



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

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

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



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 TWELVE MONTHS ENDED 31 DECEMBER 2012**

	3 months ended		12 months ended	
	31/12/2012 RM'000 Unaudited	31/12/2011 RM'000 Unaudited	31/12/2012 RM'000 Unaudited	31/12/2011 RM'000 Audited
Revenue	46,476	42,236	180,610	156,773
Cost of sales	(25,587)	(21,726)	(98,363)	(78,983)
Gross profit	20,889	20,510	82,247	77,790
Other income	656	201	3,000	1,478
Selling & Distribution expenses	(11,725)	(11,325)	(44,989)	(40,626)
Administrative expenses	(4,354)	(3,763)	(15,866)	(14,766)
Other expenses	(1,219)	(514)	(3,111)	(5,324)
Results from operating activities	4,247	5,109	21,281	18,552
Finance income	208	325	910	996
Finance cost	(564)	(206)	(2,040)	(882)
Profit before tax	3,891	5,228	20,151	18,666
Income tax expense	(1,358)	(880)	(6,580)	(2,939)
Profit for the period/year	2,533	4,348	13,571	15,727
Attributable to:				
Owners of the Company	2,600	4,255	13,628	15,380
Non-controlling interests	(67)	93	(57)	347
	2,533	4,348	13,571	15,727
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	1.95	3.13	10.24	13.24
Diluted EPS	1.95	3.13	10.24	13.24

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 TWELVE MONTHS ENDED 31 DECEMBER 2012

	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	2,533	4,348	13,571	15,727
Foreign currency translation differences for foreign operations	(70)	(241)	(458)	823
Total comprehensive income	2,463	4,107	13,113	16,550
Total comprehensive income attributable to:				
Owners of the Company	2,530	4,014	13,170	16,203
Non-controlling interests	(67)	93	(57)	347
	2,463	4,107	13,113	16,550

Included in the total comprehensive income for the period/year are:

	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
interest income	208	325	910	996
other income including investment income	(40)	31	121	149
interest expenses	523	166	1,818	718
depreciation and amortization	2,201	1,759	8,172	6,127
(Reversal)/provision for and write off of receivables	266	326	(62)	1,127
provision for and write off of inventories	49	560	610	962
(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	(189)	(173)	(672)	834
(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 31 DECEMBER 2012

	As at 31/12/2012 RM'000 <i>unaudited</i>	As at 31/12/2011 RM'000	As at 01/01/2011 RM'000
ASSETS			
Property, plant and equipment	118,105	100,017	94,793
Prepaid land lease payments	6,973	5,029	5,417
Intangible assets	428	421	511
Non-current Assets	125,506	105,467	100,721
Inventories	68,633	65,510	39,953
Trade receivables	41,823	42,633	40,008
Other receivables	8,121	7,259	9,657
Amount due from affiliated companies	416	261	39
Amount due from an associate	304	227	235
Tax recoverable	70	15	312
Cash & cash equivalents	50,838	58,253	46,453
Current Assets	170,205	174,158	136,657
TOTAL ASSETS	295,711	279,625	237,378
EQUITY AND LIABILITIES			
Share capital	133,043	133,043	98,588
Share premium	207	207	394
Other reserves	6,533	6,999	6,486
Retained earnings	78,687	73,041	63,517
Equity Attributable to Owners of the Company	218,470	213,290	168,985
Non-controlling interests	3,764	3,189	2,543
Total Equity	222,234	216,479	171,528
Deferred taxation	7,743	7,428	6,537
Loans and borrowings	16,555	10,149	15,487
Finance lease liabilities	4,207	246	1,632
Non-current Liabilities	28,505	17,823	23,656
Trade payables	7,212	12,321	10,260
Other payables	10,108	8,851	7,283
Dividends payable	-	-	-
Provisions	2,481	1,530	-
Finance lease liabilities	3,185	1,370	2,047
Amount due to affiliated companies	2,897	3,955	4,573
Loans and borrowings	17,398	16,765	16,786
Tax payable	1,691	531	1,245
Current Liabilities	44,972	45,323	42,194
Total Liabilities	73,477	63,146	65,850
TOTAL EQUITY AND LIABILITIES	295,711	279,625	237,378
Net assets per share attributable to owners of the Company (RM)	1.64	1.60	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 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 TWELVE MONTHS ENDED 31 DECEMBER 2012**

