



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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

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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 2013

	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Revenue	48,783	43,276
Cost of sales	(27,664)	(23,574)
Gross profit	21,119	19,702
Other income	764	1,020
Selling & Distribution expenses	(11,106)	(10,416)
Administrative expenses	(3,761)	(3,485)
Other expenses	(601)	(1,000)
Results from operating activities	6,415	5,821
Finance income	208	273
Finance cost	(526)	(441)
Profit before tax	6,097	5,653
Income tax expense	(1,533)	(1,813)
Profit for the period	4,564	3,840
Attributable to:		
Owners of the Company	4,438	3,882
Non-controlling interests	126	(42)
	4,564	3,840
Earnings per share (EPS) attributable to owners of the Company (sen):		
Basic EPS	3.34	2.92

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012.



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 2013**

	3 months ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Profit for the period	4,564	3,840
Foreign currency translation differences for foreign operations	138	(440)
Total comprehensive income for the period	4,702	3,400
Total comprehensive income attributable to:		
Owners of the Company	4,576	3,442
Non-controlling interests	126	(42)
	4,702	3,400

Profit before tax is arrived at after charging/(crediting):

	3 months ended	
	31/03/2013 RM'000	31/03/2012 RM'000
interest income	(208)	(273)
other income including investment income	(25)	(74)
interest expenses	484	397
depreciation and amortization	2,286	1,922
provision for and write off/(write back) of receivables	122	(145)
writedown and written off of inventories	144	113
(gain) or loss on disposal of quoted and unquoted investments or properties	N/A	N/A
impairment of assets	N/A	N/A
foreign exchange (gain) or loss	(119)	143
(gain) or loss on derivatives	N/A	N/A
exceptional items	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 2012.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	As at 31/03/2013 RM'000 <i>unaudited</i>	As at 31/12/2012 RM'000
ASSETS		
Property, plant and equipment	116,892	118,105
Prepaid land lease payments	7,027	6,973
Intangible assets	459	428
Non-current Assets	124,378	125,506
Inventories	66,726	68,633
Trade receivables	47,136	41,823
Other receivables	7,344	8,121
Amounts due from affiliated companies	622	416
Amount due from an associate	370	304
Current tax assets	71	70
Cash & cash equivalents	53,732	50,838
Current Assets	176,001	170,205
TOTAL ASSETS	300,379	295,711
EQUITY AND LIABILITIES		
Share capital	133,043	133,043
Share premium	190	207
Other reserves	6,671	6,533
Retained earnings	83,125	78,687
Equity Attributable to Owners of the Company	223,029	218,470
Non-controlling interests	3,890	3,764
Total Equity	226,919	222,234
Deferred taxation	7,848	7,743
Loans and borrowings	15,686	16,555
Finance lease liabilities	4,481	4,207
Non-current Liabilities	28,015	28,505
Trade payables	10,200	7,212
Other payables	10,379	10,108
Provisions	2,304	2,481
Finance lease liabilities	3,512	3,185
Amounts due to affiliated companies	3,844	2,897
Loans and borrowings	14,101	17,398
Current tax liabilities	1,105	1,691
Current Liabilities	45,445	44,972
Total Liabilities	73,460	73,477
TOTAL EQUITY AND LIABILITIES	300,379	295,711
Net assets per share attributable to owners of the Company (RM)	1.68	1.64

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012.



