



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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010

	3 months ended		9 months ended	
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
Revenue	36,139	34,747	99,542	97,575
Cost of sales	(19,244)	(18,507)	(51,805)	(51,397)
Gross profit	16,895	16,240	47,737	46,178
Other income	891	460	1,976	1,274
Selling & Distribution expenses	(9,061)	(8,604)	(25,311)	(24,290)
Administrative expenses	(3,453)	(2,848)	(9,709)	(8,519)
Other expenses	(954)	(369)	(2,399)	(928)
Results from operating activities	4,318	4,879	12,294	13,715
Finance costs	(292)	(290)	(830)	(988)
Profit before tax	4,026	4,589	11,464	12,727
Income tax expenses	(1,076)	(1,132)	(3,107)	(3,205)
Profit for the period	2,950	3,457	8,357	9,522
Attributable to:				
Equity holders of the Company	2,908	3,385	8,205	9,390
Minority interests	42	72	152	132
	2,950	3,457	8,357	9,522
Earnings per share (EPS) attributable to equity holders of the Company (sen):				
Basic EPS	2.95	3.49	8.40	9.70
Diluted EPS	2.94	3.49	8.36	9.70

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 NINE MONTHS ENDED 30 SEPTEMBER 2010

	3 months ended		9 months ended	
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
Profit for the period	2,950	3,457	8,357	9,522
Currency translation differences arising from consolidation	(911)	(175)	(1,832)	(214)
Total comprehensive income	2,039	3,282	6,525	9,308
Total comprehensive income attributable to:				
Equity holders of the Company	1,997	3,210	6,373	9,176
Minority interests	42	72	152	132
	2,039	3,282	6,525	9,308

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 SEPTEMBER 2010

	As at 30/09/2010 RM'000 unaudited	As at 31/12/2009 RM'000 restated
ASSETS		
Property, plant and equipment	78,505	65,091
Prepaid land lease payments	5,452	6,496
Intangible assets	532	585
Non-current Assets	84,489	72,172
Inventories	43,000	36,844
Trade receivables	36,226	35,604
Other receivables	8,102	7,596
Amount due from related parties	22	44
Amount due from associate company	278	287
Cash & cash equivalents	38,705	46,256
Current Assets	126,333	126,631
TOTAL ASSETS	210,822	198,803
EQUITY AND LIABILITIES		
Share capital	98,581	97,191
Share premium	394	213
Reserves	4,394	6,227
Retained earnings	51,186	48,894
Equity Attributable to Equity Holders of the Company	154,555	152,525
Minority interests	1,089	562
Total Equity	155,644	153,087
Deferred taxation	3,554	3,455
Term loan	13,082	10,443
Finance creditor	1,746	972
Non-current Liabilities	18,382	14,870
Trade payables	7,943	5,758
Other payables	8,569	8,800
Amount due to related parties	5,833	7,358
Term loan	12,135	7,519
Tax payable	816	411
Bank borrowings	1,500	1,000
Current Liabilities	36,796	30,846
Total Liabilities	55,178	45,716
TOTAL EQUITY AND LIABILITIES	210,822	198,803
Net assets per share attributable to equity holders of the Company (RM)	1.57	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 NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	(214)	-	-	9,390	9,176	132	9,308
Investment in newly incorporated subsidiary company	-	-	-	-	-	-	-	295	295
First and final tax exempt dividend of 6% per ordinary share	-	-	-	-	-	(4,156)	(4,156)	-	(4,156)
Issuance of ordinary shares pursuant to ESOS	221	-	-	-	-	-	221	-	221
Share options granted under ESOS forfeited	-	-	-	(5)	-	-	(5)	-	(5)
Transfer to share premium for share options exercised	-	27	-	(27)	-	-	-	-	-
Rights Issue	27,709	-	-	-	-	(6,650)	21,059	-	21,059
Share issue expenses	-	(298)	-	-	-	-	(298)	-	(298)
At 30 September 2009	96,981	210	93	482	6,176	46,224	150,166	1,700	151,866
At 1 January 2010	97,191	213	(448)	499	6,176	48,894	152,525	562	153,087
Total comprehensive income for the period	-	-	(1,832)	-	-	8,205	6,373	152	6,525
Investment in newly incorporated subsidiary company	-	-	-	-	-	-	-	375	375
First and final single tier dividend of 6% per ordinary share	-	-	-	-	-	(5,914)	(5,914)	-	(5,914)
Adjustment in relation to Rights Issue	-	-	-	-	165	-	165	-	165
Issuance of ordinary shares pursuant to ESOS	1,390	17	-	-	-	-	1,407	-	1,407
Transfer from other reserves upon exercise of ESOS	-	166	-	(166)	-	-	-	-	-
Share issue expenses	-	(2)	-	-	-	-	(2)	-	(2)
At 30 September 2010	98,581	394	(2,280)	333	6,341	51,186	154,555	1,089	155,644