	←────────────────── Attributable to owners of the Company ───────────────────→								Distributable	Non- controlling interest	Total equity
	←────────────────── Non-distributable ───────────────────→										
RM'000	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Revaluation reserve	Share option reserve	Warrants reserve	Retained earnings	Total		
At 1 January 2011	98,588	394	-	-	-	310	6,176	63,517	168,985	2,543	171,528
Foreign currency translation differences for foreign operations	-	-	-	823	-	-	-	-	823	-	823
Total other comprehensive income for the year	-	-	-	823	-	-	-	-	823	-	823
Profit for the year	-	-	-	-	-	-	-	15,380	15,380	347	15,727
Total comprehensive income for the year	-	-	-	823	-	-	-	15,380	16,203	347	16,550
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	-	(415)	-	-	-	-	-	-	(415)	-	(415)
Additional investment in partly owned subsidiary company	34,455	(366)	-	-	-	-	-	(5,987)	28,102	-	28,102
Total transactions with owners of the Company	34,455	(366)	-	-	-	-	-	(5,987)	28,102	299	28,401
Transfer to share premium for share options exercised	-	179	-	-	-	(179)	-	-	-	-	-
Transfer to retained earnings upon expiry of ESOS	-	-	-	-	-	(131)	-	131	-	-	-
At 31 December 2011	133,043	207	-	823	-	-	6,176	73,041	213,290	3,189	216,479
At 1 January 2012	133,043	207	-	823	-	-	6,176	73,041	213,290	3,189	216,479
Foreign currency translation differences for foreign operations	-	-	-	(458)	-	-	-	-	(458)	-	(458)
Total other comprehensive income for the year	-	-	-	(458)	-	-	-	-	(458)	-	(458)
Profit for the year	-	-	-	-	-	-	-	13,628	13,628	(57)	13,571
Total comprehensive income for the year	-	-	-	(458)	-	-	-	13,628	13,170	(57)	13,113
Dividends to owners of the Company	-	-	-	-	-	-	-	(7,982)	(7,982)	-	(7,982)
Warrants expenses	-	-	-	-	-	-	(8)	-	(8)	-	(8)
Additional investment in partly owned subsidiary company	-	-	-	-	-	-	-	(7,982)	(7,990)	-	(7,990)
Total transactions with owners of the Company	-	-	-	-	-	-	(8)	(7,982)	(7,990)	632	(7,358)
Transfer to share capital reserve upon expiry of warrants	-	-	6,168	-	-	-	(6,168)	-	-	-	-
At 31 December 2012	133,043	207	6,168	365	-	-	-	78,687	218,470	3,764	222,234

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)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012

	12 months ended	
	31/12/2012	31/12/2011
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	20,151	18,666
Other adjustment	10,724	10,475
Operating profit before changes in working capital	30,875	29,141
Net change in current assets	(4,045)	(28,040)
Net change in current liabilities	(4,460)	2,962
Cash generated from operations	22,370	4,063
Tax paid	(5,160)	(2,467)
Net cash generated from operating activities	17,210	1,596
Cash flows from investing activities		
Interest received	910	996
Proceeds from disposal of property, plant and equipment	7	64
Purchase of property, plant and equipment	(19,849)	(10,088)
Purchase of intangible assets	(109)	(1)
Proceed from issuance of share capital to minority shareholders	6	299
Net cash used in investing activities	(19,035)	(8,730)
Cash flows from financing activities		
Interest paid	(1,867)	(1,563)
Dividend paid	(7,982)	(5,987)
Net drawdown/(repayment) of term loans	7,184	(5,489)
Payment of finance lease liabilities	(2,745)	(2,650)
Proceeds from rights issue, net of expenses	-	32,862
Proceeds from issuance of ordinary shares pursuant to ESOS, net of expenses	(8)	1,227
Net cash (used in)/ generated from financing activities	(5,418)	18,400
Net (decrease)/increase in cash and cash equivalents	(7,243)	11,266
Effect on foreign exchange rate changes	(172)	535
Cash and cash equivalents at 1 January	58,253	46,452
Cash and cash equivalents at 31 December	50,838	58,253
Composition of cash and cash equivalents		
Cash and bank balances	19,534	15,953
Fixed deposits with licensed banks	31,304	42,300
	50,838	58,253

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 - 31 DECEMBER 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 year and of equity at the date of transition reported are provided below:

Reconciliation of equity as at 1 January 2011

	FRS as at 01/01/2011	Reclassifications	MFRS as at 01/01/2011
	RM'000	RM'000	RM'000
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 31 December 2011

	FRS as at 31/12/2011	Reclassifications	MFRS as at 31/12/2011
	RM'000	RM'000	RM'000
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 year.

