



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 2011**

	3 months ended		9 months ended	
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Revenue	39,573	36,139	114,537	99,542
Cost of sales	(19,781)	(19,244)	(57,257)	(51,805)
Gross profit	19,792	16,895	57,280	47,737
Other income	767	432	1,948	1,517
Selling & Distribution expenses	(10,083)	(9,061)	(29,301)	(25,311)
Administrative expenses	(3,360)	(3,453)	(11,003)	(9,545)
Other expenses	(963)	(495)	(4,810)	(1,940)
Results from operating activities	6,153	4,318	14,114	12,458
Finance costs	(228)	(292)	(676)	(830)
Profit before tax	5,925	4,026	13,438	11,628
Income tax expenses	(914)	(1,076)	(2,059)	(3,107)
Profit for the period	5,011	2,950	11,379	8,521
Attributable to:				
Owners of the Company	4,972	2,908	11,125	8,369
Non-controlling interests	39	42	254	152
	5,011	2,950	11,379	8,521
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	4.15	2.89	10.37	8.39
Diluted EPS	4.15	2.88	10.37	8.35

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 NINE MONTHS ENDED 30 SEPTEMBER 2011

	3 months ended		9 months ended	
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Profit for the period	5,011	2,950	11,379	8,521
Other comprehensive (loss)/income:				
Currency translation differences arising from consolidation	863	(911)	1,064	(1,832)
Total comprehensive income for the period	5,874	2,039	12,443	6,689
Total comprehensive income attributable to:				
Owners of the Company	5,835	1,997	12,189	6,537
Non-controlling interests	39	42	254	152
	5,874	2,039	12,443	6,689

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 30 SEPTEMBER 2011

	As at 30/09/2011 RM'000 Unaudited	As at 31/12/2010 RM'000 Audited
ASSETS		
Property, plant and equipment	100,321	94,793
Prepaid land lease payments	5,180	5,417
Intangible assets	444	511
Non-current Assets	<u>105,945</u>	<u>100,721</u>
Inventories	60,185	39,953
Trade receivables	41,453	40,008
Other receivables	9,626	9,547
Amount due from related parties	629	39
Amount due from an associate	262	345
Tax recoverable	247	312
Cash & cash equivalents	65,794	46,453
Current Assets	<u>178,196</u>	<u>136,657</u>
TOTAL ASSETS	<u>284,141</u>	<u>237,378</u>
EQUITY AND LIABILITIES		
Share capital	133,043	98,588
Share premium	254	394
Other reserves	15,619	14,865
Retained earnings	60,408	55,138
Equity Attributable to Owners of the Company	<u>209,324</u>	<u>168,985</u>
Non-controlling interests	3,096	2,543
Total Equity	<u>212,420</u>	<u>171,528</u>
Deferred taxation	6,346	6,537
Loans and borrowings	13,761	15,487
Finance lease creditors	1,189	1,632
Non-current Liabilities	<u>21,296</u>	<u>23,656</u>
Trade payables	17,116	10,260
Other payables	8,104	7,283
Provisions	1,600	-
Finance lease creditors	941	2,047
Amount due to related parties	6,107	4,573
Loans and borrowings	15,302	16,786
Tax payable	1,255	1,245
Current Liabilities	<u>50,425</u>	<u>42,194</u>
Total Liabilities	<u>71,721</u>	<u>65,850</u>
TOTAL EQUITY AND LIABILITIES	<u>284,141</u>	<u>237,378</u>
Net assets per share attributable to owners of the Company (RM)	1.57	1.71

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 NINE MONTHS ENDED 30 SEPTEMBER 2011

