



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

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2013

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 - 8
Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad	9 - 12



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 SIX MONTHS ENDED 30 JUNE 2013

	3 months ended		6 months ended	
	30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Revenue	46,622	45,307	95,405	88,583
Cost of sales	(25,195)	(24,755)	(52,859)	(48,329)
Gross profit	21,427	20,552	42,546	40,254
Other income	865	889	1,629	1,909
Selling & Distribution expenses	(12,267)	(11,312)	(23,373)	(21,728)
Administrative expenses	(4,249)	(3,957)	(8,010)	(7,442)
Other expenses	(541)	(65)	(1,142)	(1,065)
Results from operating activities	5,235	6,107	11,650	11,928
Finance income	287	209	495	482
Finance cost	(503)	(405)	(1,029)	(846)
Profit before tax	5,019	5,911	11,116	11,564
Income tax expense	(1,429)	(1,364)	(2,962)	(3,177)
Profit for the period	3,590	4,547	8,154	8,387
Attributable to:				
Owners of the Company	3,514	4,542	7,952	8,424
Non-controlling interests	76	5	202	(37)
	3,590	4,547	8,154	8,387
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	2.64	3.41	5.98	6.33

The above consolidated statement of profit or loss 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 OTHER COMPREHENSIVE INCOME

FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2013

	3 months ended		6 months ended	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,590	4,547	8,154	8,387
Foreign currency translation differences for foreign operations	217	573	355	133
Total comprehensive income for the period	3,807	5,120	8,509	8,520
Total comprehensive income attributable to:				
Owners of the Company	3,731	5,115	8,307	8,557
Non-controlling interests	76	5	202	(37)
	3,807	5,120	8,509	8,520

Included in the total comprehensive income for the period are:

	3 months ended		6 months ended	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
interest income	(286)	(209)	(494)	(482)
other income including investment income	(30)	(56)	(55)	(130)
interest expenses	450	347	934	744
depreciation and amortization	2,286	1,997	4,572	3,919
provision for and write off/(write back) of receivables	154	(183)	276	(328)
writedown and written off of inventories	140	251	284	364
(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	(298)	(860)	(417)	(717)
(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 other 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 30 JUNE 2013

	As at 30/06/2013 RM'000 <i>unaudited</i>	As at 31/12/2012 RM'000
ASSETS		
Property, plant and equipment	116,200	118,105
Prepaid land lease payments	7,143	6,973
Intangible assets	434	428
Non-current Assets	123,777	125,506
Inventories	65,826	68,633
Trade receivables	44,914	41,823
Other receivables	6,893	8,121
Amount due from affiliated companies	660	416
Amount due from an associate	90	304
Current tax assets	72	70
Cash & cash equivalents	61,268	50,838
Current Assets	179,723	170,205
TOTAL ASSETS	303,500	295,711
EQUITY AND LIABILITIES		
Share capital	133,043	133,043
Share premium	153	207
Other reserves	6,888	6,533
Retained earnings	77,991	78,687
Equity Attributable to Owners of the Company	218,075	218,470
Non-controlling interests	3,966	3,764
Total Equity	222,041	222,234
Deferred taxation	7,946	7,743
Loans and borrowings	14,822	16,555
Finance lease liabilities	3,705	4,207
Non-current Liabilities	26,473	28,505
Trade payables	11,877	7,212
Other payables	10,102	10,108
Dividends payable	8,648	-
Provisions	2,107	2,481
Finance lease liabilities	3,404	3,185
Amount due to affiliated companies	4,384	2,897
Loans and borrowings	13,259	17,398
Current tax liabilities	1,205	1,691
Current Liabilities	54,986	44,972
Total Liabilities	81,459	73,477
TOTAL EQUITY AND LIABILITIES	303,500	295,711
Net assets per share attributable to owners of the Company (RM)	1.64	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 CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	6 months ended	
	30/06/2013	30/06/2012
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	11,116	11,564
Other adjustment	(3,875)	(4,116)
Operating profit before changes in working capital	<u>7,241</u>	<u>7,448</u>
Net change in current assets	1,800	(22,749)
Net change in current liabilities	13,785	11,761
Cash generated from/(used in) operations	<u>22,826</u>	<u>(3,540)</u>
Tax paid	(3,077)	(1,193)
Net cash generated from/(used in) operating activities	<u>19,749</u>	<u>(4,733)</u>
Cash flows from investing activities		
Interest received	494	482
Purchase of property, plant and equipment	(2,196)	(17,376)
Purchase of intangible assets	(58)	(81)
Net cash used in investing activities	<u>(1,760)</u>	<u>(16,975)</u>
Cash flows from financing activities		
Interest paid	(949)	(757)
ESOS expenses	(53)	-
Repayment of short term revolving credit	(1,500)	-
Net (repayment)/drawdown of term loans	(3,082)	12,697
Repayment of banker acceptance	(1,480)	-
Refinance of property, plant and equipment under finance lease	1,496	-
Payment of finance lease liabilities	(1,779)	(1,062)
Net cash (used in)/generated from financing activities	<u>(7,347)</u>	<u>10,878</u>
Net increase/(decrease) in cash and cash equivalents	10,642	(10,830)
Effect on foreign exchange rate changes	(212)	(242)
Cash and cash equivalents at 1 January	50,838	58,253
Cash and cash equivalents at 30 June	<u>61,268</u>	<u>47,181</u>
Composition of cash and cash equivalents		
Cash and bank balances	22,154	19,807
Fixed deposits with licensed banks	39,114	27,374
	<u>61,268</u>	<u>47,181</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 - 30 JUNE 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.

