quarter of RM33.2 million compared to RM30.2 million in the immediate preceding quarter showing a growth of 9.8%. The increased was mainly attributable to higher demand from both local and overseas market as compared to the previous quarter.

The Group has improved its profit before tax by 13.7% as compared to the preceding quarter due to higher revenue generated and marginally lower expenses during the current quarter.

18 Prospects of the Group

The Group will continue to widen and extend the reach of its existing and new range of products in local as well as overseas markets, such as Southeast Asia, Middle East and Africa countries. In addition, the Group will also continue to step up efforts in improving the efficiency and cost reduction measures to achieve competitive edge in the market.

The Group expects to face challenges from prevailing uncertainties in the market. Nevertheless, barring any unforeseen circumstances, the Group expects the financial performance to remain positive throughout the year.

19 Profit Forecast or Profit Guarantee

No commentary is made on any variance arises between actual profit from forecast profit, as it does not apply to the Group.

20 Taxation

Details of taxation are as follows :-

	3 months ended		6 months ended	
	30/06/2010 RM'000	30/06/2009 RM'000	30/06/2010 RM'000	30/06/2009 RM'000
Income Tax				
Current year's taxation	1,117	770	1,958	1,924
Deferred tax	42	57	73	149
	<u>1,159</u>	<u>827</u>	<u>2,031</u>	<u>2,073</u>

The Group's effective tax rate for the current quarter and financial year-to-date was slightly higher than the statutory tax rate of 25% (2009:25%) principally due to certain expenses which were not deductible for tax purposes.

21 Profit / (loss) on Sale of Unquoted Investments and / or Properties

There was no sale of unquoted investments and properties for the quarter under review and financial year-to-date.

22 Quoted Securities

There was no purchase or disposal of quoted securities for the quarter under review and financial year-to-date.

23 Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the reporting date.

23.1 Status of Utilisation of Proceeds

As at the reporting date, the proceeds from rights issue were fully utilised as follows:

Purpose	Proposed utilisation	Actual utilisation	Deviation
	RM'000	RM'000	RM'000
Capital expenditure	10,000	10,000	-
Repayment of bank borrowings	4,000	4,000	-
Estimated expenses for the Two-Call Rights Issue *	500	311	189
Working Capital *	6,559	6,748	(189)
Total	<u>21,059</u>	<u>21,059</u>	<u>-</u>

* Expenses relating to the Rights Issue was lower than estimated, the remaining portion is used for working capital purposes.

24 Borrowings and Debt Securities

The details of the Group borrowings as at 30 June 2010 are as follows :

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Secured short term borrowings			
Short term revolving credit	-	-	1,500
Hire purchase creditor	-	-	1,580
Short term loan:			
- Domestic	-	-	7,500
- Foreign	750	4	2,457
	<u>750</u>	<u>4</u>	<u>13,037</u>
Secured long term borrowings			
Hire purchase creditor	-	-	1,162
Long term loan:			
- Domestic	-	-	10,508
- Foreign	-	588	1,386
	<u>-</u>	<u>588</u>	<u>13,056</u>
Total borrowings	<u>750</u>	<u>592</u>	<u>26,093</u>

Note : Hire purchase creditor payable within one year has been included in other payables.

As at 30 June 2010, the Group had not issued any debt securities.

25 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the reporting date.

26 Material Litigation

There was no material litigation against the Group as at the reporting date.

27 Proposed Dividend

At the Ninth Annual General Meeting held on 25 June 2010, the shareholders approved a first and final single tier dividend of 6% per ordinary share which would be payable on 18 August 2010 in respect of the financial year ended 31 December 2009.

28 Earnings Per Share

28.1 Basic Earnings Per Share

The basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the period.

	3 months ended		6 months ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Profit attributable to equity holders of the Company (RM'000)	2,780	2,374	5,297	6,005
Weighted average number of ordinary shares in issue, as previously reported ('000)	-	69,058	-	69,058
Basic Earnings Per Share, as previously reported (sen)	-	3.44	-	8.70
Adjusted weighted average number of ordinary shares including effects of Rights Issue ('000)	97,471	83,464	97,356	83,464
Basic Earnings Per Share, including effects of Rights Issue (sen)	2.85	2.84	5.44	7.19

28.2 Diluted Earnings Per Share

The diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the period after adjustment for the effect of dilutive potential ordinary shares from share options granted to employees.

	3 months ended		6 months ended	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Profit attributable to equity holders of the Company (RM'000)	2,780	2,374	5,297	6,005
Adjusted weighted average number of ordinary shares including effects of Rights Issue ('000)	97,471	83,464	97,356	83,464
Effect of dilution-Share options ('000)	411	-	427	-
Adjusted weighted average number of diluted ordinary shares in issue -diluted ('000)	97,882	83,464	97,783	83,464
Diluted Earnings Per Share (sen)	2.84	2.84	5.42	7.19