



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

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

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Contents	Page No.
Unaudited Condensed Consolidated Statement of Profit or Loss	1
Unaudited Condensed Consolidated Statement of Other Comprehensive Income	2
Unaudited Condensed Consolidated Statement of Financial Position	3
Unaudited Condensed Consolidated Statement of Changes in Equity	4
Unaudited Condensed Consolidated Statement of Cash Flows	5
Notes to the Interim Financial Report:-	
Part A - Explanatory Notes Pursuant to MFRS134	6 - 10
Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad	11 - 14

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

	3 months ended		9 months ended	
	30/09/2012 RM'000	30/09/2011 RM'000	30/09/2012 RM'000	30/09/2011 RM'000
Revenue	45,551	39,573	134,134	114,537
Cost of sales	(24,447)	(19,781)	(72,776)	(57,257)
<b>Gross profit</b>	<b>21,104</b>	<b>19,792</b>	<b>61,358</b>	<b>57,280</b>
Other income	435	466	2,344	1,277
Selling & Distribution expenses	(11,536)	(10,083)	(33,264)	(29,301)
Administrative expenses	(4,070)	(3,360)	(11,512)	(11,003)
Other expenses	(827)	(963)	(1,892)	(4,810)
<b>Results from operating activities</b>	<b>5,106</b>	<b>5,852</b>	<b>17,034</b>	<b>13,443</b>
Finance income	220	301	702	671
Finance cost	(630)	(228)	(1,476)	(676)
<b>Profit before tax</b>	<b>4,696</b>	<b>5,925</b>	<b>16,260</b>	<b>13,438</b>
Income tax expense	(2,045)	(914)	(5,222)	(2,059)
<b>Profit for the period</b>	<b>2,651</b>	<b>5,011</b>	<b>11,038</b>	<b>11,379</b>
<b>Attributable to:</b>				
Owners of the Company	2,604	4,972	11,028	11,125
Non-controlling interests	47	39	10	254
	<b>2,651</b>	<b>5,011</b>	<b>11,038</b>	<b>11,379</b>
Earnings per share (EPS) attributable to owners of the Company (sen):				
<b>Basic EPS</b>	<b>1.96</b>	<b>4.06</b>	<b>8.29</b>	<b>10.16</b>
<b>Diluted EPS</b>	<b>1.96</b>	<b>4.06</b>	<b>8.29</b>	<b>10.16</b>

*The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011.*



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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

**FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

	3 months ended		9 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,651	5,011	11,038	11,379
Foreign currency translation differences for foreign operations	573	863	(388)	1,064
<b>Total comprehensive income for the period</b>	<b>3,224</b>	<b>5,874</b>	<b>10,650</b>	<b>12,443</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3,177	5,835	10,640	12,189
Non-controlling interests	47	39	10	254
	<b>3,224</b>	<b>5,874</b>	<b>10,650</b>	<b>12,443</b>

Included in the total comprehensive income for the period are:

	3 months ended		9 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
interest income	220	301	702	671
other income including investment income	31	25	161	118
interest expenses	551	181	1,295	552
depreciation and amortization	2,052	1,522	5,971	4,368
(Reversal)/provision for and write off of receivables	-	683	(328)	801
provision for and write off of inventories	197	111	561	402
(gain) or loss on disposal of quoted and unquoted investments or properties	N/A	N/A	N/A	N/A
impairment of assets	N/A	N/A	N/A	N/A
foreign exchange (gain) or loss	234	(54)	(483)	1,007
(gain) or loss on derivatives	N/A	N/A	N/A	N/A
exceptional items	N/A	N/A	N/A	N/A
N/A: Not applicable				