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 NINE MONTHS ENDED 30 SEPTEMBER 2010

	9 months ended	
	30/09/2010	30/09/2009
	RM '000	RM '000
Net cash from operating activities	6,709	18,272
Net cash used in investing activities	(18,281)	(4,447)
Net cash from financing activities	4,552	14,218
Net (decrease) / increase in cash and cash equivalents	(7,020)	28,043
Cash and cash equivalents as at 1 January	46,256	16,776
Effect on foreign exchange rate changes	(531)	6
Cash and cash equivalents as at 30 September	38,705	44,825

COMPOSITION OF CASH AND CASH EQUIVALENTS

Cash and bank balances	17,992	12,191
Fixed deposits with licensed banks	20,713	32,634
	38,705	44,825

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 INTERIM FINANCIAL REPORT - 30 SEPTEMBER 2010

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1 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.

A2 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 relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for financial periods beginning on or after 1 January 2010 and 1 July 2010. Other than the implications as discussed below, the adoption of the new FRSs, amendments to FRSs and IC Interpretations do not have any impact on the financial position and results of the Group.

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.

The Group has adopted the two statements format for presentation of 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 the financial position and results of the Group.

(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

(d) FRS 139: Financial Instruments - Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items and permits hedge accounting only under strict circumstances.

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

The adoption of FRS 139 does not have any impact on the profit for the financial year-to-date.

A3 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.

A4 Seasonal or Cyclical Factors

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

A5 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.

A6 Material Changes in Estimates

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

A7 Debt and Equity Securities

Save as disclosed below, there were no issuances, repurchases and repayments of debt and equity securities during the financial year-to-date ended 30 September 2010.

During the financial year-to-date ended 30 September 2010, the Company has issued of 1,390,512 new 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	1,215,211	1,215,211
1.10	175,301	192,831
	<u>1,390,512</u>	<u>1,408,042</u>

A8 Dividends Paid

A first and final single tier dividend of 6% per ordinary share amounting to RM5,913,679 was paid in respect of the previous financial year ended 31 December 2009 on 18 August 2010.

A9 Segment Information

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

	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue from external customer	18	18,070	81,454	-	99,542
Inter-segment revenue	10,831	565	4,192	(15,588)	-
Total revenue	<u>10,849</u>	<u>18,635</u>	<u>85,646</u>	<u>(15,588)</u>	<u>99,542</u>
Segment profit before tax	<u>9,067</u>	<u>1,954</u>	<u>10,784</u>	<u>(10,341)</u>	<u>11,464</u>
Segment assets	<u>151,053</u>	<u>25,159</u>	<u>183,385</u>	<u>(148,774)</u>	<u>210,822</u>

A10 Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.

A11 Material Events Subsequent to the end of the Reporting Period

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

A12 Changes in the Composition of the Group

- i) 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.

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

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 new incorporation of Y.S.P.SAH Investment Pte. Ltd. do not have any material impact on the net assets and earnings of the Company for the current quarter and financial year-to-date under review.

- ii) On 08 September 2010, the Company announced the subscription at par and for cash of 240,000 additional shares of SGD1.00 each in Sun Ten Southeast Asia Holding Pte. Ltd. ("Sun Ten SAH")

As at the reporting date, the total paid-up capital in Sun Ten SAH is SGD900,000.00. The equity interest of the Company in Sun Ten SAH remains unchanged at 60% which represents SGD540,000.00.

