



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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2011**

	Quarter and year-to-date ended	
	31/03/2011 RM'000	31/03/2010 RM'000
Revenue	36,640	30,224
Cost of sales	(18,155)	(15,342)
<b>Gross profit</b>	<b>18,485</b>	<b>14,882</b>
Other income	564	559
Selling & Distribution expenses	(8,836)	(7,773)
Administrative expenses	(3,506)	(2,891)
Other expenses	(1,899)	(981)
<b>Results from operating activities</b>	<b>4,808</b>	<b>3,796</b>
Finance costs	(204)	(315)
<b>Profit before tax</b>	<b>4,604</b>	<b>3,481</b>
Income tax expenses	(894)	(872)
<b>Profit for the period</b>	<b>3,710</b>	<b>2,609</b>
<b>Attributable to:</b>		
Owners of the Company	3,583	2,517
Non-controlling interests	127	92
	<b>3,710</b>	<b>2,609</b>
Earnings per share (EPS) attributable to owners of the Company (sen):		
<b>Basic EPS</b>	<b>3.63</b>	<b>2.59</b>
<b>Diluted EPS</b>	<b>3.63</b>	<b>2.58</b>

*The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010.*



**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 YEAR-TO-DATE ENDED 31 MARCH 2011**

	Quarter and year-to-date ended	
	31/03/2011 RM'000	31/03/2010 RM'000
Profit for the period	3,710	2,609
Other comprehensive (loss)/income:		
Currency translation differences arising from consolidation	(166)	(953)
<b>Total comprehensive income for the period</b>	<b>3,544</b>	<b>1,656</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	3,417	1,564
Non-controlling interests	127	92
	<b>3,544</b>	<b>1,656</b>

*The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010.*



**Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2011**

	As at 31/03/2011 RM'000 Unaudited	As at 31/12/2010 RM'000 Audited
<b>ASSETS</b>		
Property, plant and equipment	99,216	94,793
Prepaid land lease payments	4,913	5,417
Intangible assets	488	511
<b>Non-current Assets</b>	<u>104,617</u>	<u>100,721</u>
Inventories	42,970	39,953
Trade receivables	40,293	40,008
Other receivables	6,540	9,547
Amount due from related parties	27	39
Amount due from associate company	198	345
Tax recoverable	299	312
Cash & cash equivalents	48,000	46,453
<b>Current Assets</b>	<u>138,327</u>	<u>136,657</u>
<b>TOTAL ASSETS</b>	<u><b>242,944</b></u>	<u><b>237,378</b></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	98,617	98,588
Share premium	398	394
Reserves	14,695	14,865
Retained earnings	58,721	55,138
<b>Equity Attributable to Owners of the Company</b>	<u>172,431</u>	<u>168,985</u>
Non-controlling interests	2,670	2,543
<b>Total Equity</b>	<u>175,101</u>	<u>171,528</u>
Deferred taxation	6,614	6,537
Loans and borrowings	16,339	15,487
Finance lease creditors	1,393	1,632
<b>Non-current Liabilities</b>	<u>24,346</u>	<u>23,656</u>
Trade payables	12,693	10,260
Other payables	7,755	7,283
Finance lease creditors	1,763	2,047
Amount due to related parties	4,171	4,573
Loans and borrowings	16,077	16,786
Tax payable	1,038	1,245
<b>Current Liabilities</b>	<u>43,497</u>	<u>42,194</u>
<b>Total Liabilities</b>	<u><b>67,843</b></u>	<u><b>65,850</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>242,944</b></u>	<u><b>237,378</b></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.75</b>	<b>1.71</b>

*The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010.*



**Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)**  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR-TO-DATE ENDED 31 MARCH 2011**

RM'000	← Attributable to owners of the Company →						Retained earnings	Total	Non-controlling interest	Total equity
	Share capital	Share premium	Exchange fluctuation reserve	Revaluation reserve	Share option reserve	Warrant reserve				
<b>At 1 January 2010</b>	97,191	213	(448)	-	499	6,176	48,894	152,525	562	153,087
Profit for the period	-	-	-	-	-	-	2,517	2,517	92	2,609
Currency translation differences arising from consolidation	-	-	(953)	-	-	-	-	(953)	-	(953)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(953)	-	-	-	2,517	1,564	92	1,656
Transactions with owners:										
Issuance of ordinary shares pursuant to ESOS exercised	73	7	-	-	(7)	-	-	73	-	73
Share issue expenses	-	(1)	-	-	-	-	-	(1)	-	(1)
<b>Total transactions with owners</b>	73	6	-	-	(7)	-	-	72	-	72
<b>At 31 March 2010</b>	97,264	219	(1,401)	-	492	6,176	51,411	154,161	654	154,815
<b>At 1 January 2011</b>	98,588	394	(2,287)	10,666	310	6,176	55,138	168,985	2,543	171,528
Profit for the period	-	-	-	-	-	-	3,583	3,583	127	3,710
Currency translation differences arising from consolidation	-	-	(166)	-	-	-	-	(166)	-	(166)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(166)	-	-	-	3,583	3,417	127	3,544
Transactions with owners:										
Issuance of ordinary shares pursuant to ESOS exercised	29	4	-	-	(4)	-	-	29	-	29
<b>Total transactions with owners</b>	29	4	-	-	(4)	-	-	29	-	29
<b>At 31 March 2011</b>	98,617	398	(2,453)	10,666	306	6,176	58,721	172,431	2,670	175,101

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010.



**Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)**  
**(Incorporated in Malaysia)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR-TO-DATE ENDED 31 MARCH 2011**

	Year-to-date ended	
	31/03/2011	31/03/2010
	RM '000	RM '000
Profit before tax	4,604	3,481
Adjustments for non cash items	1,768	1,417
Operating profit before changes in working capital	6,372	4,898
Changes in working capital	2,385	(2,132)
Cash generated from operations	8,757	2,766
Interest and tax paid	(1,496)	(1,502)
<b>Net cash from operating activities</b>	7,261	1,264
<b>Net cash used in investing activities</b>	(6,475)	(6,080)
<b>Net cash from financing activities</b>	(250)	544
<b>Net increase /(decrease) in cash and cash equivalents</b>	536	(4,272)
Effect on foreign exchange rate changes	1,011	(252)
Cash and cash equivalents at beginning of year	46,453	46,256
<b>Cash and cash equivalents at end of period</b>	48,000	41,732
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	20,926	14,758
Fixed deposits with licensed banks	27,074	26,974
<b>Cash and cash equivalents at end of period</b>	48,000	41,732

*The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010.*



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

NOTES TO THE INTERIM FINANCIAL REPORT - 31 MARCH 2011

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 year ended 31 December 2010. 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 year ended 31 December 2010.

**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 2010, except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for financial period beginning 1 January 2011.

The adoption of the new FRSs, amendments to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financials of the Group.

**A3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the year ended 31 December 2010 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 31 March 2011.

During the financial year-to-date ended 31 March 2011, the Company has issued 29,000 new ordinary shares of RM1.00 each pursuant to the exercise of Company's ESOS at the following option price:

Exercise Price	No. of shares issued	Cash Proceeds
RM		RM
1.00	<u>29,000</u>	<u>29,000</u>

**A8 Dividends Paid**

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

## A9 Segment Information

The Group is organised based on three major business segments as described below. The basis of segmentation was based on information reported internally to the Managing Director of the Group.

Performance is measured based on segment profit before tax and the total of segment assets are measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

There are no changes in the segment reported in the last audited financial statements.

Year-to-date ended 31 March 2011	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	6	6,534	30,100	-	36,640
Inter-segment revenue	183	551	2,308	(3,042)	-
Total revenue	189	7,085	32,408	(3,042)	36,640
Segment profit before tax	(176)	1,035	4,940	(1,195)	4,604
Segment assets	147,541	29,368	212,729	(146,694)	242,944

Year-to-date ended 31 March 2010	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	6	5,434	24,784	-	30,224
Inter-segment revenue	175	53	1,360	(1,588)	-
Total revenue	181	5,487	26,144	(1,588)	30,224
Segment profit before tax	(319)	634	3,187	(21)	3,481
Segment assets	146,484	25,435	168,248	(140,096)	200,071

## A10 Valuations of Property, Plant and Equipment

Property, plant and equipment of the Group are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses where applicable.

There is no revaluation of property, plant and equipment during the period under review.

## A11 Material Events Subsequent to the end of the Reporting Period

Osk Investment Bank Berhad had on behalf of the Board of Directors on 05 April 2011 announced that Y.S.P. Southeast Asia Holding Bhd proposes to undertake a renounceable rights issue of up to 45,255,228 Rights Shares at an indicative issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share for every three (3) existing Shares held on an entitlement date to be determined later.

**A12 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial year-to-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:

	<b>As at 31/03/2011 RM'000</b>	<b>As at 31/03/2010 RM'000</b>
Approved & contracted for:-		
Building in progress	1,122	6,929
Plant & machinery	3,509	6,009
	<u>4,631</u>	<u>12,938</u>
Approved but not contracted for:-		
Plant & machinery	<u>2,977</u>	<u>7,762</u>

**A15 Related Party Transactions**

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

	<b>Quarter and year-to-date ended 31/03/2011 RM'000</b>	<b>31/03/2010 RM'000</b>
<u>Substantial shareholder</u>		
Purchase of pharmaceutical products	<u>1,093</u>	<u>1,347</u>



**B1 Review of Performance**

The Group's revenue has increased by 21.2% to RM36.6 million from RM30.2 million recorded in the quarter ended 31 March 2010.

The Group registered a profit before tax of RM4.6 million, representing an increase of 32.3% compared to the preceding year quarter. The increase is in line with the increase in revenue.