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 2013

←————— **Attributable to owners of the Company** —————→
←————— **Non-distributable** —————→ **Distributable**

RM'000	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Warrant reserve	Retained earnings	Total	Non-controlling interest	Total equity
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	-	-	-	(440)	-	-	(440)	-	(440)
Total other comprehensive income for the period	-	-	-	(440)	-	-	(440)	-	(440)
Profit for the period	-	-	-	-	-	3,882	3,882	(42)	3,840
Total comprehensive income for the period	-	-	-	(440)	-	3,882	3,442	(42)	3,400
At 31 March 2012	133,043	207	-	383	6,176	76,923	216,732	3,147	219,879
At 1 January 2013	133,043	207	6,168	365	-	78,687	218,470	3,764	222,234
Foreign currency translation differences for foreign operations	-	-	-	138	-	-	138	-	138
Total other comprehensive income for the period	-	-	-	138	-	-	138	-	138
Profit for the period	-	-	-	-	-	4,438	4,438	126	4,564
Total comprehensive income for the period	-	-	-	138	-	4,438	4,576	126	4,702
Share issuance expenses	-	(17)	-	-	-	-	(17)	-	(17)
Total transactions with owners of the Company	-	(17)	-	-	-	-	(17)	-	(17)
At 31 March 2013	133,043	190	6,168	503	-	83,125	223,029	3,890	226,919

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2013

	Year-to-date ended	
	31/03/2013	31/03/2012
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	6,097	5,653
Other adjustment	2,529	2,397
Operating profit before changes in working capital	<u>8,626</u>	<u>8,050</u>
Net change in current assets	(2,860)	(20,591)
Net change in current liabilities	4,040	8,979
Cash generated from/(used in) operations	<u>9,806</u>	<u>(3,562)</u>
Tax paid	(1,934)	(592)
Net cash generated from/(used in) operating activities	<u>7,872</u>	<u>(4,154)</u>
Cash flows from investing activities		
Interest received	208	273
Purchase of property, plant and equipment	(954)	(1,080)
Purchase of intangible assets	(58)	-
Net cash used in investing activities	<u>(804)</u>	<u>(807)</u>
Cash flows from financing activities		
Interest paid	(499)	(379)
ESOS expenses	(17)	-
Repayment of short term revolving credit	(1,500)	-
Repayment of term loans	(2,428)	(284)
Repayment of banker acceptance	(276)	-
Refinance of property, plant and equipment under finance lease	1,496	-
Payment of finance lease liabilities	(893)	(534)
Net cash used in financing activities	<u>(4,117)</u>	<u>(1,197)</u>
Net increase/(decrease) in cash and cash equivalents	2,951	(6,158)
Effect on foreign exchange rate changes	(57)	1
Cash and cash equivalents at 1 January	50,838	58,253
Cash and cash equivalents at 31 March	<u>53,732</u>	<u>52,096</u>
Composition of cash and cash equivalents		
Cash and bank balances	17,596	17,038
Fixed deposits with licensed banks	36,136	35,058
	<u>53,732</u>	<u>52,096</u>

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012.



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

NOTES TO THE INTERIM FINANCIAL REPORT - 31 MARCH 2013

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" and paragraph 9.22 of the Main Market 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 2012. The explanatory notes attached to the condensed report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

A2 Significant Accounting Policies

The accounting policies and method of computation adopted for the condensed report are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2012.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2012 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 quarter ended 31 March 2013.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter ended 31 March 2013.

A7 Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the quarter ended 31 March 2013.

A8 Dividends Paid

No dividend was paid during the quarter ended 31 March 2013.

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 2013	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	6	7,963	40,814	-	48,783
Inter-segment revenue	917	396	3,026	(4,339)	-
Total revenue	923	8,359	43,840	(4,339)	48,783
Segment profit before tax	1,263	941	4,837	(944)	6,097
Segment assets	170,055	34,467	261,319	(165,462)	300,379

Year-to-date ended 31 March 2012	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	6	6,234	37,036	-	43,276
Inter-segment revenue	49	404	2,402	(2,855)	-
Total revenue	55	6,638	39,438	(2,855)	43,276
Segment profit before tax	69	514	5,531	(461)	5,653
Segment assets	185,307	31,026	243,544	(167,174)	292,703

Investment holding 1Q13 vs. 1Q12

Investment holding segment's profit before tax reported significant higher amount of RM1.263 million in 1Q13 compared to profit before tax of RM0.069 million in 1Q12 mainly due to higher dividend income from subsidiary recognised in 1Q13.