	← Attributable to owners of the Company →						→ Distributable →		Non-controlling interest	Total equity
	← Non-distributable →									
RM'000	Share capital	Share premium	Exchange fluctuation reserve	Revaluation reserve	Share option reserve	Warrant reserve	Retained earnings	Total		
At 1 January 2010	97,191	213	(448)	-	499	6,176	48,894	152,525	562	153,087
Profit for the period	-	-	-	-	-	-	8,369	8,369	152	8,521
Currency translation differences arising from consolidation	-	-	(1,832)	-	-	-	-	(1,832)	-	(1,832)
Total comprehensive (loss)/income for the period	-	-	(1,832)	-	-	-	8,369	6,537	152	6,689
<i>Transactions with owners:</i>										
Additional investment in partly owned subsidiary company	-	-	-	-	-	-	-	-	375	375
Dividends to owners of the Company	-	-	-	-	-	-	(5,914)	(5,914)	-	(5,914)
Employees' share option scheme (ESOS)										
- Issuance of ordinary shares pursuant to ESOS exercised	1,390	17	-	-	-	-	-	1,407	-	1,407
- transfer of reserve upon exercise of ESOS	-	166	-	-	(166)	-	-	-	-	-
Share issue expenses	-	(2)	-	-	-	-	-	(2)	-	(2)
Total transactions with owners	1,390	181	-	-	(166)	-	(5,914)	(4,509)	375	(4,134)
At 30 September 2010	98,581	394	(2,280)	-	333	6,176	51,349	154,553	1,089	155,642
At 1 January 2011	98,588	394	(2,287)	10,666	310	6,176	55,138	168,985	2,543	171,528
Profit for the period	-	-	-	-	-	-	11,125	11,125	254	11,379
Currency translation differences arising from consolidation	-	-	1,064	-	-	-	-	1,064	-	1,064
Total comprehensive (loss)/income for the period	-	-	1,064	-	-	-	11,125	12,189	254	12,443
<i>Transactions with owners:</i>										
Additional investment in partly owned subsidiary company	-	-	-	-	-	-	-	-	299	299
Dividends to owners of the Company	-	-	-	-	-	-	(5,987)	(5,987)	-	(5,987)
Employees' share option scheme (ESOS)										
- Issuance of ordinary shares pursuant to ESOS exercised	1,195	49	-	-	-	-	-	1,244	-	1,244
- transfer of reserve upon exercise of ESOS	-	178	-	-	(178)	-	-	-	-	-
- transfer of reserve upon expiry of ESOS	-	-	-	-	(132)	-	132	-	-	-
Rights issue	33,260	-	-	-	-	-	-	33,260	-	33,260
Share issue expenses	-	(367)	-	-	-	-	-	(367)	-	(367)
Total transactions with owners	34,455	(140)	-	-	(310)	-	(5,855)	28,150	299	28,449
At 30 September 2011	133,043	254	(1,223)	10,666	-	6,176	60,408	209,324	3,096	212,420

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 FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

	9 months ended	
	30/09/2011	30/09/2010
	RM '000	RM '000
Profit before tax	13,438	11,628
Adjustments for non cash items	7,175	4,177
Operating profit before changes in working capital	20,613	15,805
Changes in working capital	(13,896)	(6,260)
Cash generated from operations	6,717	9,545
Tax paid	(2,174)	(2,603)
Net cash from operating activities	4,543	6,942
Net cash used in investing activities	(7,965)	(18,209)
Net cash from financing activities	21,470	4,247
Net increase/(decrease) in cash and cash equivalents	18,048	(7,020)
Effect on foreign exchange rate changes	1,293	(531)
Cash and cash equivalents at beginning of year	46,453	46,256
Cash and cash equivalents at end of period	<u>65,794</u>	<u>38,705</u>
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,260	17,992
Fixed deposits with licensed banks	48,534	20,713
Cash and cash equivalents at end of period	<u>65,794</u>	<u>38,705</u>

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)
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NOTES TO THE INTERIM FINANCIAL REPORT - 30 SEPTEMBER 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, other than as disclosed in Note B2.

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

The issued and paid-up capital of the Company increased by 34.4 million ordinary shares from 98.6 million to 133.0 million ordinary shares of RM1.00 each as a result of the following:

- i) During the financial year-to-date ended 30 September 2011, the Company has issued 1,194,529 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	704,926	704,926
1.10	489,603	538,563
	<u>1,194,529</u>	<u>1,243,489</u>

The ESOS has expired on 14 August 2011. As per the By-laws of the ESOS scheme, the remaining unexercised options has automatically lapsed and became null and void upon the expiration of the ESOS.