Adoption of Standards, Amendments and IC Interpretations

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2013. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements 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 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 and six months ended 30 June 2013.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter and six months ended 30 June 2013.

A7 Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the quarter and six months ended 30 June 2013.

A8 Dividends Paid

No dividend was paid during the quarter and six months ended 30 June 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.

Six months ended 30 June 2013	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	12	16,247	79,146	-	95,405
Inter-segment revenue	2,315	779	5,452	(8,546)	-
Total revenue	2,327	17,026	84,598	(8,546)	95,405
Segment profit before tax	3,241	1,652	8,681	(2,458)	11,116
Segment assets	172,537	33,621	261,149	(163,807)	303,500

Six months ended 30 June 2012	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	12	13,482	75,089	-	88,583
Inter-segment revenue	11,999	930	5,062	(17,991)	-
Total revenue	12,011	14,412	80,151	(17,991)	88,583
Segment profit before tax	12,949	1,081	10,110	(12,576)	11,564
Segment assets	194,079	33,634	257,625	(178,854)	306,484

Investment holding 1H13 vs. 1H12

Holding company's profit before tax reported a decrease of 75% in 1H13 due to lower dividend income received from subsidiary as at 30 June 2013.

Trading 1H13 vs. 1H12

Trading Segment recorded segment profit before tax of RM1.65 million in 1H13, an increase of 53% compared to RM1.08 million in 1H12. This was mainly due to improved revenue of RM2.61 million or 18% in 1H13.

Manufacturing 1H13 vs. 1H12

Manufacturing segment reported a lower profit before tax of RM8.68 million for 1H13 compared to RM10.11 million in 1H12, a decrease of 14% 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 had 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 interim financial statements as at financial year-to-date were as follows:

	As at 30/06/2013 RM'000	As at 30/06/2012 RM'000
Approved & contracted for:-		
Building in progress	65	65
Plant & machinery	633	1,044
	<u>698</u>	<u>1,109</u>
Approved but not contracted for:-		
Plant & machinery	5	4,040
	<u>5</u>	<u>4,040</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	6 months ended	
	30/06/2013 RM'000	30/06/2012 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	6,203	8,042
Consultancy fees payable	67	72
	<u>6,270</u>	<u>8,114</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	80	200
Sales of pharmaceutical products	(1,643)	(2,109)
	<u>(1,563)</u>	<u>(1,909)</u>

B1 Review of Performance

The Group's **revenue** has increased by 7.7% to RM95.4 million from RM88.6 million recorded in the half year ended 30 June 2012.