Trading 1Q13 vs. 1Q12

Trading segment's profit before tax increased by 83% to RM0.941 million in 1Q13 compared to RM0.514 million in 1Q12. This was mainly due to improved revenue of RM1.721 million or 26% in current quarter.

Manufacturing 1Q13 vs. 1Q12

Manufacturing segment reported a lower profit before tax of RM4.84 million for 1Q13 compared to RM5.53 million in 1Q12, a decrease of 13% mainly due to higher cost margin in product mix.

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

On 23 January 2013, the Company announced that Y.S.P.SAH (Vietnam) Co. Ltd., (incorporated in Brunei Darussalam), a wholly-owned subsidiary of the Company, had been placed under Members' Voluntary Winding-Up pursuant to Section 214(1) of the Companies Act, Cap 39 of Brunei as part of the Group's restructuring exercise.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2012.

A14 Capital Commitment

Capital commitments expenditure not provided for in the condensed report as at the end of the financial period were as follows:

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000
Approved & contracted for:-		
Building in progress	63	62
Factory	-	12,600
Plant & machinery	<u>581</u>	<u>3,651</u>
	<u>644</u>	<u>16,313</u>
Approved but not contracted for:-		
Plant & machinery	<u>11</u>	<u>4,445</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	Quarter ended	
	31/03/2013 RM'000	31/03/2012 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	2,852	3,066
Consultancy fees payable	<u>28</u>	<u>37</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	34	106
Sales of pharmaceutical products	<u>(1,078)</u>	<u>(1,008)</u>

B1 Review of Performance

The Group's **revenue** has increased by 12.7% to RM48.8 million from RM43.3 million recorded in the quarter ended 31 March 2012.

The Group registered a **profit before tax** of RM6.1 million, representing an increase of 7.9% compared to the preceding year quarter. The increase is in line with the increase in revenue but offset by lower margin in certain product mix.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1 (31/03/13) RM'000	Qtr 4 (31/12/12) RM'000	Variance	
			RM'000	%
Revenue	48,783	46,476	2,307	5.0
Profit before tax	6,097	3,891	2,206	56.7

The Group recorded a revenue of RM48.8 million for the current quarter compared to RM46.5 million for the immediate preceding quarter showing a growth of 5.0%. The increase was mainly attributable to higher demand of the Group's products from domestic market.

Further, the Group reported an increase of profit before tax from RM3.9 million in the immediate preceding quarter to RM6.1 million. The 56.7% increase was achieved through higher revenue, more efficient in operations and lower cost margin for product mix during the quarter under review. .

B3 Prospects of the Group

We expect 2013 to be another challenging year for the Group as the global economy remaining sluggish due to difficulties faced by the developed economies. However, following our earlier investment and expansion efforts in place, our strategy to continue to launch new products, cost reduction measures and to increase penetration in the export markets with high growth potentials like Asean, Middle East and African countries, we remain optimistic about our outlook throughout 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 :-

	Quarter ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Income Tax		
Current tax	1,426	1,499
Deferred tax	107	314
	<u>1,533</u>	<u>1,813</u>

Income tax is calculated at the Malaysian statutory tax rate of 25%. (2012: 25%)

The Group's effective tax rate for the current quarter was equal to the statutory tax rate of 25%.

The Group's effective tax rate for the previous corresponding quarter was higher than the statutory tax rate principally due to certain expenses which were not deductible for tax purposes.