- ii) Renounceable Rights Issue

On 9 August 2011, the Company issued a total of 33,260,144 new ordinary shares of RM1.00 each at an issue price of RM1.00 per Rights share on the basis of one (1) rights share for every three (3) existing ordinary shares of RM1.00 each.

As at the reporting date, the status of the proposed utilisation of proceeds raised under the Rights Issue are as set out below:

	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Expected utilisation period
Capital expenditure				
- Expansion of existing local production facilities	7,000	89	6,911	By Q3 2014
- Expansion of R&D facilities	5,000	66	4,934	By Q3 2014
- Replacement of obsolete machineries and equipments	5,000	-	5,000	By Q3 2014
Working capital				
- Purchase of raw materials, packaging materials and original equipment manufacturer ("OEM") finished products	9,500	731	8,769	By Q3 2013
- Distribution and marketing expenses	2,900	223	2,677	By Q3 2013
- Production, R&D and administrative expenses	3,400	262	3,138	By Q3 2013
Estimated expenses in relation to the Rights Issue	460	350	110	By Q4 2011
Total	<u>33,260</u>	<u>1,721</u>	<u>31,539</u>	

- iii) Warrants 2007/2012

The Company issued 610,532 additional warrants pursuant to adjustments arising from the Rights Issue.

Save for the above, there were no issuances, repurchases and repayments of debt and equity securities during the financial year-to-date ended 30 September 2011.

A8 Dividends Paid

A first and final single tier dividend of 6% per ordinary share amounting to RM5,986,971 was paid in respect of the previous financial year ended 31 December 2010 on 28 July 2011.

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 30 September 2011	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	18	21,537	92,982	-	114,537
Inter-segment revenue	11,097	1,622	6,556	(19,275)	-
Total revenue	11,115	23,159	99,538	(19,275)	114,537
Segment profit before tax	11,129	2,375	10,197	(10,263)	13,438
Segment assets	191,628	29,916	222,316	(159,719)	284,141

Year-to-date ended 30 September 2010	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company 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	10,849	18,635	85,646	(15,588)	99,542
Segment profit before tax	9,231	1,954	10,784	(10,341)	11,628
Segment assets	151,053	25,159	183,385	(148,775)	210,822

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

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

A12 Changes in the Composition of the Group

i)

On 09 May 2011, Y.S.P.SAH (Vietnam) Co. Ltd., a wholly-owned subsidiary of the Company, transferred its entire 95% equity interest in Y.S.P. Industries Vietnam Co. Ltd. to Y.S.P.SAH Investment Pte. Ltd., another wholly-owned subsidiary of the Company.

Such restructuring is to streamline the Group's business activities and does not have significant impact on Group's earnings per share, net assets per share and gearing.

ii)

On 07 October 2011, the Company announced the subscription at par and for cash of 180,000 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 SGD2,571,538.00. The equity interest of the Company in Sun Ten SAH remains unchanged at 60% which represents SGD1,542,923.00.

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 30/09/2011 RM'000	As at 30/09/2010 RM'000
Approved & contracted for:-		
Building in progress	65	2,855
Plant & machinery	2,846	2,834
	<u>2,911</u>	<u>5,689</u>
Approved but not contracted for:-		
Plant & machinery	<u>7,982</u>	<u>7,939</u>

A15 Related Party Transactions

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

	9 months ended	
	30/09/2011 RM'000	30/09/2010 RM'000
<u>Substantial Shareholder</u>		
Purchase of pharmaceutical products	<u>5,647</u>	<u>6,669</u>
<u>Companies in Which Certain Directors Have Interest</u>		
Purchase of raw materials	3,373	146
Sales of pharmaceutical products	<u>(1,352)</u>	<u>(358)</u>

B1 Review of Performance

The Group's **revenue** has increased by 15.1% to RM114.5 million from RM99.5 million recorded in the financial period ended 30 September 2010.