(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 Malaysian Financial Reporting Standards - Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual improvements 2009-2011 Cycle)*
- 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 MFRS 10 *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11 *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12 *Disclosure of Interests in Other Entities: Transition Guidance*

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 Effective 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 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.

Warrants 2007/2012 had expired on 05 December 2012. The unexercised warrants had automatically lapsed and became null and void upon the expiration. The warrants reserve in relation to the unexercised warrants at the expiry date had been transferred to capital reserve.

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.

Year-to-date ended 31 December 2012	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	24	29,515	151,071	-	180,610
Inter-segment revenue	12,051	2,256	9,097	(23,404)	-
Total revenue	12,075	31,771	160,168	(23,404)	180,610
Segment profit before tax	13,146	2,011	17,268	(12,274)	20,151
Segment assets	185,317	34,724	253,789	(178,119)	295,711

Year-to-date ended 31 December 2011	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	24	28,760	127,989	-	156,773
Inter-segment revenue	11,281	2,633	9,164	(23,078)	-
Total revenue	11,305	31,393	137,153	(23,078)	156,773
Segment profit before tax	11,064	2,818	14,883	(10,099)	18,666
Segment assets	188,028	31,164	220,960	(160,527)	279,625

Investment holding FY2012 vs. FY2011

Investment holding segment's profit before tax reported an increase of 19% in FY2012 to RM13.15 million from RM11.06 million in FY2011. This was due to higher dividend income from subsidiary and higher interest income recognised in FY2012.

Trading FY2012 vs. FY2011

Trading segment recorded profit before tax of RM2.01 million in FY2012, a decrease of 29% as compared to RM2.82 million achieved in FY2011. This was mainly due to higher distribution cost and provision for goods return incurred in FY2012.

Manufacturing FY2012 vs. FY2011

Manufacturing segment reported profit before tax of RM17.27 million for FY2012 as compared to RM14.88 million in FY2011, representing an increase of 16%. This was mainly contributed by major Malaysia subsidiary with increased revenue of RM21.52 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 year 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.

- iv) On 11 January 2013, the Company announced the subscription of 1,168,646 additional shares of Peso10.00 each in its subsidiary, namely Yung Shin (Philippines), Inc. ("YS(P)") by way of capitalisation of dividend received in lieu of cash from YS(P).

As at the reporting date, the total paid-up capital in YS(P) is Peso20,000,000.00. The equity interest of the Company in YS(P) remains unchanged at 99.99% which represents Peso19,999,940.00.

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 31/12/2012 RM'000	As at 31/12/2011 RM'000
Approved & contracted for:-		
Building in progress	62	65
Plant & machinery	1,131	2,070
	<u>1,193</u>	<u>2,135</u>
Approved but not contracted for:-		
Plant & machinery	234	6,415
	<u>234</u>	<u>6,415</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	12 months ended	
	31/12/2012 RM'000	31/12/2011 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	13,164	8,423
Sales of pharmaceutical products	(80)	-
Consultancy fees payable	151	164
	<u>13,235</u>	<u>8,587</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	220	3,483
Sales of pharmaceutical products	(3,771)	(2,096)
	<u>(3,551)</u>	<u>1,387</u>

B1 Review of Performance

The Group's **revenue** has increased by 15.2% to RM180.6 million from RM156.8 million recorded in the financial year ended 31 December 2011.

The Group achieved **profit before tax** of RM20.2 million, representing an increase of 8.0% compared to last year. This was due to higher revenue recorded during the year but with a lower profit margin for goods sold.