*The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011.*



**Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2012**

	<b>As at 30/09/2012 RM'000 <i>unaudited</i></b>	<b>As at 31/12/2011 RM'000</b>	<b>As at 01/01/2011 RM'000</b>
<b>ASSETS</b>			
Property, plant and equipment	117,331	100,017	94,793
Prepaid land lease payments	4,858	5,029	5,417
Intangible assets	454	421	511
<b>Non-current Assets</b>	<b>122,643</b>	<b>105,467</b>	<b>100,721</b>
Inventories	76,213	65,510	39,953
Trade receivables	42,385	42,633	40,008
Other receivables	10,810	7,259	9,657
Amount due from affiliated companies	628	261	39
Amount due from an associate	497	227	235
Tax recoverable	64	15	312
Cash & cash equivalents	47,811	58,253	46,453
<b>Current Assets</b>	<b>178,408</b>	<b>174,158</b>	<b>136,657</b>
<b>TOTAL ASSETS</b>	<b>301,051</b>	<b>279,625</b>	<b>237,378</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	133,043	133,043	98,588
Share premium	207	207	394
Other reserves	6,611	6,999	6,486
Retained earnings	76,087	73,041	63,517
<b>Equity Attributable to Owners of the Company</b>	<b>215,948</b>	<b>213,290</b>	<b>168,985</b>
Non-controlling interests	3,831	3,189	2,543
<b>Total Equity</b>	<b>219,779</b>	<b>216,479</b>	<b>171,528</b>
Deferred taxation	8,060	7,428	6,537
Loans and borrowings	19,389	10,149	15,487
Finance lease liabilities	4,387	246	1,632
<b>Non-current Liabilities</b>	<b>31,836</b>	<b>17,823</b>	<b>23,656</b>
Trade payables	9,458	12,321	10,260
Other payables	10,644	8,851	7,283
Dividends payable	-	-	-
Provisions	1,648	1,530	-
Finance lease liabilities	3,557	1,370	2,047
Amount due to affiliated companies	4,310	3,955	4,573
Loans and borrowings	18,043	16,765	16,786
Tax payable	1,776	531	1,245
<b>Current Liabilities</b>	<b>49,436</b>	<b>45,323</b>	<b>42,194</b>
<b>Total Liabilities</b>	<b>81,272</b>	<b>63,146</b>	<b>65,850</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>301,051</b>	<b>279,625</b>	<b>237,378</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.62</b>	<b>1.60</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 2011.*



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 2012**

RM'000	← Attributable to owners of the Company →							Total	Non-controlling interest	Total equity
	Share capital	Share premium	Exchange fluctuation reserve	Revaluation reserve	Share option reserve	Warrant reserve	Retained earnings			
<b>At 1 January 2011</b>	98,588	394	-	-	310	6,176	63,517	168,985	2,543	171,528
Foreign currency translation differences for foreign operations	-	-	1,064	-	-	-	-	1,064	-	1,064
Total other comprehensive income for the period	-	-	1,064	-	-	-	-	1,064	-	1,064
Profit for the period	-	-	-	-	-	-	11,125	11,125	254	11,379
<b>Total comprehensive income for the period</b>	-	-	1,064	-	-	-	11,125	12,189	254	12,443
Dividends to owners of the Company	-	-	-	-	-	-	(5,987)	(5,987)	-	(5,987)
Issuance of ordinary share pursuant to ESOS	1,195	49	-	-	-	-	-	1,244	-	1,244
Rights issue	33,260	-	-	-	-	-	-	33,260	-	33,260
Share issuance expenses	-	(367)	-	-	-	-	-	(367)	-	(367)
Additional investment in partly owned subsidiary company	34,455	(318)	-	-	-	-	(5,987)	28,150	-	28,150
<b>Total transactions with owners of the Company</b>	34,455	(318)	-	-	-	-	(5,987)	28,150	299	28,449
Transfer to share premium for share options exercised	-	179	-	-	(179)	-	-	-	-	-
Transfer of reserve upon expiry of ESOS	-	-	-	-	(131)	-	131	-	-	-
<b>At 30 September 2011</b>	133,043	255	1,064	-	-	6,176	68,786	209,324	3,096	212,420
<b>At 1 January 2012</b>	133,043	207	823	-	-	6,176	73,041	213,290	3,189	216,479
Foreign currency translation differences for foreign operations	-	-	(388)	-	-	-	-	(388)	-	(388)
Total other comprehensive income for the period	-	-	(388)	-	-	-	-	(388)	-	(388)
Profit for the period	-	-	-	-	-	-	11,028	11,028	10	11,038
<b>Total comprehensive income for the period</b>	-	-	(388)	-	-	-	11,028	10,640	10	10,650
Dividends to owners of the Company	-	-	-	-	-	-	(7,982)	(7,982)	-	(7,982)
Additional investment in partly owned subsidiary company	-	-	-	-	-	-	(7,982)	(7,982)	-	(7,982)
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	-	(7,982)	(7,982)	632	(7,350)
<b>At 30 September 2012</b>	133,043	207	435	-	-	6,176	76,087	215,948	3,831	219,779

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011.