The Group's **profit before tax** increased by 15.6% to RM13.4 million from RM11.6 million reported in the financial period ended 30 September 2010 which was in tandem with higher revenue generated during the period.

B2 Comparison with the Preceding Quarter's Results

	Qtr 3 (30/09/11) RM'000	Qtr 2 (30/06/11) RM'000	Variance	
			RM'000	%
Revenue	39,573	38,324	1,249	3.3
Profit before tax	5,925	2,909	3,016	103.7

The Group recorded a revenue of RM39.6 million for the current quarter compared to RM38.3 million for the immediate preceding quarter. The increase was mainly attributable to higher demand of the Group's products from the domestic market.

The Group also recorded a much higher profit before tax of RM5.9 million for the current quarter as compared to RM2.9 million in the immediate preceding quarter. This was partly due to better margin but mainly due to substantially lower profit for the immediate preceding quarter resulting from the RM1.7 million provision for loss in respect of an onerous contract.

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 African 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 for the remainder of 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	
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Income Tax				
Current tax	804	1,033	2,249	2,992
Deferred tax	110	43	(190)	115
	<u>914</u>	<u>1,076</u>	<u>2,059</u>	<u>3,107</u>

The Group's effective tax rate for the current quarter and financial year-to-date 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 30 September 2011 and 31 December 2010, into realised and unrealised profits/(losses) is as follows:

	As at 30/09/2011 RM'000	As at 31/12/2010 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	97,672	91,032
Unrealised	<u>(5,245)</u>	<u>(3,844)</u>
	92,427	87,188
Total share of accumulated losses of associate:		
Realised	(26)	(26)
Unrealised	<u>-</u>	<u>-</u>
	92,401	87,162
Less: Consolidation adjustments	(31,993)	(32,024)
Total Group retained earnings as per consolidated accounts	<u><u>60,408</u></u>	<u><u>55,138</u></u>

The determination of realised and unrealised profits/(losses) is based on the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures 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 and financial year-to-date.

B8 Quoted Securities

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

B9 Status of Corporate Proposals

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

B10 Borrowings and Debt Securities

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

30 September 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	-	-	941
Short term loan:			
- Domestic	-	-	9,333
- Foreign	1,500	6	4,469
	<u>1,500</u>	<u>6</u>	<u>16,243</u>
Secured long term borrowings			
Finance lease creditor	-	-	1,189
Long term loan:			
- Domestic	-	-	12,757
- Foreign	-	409	1,004
	<u>-</u>	<u>409</u>	<u>14,950</u>
Total borrowings	<u>1,500</u>	<u>415</u>	<u>31,193</u>
30 September 2010			
Secured short term borrowings			
Short term revolving credit	-	-	1,500
Finance lease 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			
Finance lease 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>

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

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

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.

	3 months ended		9 months ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
Profit attributable to owners of the Company (RM'000)	4,972	2,908	11,125	8,369
Weighted average number of ordinary shares in issue ('000)	119,835	100,528	107,269	99,786
Basic Earnings Per Share (sen)	4.15	2.89	10.37	8.39

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, adjusted to assume the conversion of all dilutive potential ordinary shares from share options granted to employees under the employees' share option scheme, which has expired on 14 August 2011.

The remaining options unexercised as at 14 August 2011 had lapsed and became null and void. The warrants have anti-dilutive effect to earnings per share as their exercise price is higher than share price. Since there is no dilutive potential ordinary share as at 30 September 2011, diluted earnings per share is equal to basic earnings per share.

	3 months ended		9 months ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
Profit attributable to owners of the Company (RM'000)	4,972	2,908	11,125	8,369
Weighted average number of ordinary shares in issue ('000)	119,835	100,528	107,269	99,786
Effect of dilution-Share options ('000)	-	301	-	406
Adjusted weighted average number of diluted ordinary shares in issue -diluted ('000)	119,835	100,829	107,269	100,192
Diluted Earnings Per Share (sen)	4.15	2.88	10.37	8.35