B2 Comparison with the Preceding Quarter's Results

	Qtr 4 (31/12/12) RM'000	Qtr 3 (30/09/12) RM'000	Variance	
			RM'000	%
Revenue	46,476	45,551	925	2.0
Profit before tax	3,891	4,696	(805)	(17.1)

The Group recorded a revenue of RM46.5 million for the current quarter compared to RM45.6 million for the immediate preceding quarter showing a growth of 2.0%. However, the Group recorded a lower profit before tax for the current quarter of RM3.9 million as compared to RM4.7 million in the immediate preceding quarter. This was due to higher cost of goods sold from product mix and slightly higher provision for goods return in the current quarter.

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 in the coming 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		12 months ended	
	31/12/2012 RM'000	31/12/2011 RM'000	31/12/2012 RM'000	31/12/2011 RM'000
Income Tax				
Current tax	1,673	(201)	6,262	2,048
Deferred tax	(315)	1,081	318	891
	<u>1,358</u>	<u>880</u>	<u>6,580</u>	<u>2,939</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 earnings of the Group as at 31 December, into realised and unrealised profits/(losses) is as follows:

	As at 31/12/2012	As at 31/12/2011
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	107,302	100,810
Unrealised	<u>3,242</u>	<u>3,772</u>
	110,544	104,582
Total share of accumulated losses of associate:		
Realised	(26)	(26)
Unrealised	<u>-</u>	<u>-</u>
	110,518	104,556
Less: Consolidation adjustments	(31,831)	(31,515)
Total Group retained earnings as per consolidated accounts	<u><u>78,687</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
Capital expenditure				
- Expansion of existing local production facilities	7,000	6,886	114	By Q3 2014
- Expansion of R&D facilities	5,000	702	4,298	By Q3 2014
- Replacement of obsolete machineries and equipment	5,000	1,032	3,968	By Q3 2014
Working capital				
- Purchase of raw materials, packaging materials and original equipment manufacturer ("OEM") finished products	9,500	6,212	3,288	By Q3 2013
- Distribution and marketing expenses	2,900	1,896	1,004	By Q3 2013
- Production, R&D and administrative expenses	3,400	2,223	1,177	By Q3 2013
Estimated expenses in relation to the Rights Issue *	460	460	-	
Total	<u><u>33,260</u></u>	<u><u>19,411</u></u>	<u><u>13,849</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 31 December are as follows :

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
31 December 2012			
Current			
Secured revolving credit	-	-	6,500
<u>Secured bank loans:</u>			
- Domestic	-	-	6,226
- Foreign	-	28	71
Unsecured bank loan - Foreign	1,500	-	4,601
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,112
- Foreign	-	30	73
	<u>1,500</u>	<u>58</u>	<u>20,583</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	15,673
- Foreign	-	352	882
<u>Finance lease creditor:</u>			
- Domestic	-	-	4,029
- Foreign	-	71	178
	<u>-</u>	<u>423</u>	<u>20,762</u>
Total borrowings	<u>1,500</u>	<u>481</u>	<u>41,345</u>
31 December 2011			
Current			
Secured revolving credit	-	-	1,500
<u>Secured bank loans:</u>			
- Domestic	-	-	10,426
- Foreign	-	28	68
Unsecured bank loan - Foreign	1,500	-	4,771
<u>Finance lease creditor:</u>			
- Domestic	-	-	1,326
- Foreign	-	18	44
	<u>1,500</u>	<u>46</u>	<u>18,135</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	9,219
- Foreign	-	380	930
<u>Finance lease creditor:</u>			
- Domestic	-	-	190
- Foreign	-	23	56
	<u>-</u>	<u>403</u>	<u>10,395</u>
Total borrowings	<u>1,500</u>	<u>449</u>	<u>28,530</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		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	2,600	4,255	13,628	15,380
Weighted average number of ordinary shares in issue ('000)	133,043	135,847	133,043	116,163
Basic Earnings Per Share (sen)	1.95	3.13	10.24	13.24
ii) Diluted Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	2,600	4,255	13,628	15,380
Weighted average number of ordinary shares in issue ('000)	133,043	135,847	133,043	116,163
Adjusted weighted average number of diluted ordinary shares in issue -diluted ('000)	133,043	135,847	133,043	116,163
Diluted Earnings Per Share (sen)	1.95	3.13	10.24	13.24

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.