**B2 Comparison with the Preceding Quarter's Results**

	Qtr 1 (31/03/11) RM'000	Qtr 4 (31/12/10) RM'000	Variance	
			RM'000	%
Revenue	36,640	38,941	(2,301)	(5.9)
Profit before tax	4,604	5,472	(868)	(15.9)

The Group recorded a revenue and profit before tax of RM36.6 million and RM4.6 million respectively for the current quarter compared to RM38.9 million and RM5.5 million for the immediate preceding quarter. The decreased in revenue and profit before tax were mainly attributable to the lower demand of Group's products from overseas market.

**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 will take advantage of the improvement in the local economy which is expected to grow further, leveraging on the Economic Transformation Plan recently presented by the government. 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 :-

	Quarter and year-to-date ended	
	31/03/2011 RM'000	31/03/2010 RM'000
Income Tax		
Current year's taxation	817	841
Deferred tax	77	31
	894	872

The Group's effective tax rate for the current quarter was lower than the statutory tax rate of 25% (2010:25%) due to availability of reinvestment allowance by a subsidiary company.

**B6 Realised/unrealised Retained Earnings**

The breakdown of the retained profits of the Group as at 31 March 2011 and 31 December 2010, into realised and unrealised profits/(losses) is as follows:

	<b>As at 31/03/2011 RM'000</b>	<b>As at 31/12/2010 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
Realised	97,528	91,032
Unrealised	<u>(5,435)</u>	<u>(3,844)</u>
	92,093	87,188
Total share of accumulated losses of associate:		
Realised	(26)	(26)
Unrealised	<u>-</u>	<u>-</u>
	92,067	87,162
Less: Consolidation adjustments	(33,346)	(32,024)
Total Group retained earnings as per consolidated accounts	<u><u>58,721</u></u>	<u><u>55,138</u></u>

The determination of realised and unrealised profits/(losses) is based on the Guidance of 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, issued by Malaysian Institute of Accountants.

**B7 Sale of Unquoted Investments and / or Properties**

There was no sale of unquoted investments and properties for the quarter under review.

**B8 Quoted Securities**

There was no purchase or disposal of quoted securities for the quarter under review.

**B9 Status of Corporate Proposals**

There were no corporate proposals announced and not completed as at the reporting date except for the Proposed Rights Issue referred to Note A11.

**B10 Borrowings and Debt Securities**

The details of the Group borrowings as at 31 March are as follows :

31 March 2011	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Secured short term borrowings			
Short term revolving credit	-	-	1,500
Finance lease creditor	-	-	1,763
Short term loan:			
- Domestic	-	-	9,987
- Foreign	1,500	20	4,590
	<u>1,500</u>	<u>20</u>	<u>17,840</u>
Secured long term borrowings			
Finance lease creditor	-	-	1,393
Long term loan:			
- Domestic	-	-	15,357
- Foreign	-	409	982
	<u>-</u>	<u>409</u>	<u>17,732</u>
<b>Total borrowings</b>	<u>1,500</u>	<u>429</u>	<u>35,572</u>
31 March 2010			
Secured short term borrowings			
Short term revolving credit	-	-	1,500
Finance lease creditor	-	-	1,374
Short term loan:			
- Domestic	-	-	7,500
- Foreign	-	6	14
	<u>-</u>	<u>6</u>	<u>10,388</u>
Secured long term borrowings			
Finance lease creditor	-	-	916
Long term loan:			
- Domestic	-	-	10,553
- Foreign	-	140	331
	<u>-</u>	<u>140</u>	<u>11,800</u>
<b>Total borrowings</b>	<u>-</u>	<u>146</u>	<u>22,188</u>

As at the reporting date, the Group had not issued any debt securities.

**B11 Off balance sheet financial instruments**

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

**B12 Material Litigation**

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

### B13 Proposed Dividend

On 4 April 2011, the Group proposed a first and final single tier dividend of 6 sen per ordinary share of RM1.00 each for the financial year ended 31 December 2010, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

### B14 Earnings Per Share

#### i) Basic Earnings Per Share

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

	Quarter and year-to-date ended	
	31/03/2011	31/03/2010
Profit attributable to owners of the Company (RM'000)	3,583	2,517
Weighted average number of ordinary shares in issue ('000)	98,613	97,240
<b>Basic Earnings Per Share (sen)</b>	<b>3.63</b>	<b>2.59</b>

#### ii) Diluted Earnings Per Share

The diluted earnings per share is calculated by dividing profit for the period attributable to owners 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.

The warrants have anti-dilutive effect to EPS as their exercise price is higher than share price.

	Quarter and year-to-date ended	
	31/03/2011	31/03/2010
Profit attributable to owners of the Company (RM'000)	3,583	2,517
Weighted average number of ordinary shares in issue ('000)	98,613	97,240
Effect of dilution-Share options ('000)	110	255
Adjusted weighted average number of diluted ordinary shares in issue -diluted ('000)	98,723	97,495
<b>Diluted Earnings Per Share (sen)</b>	<b>3.63</b>	<b>2.58</b>