**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 2012**

	<b>9 months ended</b>	
	<b>30/09/2012</b>	<b>30/09/2011</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	16,260	13,438
Other adjustment	6,840	8,507
<b>Operating profit before changes in working capital</b>	<u>23,100</u>	<u>21,945</u>
Net change in current assets	(14,922)	(24,187)
Net change in current liabilities	(49)	8,290
<b>Cash generated from operations</b>	<u>8,129</u>	<u>6,048</u>
Tax paid	(3,394)	(2,174)
<b>Net cash generated from operating activities</b>	<u>4,735</u>	<u>3,874</u>
<b>Cash flows from investing activities</b>		
Interest received	702	671
Proceeds from disposal of property, plant and equipment	6	64
Purchase of property, plant and equipment	(14,962)	(8,697)
Purchase of intangible assets	(109)	(2)
Proceed from issuance of share capital to minority shareholders	6	299
<b>Net cash used in investing activities</b>	<u>(14,357)</u>	<u>(7,665)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(1,336)	(1,548)
Dividend paid	(7,982)	(5,987)
Net drawdown/(repayment) of term loans	10,668	(3,352)
Payment of finance lease liabilities	(1,929)	(2,079)
Proceeds from rights issue, net of expenses	-	32,910
Proceeds from issuance of ordinary shares pursuant to ESOS, net of expenses	-	1,226
<b>Net cash (used in)/ generated from financing activities</b>	<u>(579)</u>	<u>21,170</u>
Net (decrease)/increase in cash and cash equivalents	(10,201)	17,379
Effect on foreign exchange rate changes	(241)	1,963
Cash and cash equivalents at 1 January	58,253	46,452
<b>Cash and cash equivalents at 30 September</b>	<u>47,811</u>	<u>65,794</u>
<b>Composition of cash and cash equivalents</b>		
Cash and bank balances	22,599	17,260
Fixed deposits with licensed banks	25,212	48,534
	<u>47,811</u>	<u>65,794</u>

*The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011.*



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

NOTES TO THE INTERIM FINANCIAL REPORT - 30 SEPTEMBER 2012

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

**A1 Basis of Preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 " Interim Financial Reporting " in Malaysia and with IAS 34, 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 2011. The consolidated financial statements for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards ("FRS")

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The impact of the transition to MFRS framework is as disclosed in Note A2(c).

**A2 Significant Accounting Policies**

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 December 2011.

**(a) Property, plant and equipment**

In the previous years, the Group revalued its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Certain land and buildings were revalued in November 2010 and no later valuation has been recorded for these property, plant and equipment.

Upon transition to MFRSs, the Group elected to apply the optional exemption to measure its property, plant and equipment using the cost model and the previous revaluation as deemed cost at the date of the revaluation. The revaluation reserve of RM10.7 million was reclassified to retained earnings.

**(b) Exchange fluctuation reserve**

The transition exemption under MFRS allowed the Group to re-set its exchange fluctuation reserve at date of transition to zero. The exchange fluctuation reserve of RM2.3 million (debit) was reclassified to retained earnings.

(c) **Reconciliation of equity**

The reconciliations of equity for comparative periods and of equity at the date of transition reported are provided below:

Reconciliation of equity as at 1 January 2011

	<b>FRS as at 01/01/2011</b>	<b>Reclassifications</b>	<b>MFRS as at 01/01/2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revaluation reserve	10,666	(10,666)	-
Exchange fluctuation reserve	(2,287)	2,287	-
Retained earnings	55,138	8,379	63,517

Reconciliation of equity as at 30 September 2011

	<b>FRS as at 30/09/2011</b>	<b>Reclassifications</b>	<b>MFRS as at 30/09/2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revaluation reserve	10,666	(10,666)	-
Exchange fluctuation reserve	(1,223)	2,287	1,064
Retained earnings	60,407	8,379	68,786

Reconciliation of equity as at 31 December 2011

	<b>FRS as at 31/12/2011</b>	<b>Reclassifications</b>	<b>MFRS as at 31/12/2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revaluation reserve	10,635	(10,635)	-
Exchange fluctuation reserve	(1,464)	2,287	823
Retained earnings	64,693	8,348	73,041

There is no effect on the total comprehensive income for the period.