The Group registered a **profit before tax** of RM11.1 million, a decrease of 3.9% compared to the corresponding period last year. This was due to higher selling & distribution expenses in line with the increase in revenue and higher finance cost with higher utilisation of finance lease and loan draw down since last quarter of preceding year

B2 Comparison with the Preceding Quarter's Results

	Qtr 2 (30/06/13) RM'000	Qtr 1 (31/03/13) RM'000	Variance	
			RM'000	%
Revenue	46,622	48,783	(2,161)	(4.4)
Profit before tax	5,019	6,097	(1,078)	(17.7)

The Group recorded a revenue for the current quarter of RM46.6 million compared to RM48.8 million in the immediate preceding quarter which is a decrease of 4.4%. The decrease was mainly due to lower demand from domestic market.

Further, the Group reported a lower profit before tax of RM5.0 million in the current quarter as compared to RM6.1 million in the immediate preceding quarter. This was due to higher selling & distribution expenses with higher advertising & promotion expenses for market development and higher administrative cost.

B3 Prospects of the Group

We expect 2013 to be another challenging year for the Group with the global economy remaining uncertain due to difficulties faced by some of the developed economies. However, following our earlier investment and expansion efforts in place, our strategies 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 :-

	3 months ended		6 months ended	
	30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Income Tax				
Current tax	1,334	1,127	2,760	2,625
Deferred tax	95	237	202	552
	<u>1,429</u>	<u>1,364</u>	<u>2,962</u>	<u>3,177</u>

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

The Group's effective tax rate for the quarter and six months ended 30 June 2013 were slightly 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 30 June 2013 and 31 December 2012, into realised and unrealised profits/(losses) is as follows:

	As at 30/06/2013 RM'000	As at 31/12/2012 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	93,347	107,333
Unrealised	3,507	3,211
	<u>96,854</u>	<u>110,544</u>
Total share of accumulated losses of associate:		
Realised	(26)	(26)
Unrealised	-	-
	<u>96,828</u>	<u>110,518</u>
Less: Consolidation adjustments	(18,837)	(31,831)
Total Group retained earnings as per consolidated accounts	<u><u>77,991</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 Proposals received approvals as follows:

- approval-in-principle on 13 May 2013 by 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;
- by the shareholders at an Extraordinary General Meeting held on 17 June 2013.

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 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	1,040	3,960	By Q3 2014
- Replacement of obsolete machineries and equipment	5,000	1,920	3,080	By Q3 2014
Working capital				
- Purchase of raw materials, packaging materials and original equipment manufacturer ("OEM") finished products	9,500	8,404	1,096	By Q3 2013
- Distribution and marketing expenses	2,900	2,565	335	By Q3 2013
- Production, R&D and administrative expenses	3,400	3,008	392	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>24,397</u></u>	<u><u>8,863</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 June 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	-	-	3,434
- Foreign	-	14	36
Unsecured bank loan - Foreign	1,500	-	4,789
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,345
- Foreign	-	24	59
	<u>1,500</u>	<u>38</u>	<u>16,663</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	13,939
- Foreign	-	352	883
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,548
- Foreign	-	63	157
	<u>-</u>	<u>415</u>	<u>18,527</u>
Total borrowings	<u>1,500</u>	<u>453</u>	<u>35,190</u>

31 December 2012

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
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>

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

At the Twelfth Annual General Meeting held on 17 June 2013, the shareholders approved a first and final single tier dividend of 6.5% per ordinary share which would be payable on 05 August 2013 in respect of the financial year ended 31 December 2012.

B11 Earnings Per Share

	3 months ended		6 months ended	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	3,514	4,542	7,952	8,424
Weighted average number of ordinary shares in issue ('000)	133,043	133,043	133,043	133,043
Basic Earnings Per Share (sen)	2.64	3.41	5.98	6.33

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.