- iii) On 22 September 2010, Sun Ten SAH, a 60% owned subsidiary of the Company has subscribed for 550,000 additional shares of SGD1.00 each at par in its wholly-owned subsidiary, Sun Ten (Singapore) Private Limited ("STS") through a cash payment of SGD300,000 and conversion of amount due from STS to Sun Ten SAH of SGD250,000.

As at the reporting date, the total paid-up capital in STS is SGD743,142.00, which is wholly-owned by Sun Ten SAH.

The above said conversion of debts to paid-up capital do not have any material effects on the net assets and earnings of the Company for the current quarter and financial year-to-date under review.

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

A13 Contingent Liabilities

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

A14 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 30/09/2010 RM'000
Approved & contracted for:-	
Building in progress	2,855
Plant & machinery	2,834
	<u>5,689</u>
Approved but not contracted for:-	
Plant & machinery	<u>7,939</u>

A15 Related Party Transactions

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

	As at 30/09/2010 RM'000
<u>Yung Shin Pharmaceutical Industries Co. Ltd.</u>	
Purchase of pharmaceutical products	<u>6,669</u>

B1 Review of Performance

The Group recorded a higher **revenue** of RM99.5 million for the financial period ended 30 September 2010 as compared to RM97.6 million achieved for the financial period ended 30 September 2009. The overall growth was attributed to the increase in sales in both Traditional Chinese Medicine segment and Veterinary segment.

The Group's **profit before tax** declined by 9.9% to RM11.5 million from RM12.7 million reported in the financial period ended 30 September 2010 due to higher operating expenses and unrealised foreign exchange loss.

B2 Comparison with the Preceding Quarter's Results

	Qtr 3 (30/09/10) RM'000	Qtr 2 (30/06/10) RM'000	Variance	
			RM'000	%
Revenue	36,139	33,179	2,960	8.9
Profit before tax	4,026	3,957	69	1.7

The Group revenue of RM36.1 million for the 3rd quarter ended 30 September 2010 show an increased of RM2.96 million or 8.9% compared to the RM33.2 million in the immediate preceding quarter ended 30 June 2010. The increase was mainly contributed from higher demand of our products from both local and overseas market.

However, the Group reported marginally improved performance with profit before tax increasing merely by 1.7% as compared to the immediate preceding quarter due to higher revenue generated during the current quarter being offset by the increase in operating expenses.

B3 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.

B4 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.

B5 Taxation

Details of taxation are as follows :-

	3 months ended		9 months ended	
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
Income Tax				
Current year's taxation	1,033	1,053	2,992	2,977
Deferred tax	43	79	115	228
	<u>1,076</u>	<u>1,132</u>	<u>3,107</u>	<u>3,205</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.

B6 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.

B7 Quoted Securities

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

B8 Status of Corporate Proposals

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

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.

B9 Borrowings and Debt Securities

The details of the Group borrowings as at 30 September 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	-	-	2,100
Short term loan:			
- Domestic	-	-	7,500
- Foreign	1,500	2	4,635
	<u>1,500</u>	<u>2</u>	<u>15,735</u>
Secured long term borrowings			
Hire purchase creditor	-	-	1,746
Long term loan:			
- Domestic	-	-	11,720
- Foreign	-	582	1,362
	<u>-</u>	<u>582</u>	<u>14,828</u>
Total borrowings	<u>1,500</u>	<u>584</u>	<u>30,563</u>

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

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

B10 Off balance sheet financial instruments

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

B11 Material Litigation

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

B12 Proposed Dividend

Apart from those disclosed in note A8, there was no dividend proposed in the current quarter under review.

B13 Earnings Per Share**i) 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		9 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Profit attributable to equity holders of the Company (RM'000)	2,908	3,385	8,205	9,390
Weighted average number of ordinary shares in issue ('000)	98,453	96,981	97,726	96,839
Basic Earnings Per Share (sen)	2.95	3.49	8.40	9.70

ii) 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		9 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Profit attributable to equity holders of the Company (RM'000)	2,908	3,385	8,205	9,390
Weighted average number of ordinary shares in issue ('000)	98,453	96,981	97,726	96,839
Effect of dilution-Share options ('000)	301	-	406	-
Adjusted weighted average number of ordinary shares in issue ('000)	98,754	96,981	98,132	96,839
Diluted Earnings Per Share (sen)	2.94	3.49	8.36	9.70