(d) **MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective**

The following MFRSs, Amendments to MFRSs and IC Interpretations have been issued but are not yet effective, and have yet to be adopted by the Group:-

Effective for annual periods commencing on or after 1 July 2012:-

- Amendments to MFRS 101 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

Effective for annual periods commencing on or after 1 January 2013:-

- MFRS 10 *Consolidated Financial Statements*

- MFRS 11 *Joint Arrangements*

- MFRS 12 *Disclosures of Interests in Other Entities*

- MFRS 13 *Fair Value Measurement*

- MFRS 119 *Employee Benefits*

- MFRS 127 *Separate Financial Statements*

- MFRS 128 *Investments in Associates and Joint Ventures*

- IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*

- Amendments to MFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards - Government Loans*



- Amendments to MFRS 10 *Consolidated Financial Statements - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*
- Amendments to MFRS 11 *Joint Arrangements - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*
- Amendments to MFRS 12 *Disclosure of Interests in Other Entities - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*
- Amendments to MFRS 101 *Presentation of Financial Statements - Annual Improvements 2009-2011 Cycle*
- Amendments to MFRS 116 *Property, Plant and Equipment - Annual Improvements 2009-2011 Cycle*
- Amendments to MFRS 132 *Financial Instruments: Presentation - Annual Improvements 2009-2011 Cycle*
- Amendments to MFRS 134 *Interim Financial Reporting - Annual Improvements 2009-2011 Cycle*
- Amendments to IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments - Annual Improvements 2009-2011 Cycle*

Effective for annual periods commencing on or after 1 January 2014:-

- Amendments to MFRS 132 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

Effective for annual periods commencing on or after 1 January 2015:-

- MFRS 9 *Financial Instruments (2009)*
- MFRS 9 *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures*

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

The auditors' report on the audited financial statements for the year ended 31 December 2011 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 current quarter and financial year-to-date results.

**A7 Debt and Equity Securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and financial year-to-date.

**A8 Dividends Paid**

A first and final single tier dividend of 6% per ordinary share amounting to RM7,982,579 in respect of the previous financial year ended 31 December 2011 was paid on 22 August 2012.

## 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.

<b>Year-to-date ended 30 September 2012</b>	<b>Investment holding RM'000</b>	<b>Trading RM'000</b>	<b>Manufacturing RM'000</b>	<b>Inter-company Elimination RM'000</b>	<b>Total RM'000</b>
Revenue from external customer	18	21,513	112,603	-	134,134
Inter-segment revenue	12,025	1,645	7,233	(20,903)	-
<b>Total revenue</b>	<b>12,043</b>	<b>23,158</b>	<b>119,836</b>	<b>(20,903)</b>	<b>134,134</b>
Segment profit before tax	12,897	1,821	14,044	(12,502)	16,260
Segment assets	187,349	34,161	260,266	(180,725)	301,051

<b>Year-to-date ended 30 September 2011</b>	<b>Investment holding RM'000</b>	<b>Trading RM'000</b>	<b>Manufacturing RM'000</b>	<b>Inter-company Elimination RM'000</b>	<b>Total RM'000</b>
Revenue from external customer	18	21,537	92,982	-	114,537
Inter-segment revenue	11,097	1,622	6,556	(19,275)	-
<b>Total revenue</b>	<b>11,115</b>	<b>23,159</b>	<b>99,538</b>	<b>(19,275)</b>	<b>114,537</b>
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

### **Investment holding 9M12 vs. 9M11**

Investment holding segment's profit before tax reported an increase of 16% in 9M12 from RM11.13 million to RM12.90 million. This was due to higher dividend income from subsidiaries and higher interest income earned in 9M12.

### **Trading 9M12 vs. 9M11**

Trading segment recorded profit before tax of RM1.82 million in 9M12, a decrease of 23% as compared to RM2.38 million achieved in 9M11. This was mainly due to higher cost of goods sold from product mix and distribution cost incurred in 9M12.

### **Manufacturing 9M12 vs. 9M11**

Manufacturing segment reported an improved profit before tax of RM14.04 million for 9M12 as compared to RM10.20 million in 9M11, representing an increase of 38%. This was mainly contributed by a Malaysian subsidiary with increased revenue of RM19.13 million and absence of provision for loss in respect of an onerous contract amounted to RM1.74 million for last year.

## A10 Valuations of Property, Plant and Equipment

Property, plant and equipment of the Group are stated at cost 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 Subsequent Events

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

#### A12 Changes in the Composition of the Group

- i) On 24 August 2012, the Company announced the subscription at par and for cash of 1,000,000 additional shares of SGD1.00 each in its wholly-owned subsidiary, namely 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 SGD1,200,000.00.