B6 Realised/unrealised Retained Earnings

The breakdown of the retained profits of the Group as at 31 March 2013 and 31 December 2012, into realised and unrealised profits/(losses) is as follows:

	As at 31/03/2013 RM'000	As at 31/12/2012 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	98,369	107,333
Unrealised	3,401	3,211
	<u>101,770</u>	<u>110,544</u>
Total share of accumulated losses of associate:		
Realised	(26)	(26)
Unrealised	-	-
	<u>101,744</u>	<u>110,518</u>
Less: Consolidation adjustments	(18,619)	(31,831)
Total Group retained earnings as per consolidated accounts	<u><u>83,125</u></u>	<u><u>78,687</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 Corporate Proposals**i) Status of corporate proposals announced but not completed as at the date of this announcement**

On 4 March 2013, the Company proposed establishment of an Employees' Share Option Scheme of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed ESOS").

The Proposed ESOS is subject to the following approvals:

- Bursa Securities, for the listing of and quotation for the new YSPSAH Shares to be issued arising from the exercise of the ESOS Options on the Main Market of Bursa Securities;
- The shareholders of YSPSAH, at an extraordinary general meeting ("EGM") of the Company to be convened; and
- Any other relevant authority, if required.

RHB Investment Bank Berhad has been appointed as the Adviser for the Proposed ESOS.

ii) Status of utilisation of proceeds raised under the Rights Issue for the quarter under review

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	7,000	-	By Q3 2014
- Expansion of R&D facilities	5,000	769	4,231	By Q3 2014
- Replacement of obsolete machineries and equipments	5,000	1,276	3,724	By Q3 2014
Working capital				
- Purchase of raw materials, packaging materials and original equipment manufacturer ("OEM") finished products	9,500	7,308	2,192	By Q3 2013
- Distribution and marketing expenses	2,900	2,231	669	By Q3 2013
- Production, R&D and administrative expenses	3,400	2,615	785	By Q3 2013
Estimated expenses in relation to the Rights Issue *	460	460	-	By Q4 2011
Total	<u><u>33,260</u></u>	<u><u>21,659</u></u>	<u><u>11,601</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 March are as follows :

31 March 2013	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	5,000
<u>Secured bank loans:</u>			
- Domestic	-	-	4,403
- Foreign	-	22	54
Unsecured bank loan - Foreign	1,500	-	4,644
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,442
- Foreign	-	28	70
	<u>1,500</u>	<u>50</u>	<u>17,613</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	14,810
- Foreign	-	352	876
<u>Finance lease creditor:</u>			
- Domestic	-	-	4,319
- Foreign	-	65	162
	<u>-</u>	<u>417</u>	<u>20,167</u>
Total borrowings	<u>1,500</u>	<u>467</u>	<u>37,780</u>
31 March 2012			
	USD'000	SGD'000	RM Equivalent RM'000
Current			
Secured revolving credit	-	-	1,500
<u>Secured bank loans:</u>			
- Domestic	-	-	11,942
- Foreign	-	21	51
Unsecured bank loan - Foreign	1,500	-	4,601
<u>Finance lease creditor:</u>			
- Domestic	-	-	880
- Foreign	-	18	44
	<u>1,500</u>	<u>39</u>	<u>19,018</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	7,438
- Foreign	-	381	928
<u>Finance lease creditor:</u>			
- Domestic	-	-	114
- Foreign	-	18	44
	<u>-</u>	<u>399</u>	<u>8,524</u>
Total borrowings	<u>1,500</u>	<u>438</u>	<u>27,542</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

On 16 April 2013, the Company proposed a first and final single tier dividend of 6.5 sen per ordinary share of RM1.00 each for the financial year ended 31 December 2012, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

B11 Earnings Per Share

	Quarter ended	
	31/03/2013	31/03/2012
Basic Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	4,438	3,882
Weighted average number of ordinary shares in issue ('000)	133,043	133,043
Basic Earnings Per Share (sen)	<u>3.34</u>	<u>2.92</u>

The basic 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 warrants have anti-dilutive effect to earnings per share in previous corresponding quarter as their exercise price was higher than the market price. The warrants have since expired on 5 December 2012. Therefore, diluted earnings per share is not presented.