- ii) On 04 September 2012, the Company announced that Y.S.P.SAH Investment Pte. Ltd., a wholly-owned subsidiary of the Company had on 13 July 2012 incorporated a subsidiary company under the name of PT. YSP Industries Indonesia with an initial paid-up share capital of USD800,000.00.

Y.S.P.SAH Investment Pte. Ltd. has 75% equity in PT. YSP Industries Indonesia and the remaining 25% is held by an Indonesian, Lin Chi Chen. The principal activity of PT. YSP Industries Indonesia is manufacturing of pharmaceutical products.

The new incorporation of PT. YSP Industries Indonesia does not have any material effects on the net assets and earnings of the Group for the current quarter and financial year-to-date under review.

- iii) On 31 October 2012, the Company announced the subscription at par and for cash of 60,000 additional shares of USD10.00 each in its subsidiary, namely PT. Yung Shin Pharmaceutical Indonesia.

As at the reporting date, the total paid-up capital in PT. Yung Shin Pharmaceutical Indonesia is USD700,000.00.

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 31 December 2011.

#### A14 Capital Commitment

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

	As at 30/09/2012 RM'000	As at 30/09/2011 RM'000
Approved & contracted for:-		
Building in progress	63	65
Plant & machinery	785	2,846
	<u>848</u>	<u>2,911</u>
Approved but not contracted for:-		
Plant & machinery	<u>521</u>	<u>7,982</u>

#### A15 Related Party Transactions

Significant related party transactions are as follows:

	9 months ended	
	30/09/2012 RM'000	30/09/2011 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	<u>10,912</u>	<u>5,647</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	200	3,373
Sales of pharmaceutical products	<u>(2,924)</u>	<u>(1,352)</u>

**B1 Review of Performance**

The Group's **revenue** has increased by 17.1% to RM134.1 million from RM114.5 million recorded in the financial period ended 30 September 2011.

The Group registered a **profit before tax** of RM16.3 million, representing an increase of 21.0% compared to the corresponding period last year. This was due to higher revenue recorded during the period and also due to lower profit before tax recorded in the corresponding period resulting from the provision for loss in respect of an onerous contract amounting to RM1.7 million.

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

	Qtr 3 (30/09/12) RM'000	Qtr 2 (31/06/12) RM'000	Variance	
			RM'000	%
Revenue	45,551	45,307	244	0.5
Profit before tax	4,696	5,911	(1,215)	(20.6)

The Group recorded a revenue of RM45.6 million for the current quarter compared to RM45.3 million for the immediate preceding quarter showing a growth of 0.5%. However, the Group recorded a lower profit before tax for the current quarter ended 30 September 2012 of RM4.7 million as compared to RM5.9 million in the immediate preceding quarter. This was due to decrease in reversal of allowance for impairment loss on trade receivables, higher foreign exchange loss and interest expense on borrowings.

**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 presented by the government. Barring any unforeseen circumstances, the Group expects the financial performance to remain positive for the rest of the year.

**B4 Profit Forecast or Profit Guarantee**

There were no profit forecast or profit guarantee issued by the Group.

**B5 Taxation**

Details of taxation are as follows :-

	3 months ended		9 months ended	
	30/09/2012 RM'000	30/09/2011 RM'000	30/09/2012 RM'000	30/09/2011 RM'000
Income Tax				
Current tax	1,964	804	4,589	2,249
Deferred tax	81	110	633	(190)
	<u>2,045</u>	<u>914</u>	<u>5,222</u>	<u>2,059</u>

Income tax is calculated at the Malaysian statutory tax rate of 25%. (2011: 25%)

The Group's effective tax rate for the current financial year-to-date was higher than the statutory tax rate principally due to certain expenses which were not deductible for tax purposes and adjustment for under provision of taxation in respect of prior year.

The Group's effective tax rate for the previous corresponding quarter and financial year-to-date was lower than the statutory tax rate due to utilisation 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 2012 and 31 December 2011, into realised and unrealised profits/(losses) is as follows:

	As at 30/09/2012	As at 31/12/2011
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	104,761	100,810
Unrealised	<u>3,477</u>	<u>3,772</u>
	108,238	104,582
Total share of accumulated losses of associate:		
Realised	(26)	(26)
Unrealised	<u>-</u>	<u>-</u>
	108,212	104,556
Less: Consolidation adjustments	(32,125)	(31,515)
Total Group retained earnings as per consolidated accounts	<u><u>76,087</u></u>	<u><u>73,041</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 Status of Corporate Proposals**

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

**Status of utilisation of proceeds**

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 full utilisation
<b>Capital expenditure</b>				
- Expansion of existing local production facilities	7,000	1,891	5,109	By Q3 2014
- Expansion of R&D facilities	5,000	702	4,298	By Q3 2014
- Replacement of obsolete machineries and equipment	5,000	199	4,801	By Q3 2014
<b>Working capital</b>				
- Purchase of raw materials, packaging materials and original equipment manufacturer ("OEM") finished products	9,500	5,115	4,385	By Q3 2013
- Distribution and marketing expenses	2,900	1,562	1,338	By Q3 2013
- Production, R&D and administrative expenses	3,400	1,831	1,569	By Q3 2013
Estimated expenses in relation to the Rights Issue *	460	460	-	
Total	<u><u>33,260</u></u>	<u><u>11,760</u></u>	<u><u>21,500</u></u>	

\* Expenses relating to the Rights Issue amounting to RM398,000 were lower than estimated. The remaining portion was reclassified for working capital purposes.

**B8 Borrowings and Debt Securities**

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

**30 September 2012**

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
<b>Current</b>			
Secured revolving credit	-	-	4,500
<u>Secured bank loans:</u>			
- Domestic	-	-	8,904
- Foreign	-	7	17
Unsecured bank loan - Foreign	1,500	-	4,622
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,487
- Foreign	-	28	70
	<u>1,500</u>	<u>35</u>	<u>21,600</u>
<b>Non-current</b>			
<u>Secured bank loans:</u>			
- Domestic	-	-	18,437
- Foreign	-	381	952
<u>Finance lease creditor:</u>			
- Domestic	-	-	4,189
- Foreign	-	79	198
	<u>-</u>	<u>460</u>	<u>23,776</u>
<b>Total borrowings</b>	<u>1,500</u>	<u>495</u>	<u>45,376</u>

**30 September 2011**

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
<b>Current</b>			
Secured revolving credit	-	-	1,500
<u>Secured bank loans:</u>			
- Domestic	-	-	9,333
- Foreign	-	6	15
Unsecured bank loan - Foreign	1,500	-	4,454
<u>Finance lease creditor:</u>			
- Domestic	-	-	896
- Foreign	-	18	45
	<u>1,500</u>	<u>24</u>	<u>16,243</u>
<b>Non-current</b>			
<u>Secured bank loans:</u>			
- Domestic	-	-	12,757
- Foreign	-	409	1,004
<u>Finance lease creditor:</u>			
- Domestic	-	-	1,121
- Foreign	-	28	68
	<u>-</u>	<u>437</u>	<u>14,950</u>
<b>Total borrowings</b>	<u>1,500</u>	<u>461</u>	<u>31,193</u>

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

**B9 Material Litigation**

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

**B10 Proposed Dividend**

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

**B11 Earnings Per Share**

	3 months ended		9 months ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
<b>i) Basic Earnings Per Share</b>				
Profit attributable to owners of the Company (RM'000)	2,604	4,972	11,028	11,125
Weighted average number of ordinary shares in issue ('000)	133,043	122,361	133,043	109,530
<b>Basic Earnings Per Share (sen)</b>	<b>1.96</b>	<b>4.06</b>	<b>8.29</b>	<b>10.16</b>
<b>ii) Diluted Earnings Per Share</b>				
Profit attributable to owners of the Company (RM'000)	2,604	4,972	11,028	11,125
Weighted average number of ordinary shares in issue ('000)	133,043	122,361	133,043	109,530
Effect of dilution-Share options ('000)	-	-	-	-
Adjusted weighted average number of diluted ordinary shares in issue -diluted ('000)	133,043	122,361	133,043	109,530
<b>Diluted Earnings Per Share (sen)</b>	<b>1.96</b>	<b>4.06</b>	<b>8.29</b>	<b>10.16</b>

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

The basic and diluted earnings per share for the previous period have been restated as a result of the adjustment to the weighted average number of ordinary shares in issue which has taken into account the renounceable rights issue as if the event had occurred at the beginning of the previous year.

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 2012, diluted earnings per share is equal to basic earnings per share.