



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 2013**

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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 2013

	3 months ended		9 months ended	
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Revenue	46,638	45,551	142,043	134,134
Cost of sales	(25,425)	(24,447)	(78,284)	(72,776)
Gross profit	21,213	21,104	63,759	61,358
Other income	891	435	2,520	2,344
Selling & Distribution expenses	(12,209)	(11,536)	(35,582)	(33,264)
Administrative expenses	(4,090)	(4,070)	(12,100)	(11,512)
Other expenses	(255)	(827)	(1,397)	(1,892)
Results from operating activities	5,550	5,106	17,200	17,034
Finance income	292	220	787	702
Finance cost	(479)	(630)	(1,508)	(1,476)
Profit before tax	5,363	4,696	16,479	16,260
Income tax expense	(1,036)	(2,045)	(3,998)	(5,222)
Profit for the period	4,327	2,651	12,481	11,038
Attributable to:				
Owners of the Company	4,167	2,604	12,119	11,028
Non-controlling interests	160	47	362	10
	4,327	2,651	12,481	11,038
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	3.13	1.96	9.11	8.29

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 NINE MONTHS ENDED 30 SEPTEMBER 2013

	3 months ended		9 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	4,327	2,651	12,481	11,038
Foreign currency translation differences for foreign operations	(379)	573	(24)	(388)
Total comprehensive income for the period	3,948	3,224	12,457	10,650
Total comprehensive income attributable to:				
Owners of the Company	3,788	3,177	12,095	10,640
Non-controlling interests	160	47	362	10
	3,948	3,224	12,457	10,650

Included in the total comprehensive income for the period are:

	3 months ended		9 months ended	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
interest income	(292)	(220)	(787)	(702)
other income including investment income	(45)	(31)	(100)	(161)
interest expenses	376	551	1,310	1,295
depreciation and amortization	2,313	2,052	6,885	5,971
provision for and write off/(write back) of receivables	55	-	331	(328)
writedown and written off of inventories	125	197	409	561
(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	(4)	234	(421)	(483)
(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 SEPTEMBER 2013

	As at 30/09/2013 RM'000 <i>unaudited</i>	As at 31/12/2012 RM'000
ASSETS		
Property, plant and equipment	114,880	118,105
Prepaid land lease payments	6,813	6,973
Intangible assets	706	428
Non-current Assets	122,399	125,506
Inventories	66,621	68,633
Trade receivables	47,028	41,823
Other receivables	7,809	8,121
Amount due from affiliated companies	200	416
Amount due from an associate	90	304
Current tax assets	55	70
Cash & cash equivalents	54,287	50,838
Current Assets	176,090	170,205
TOTAL ASSETS	298,489	295,711
EQUITY AND LIABILITIES		
Share capital	133,043	133,043
Share premium	137	207
Other reserves	6,509	6,533
Retained earnings	82,158	78,687
Equity Attributable to Owners of the Company	221,847	218,470
Non-controlling interests	4,126	3,764
Total Equity	225,973	222,234
Deferred taxation	8,048	7,743
Loans and borrowings	14,027	16,555
Finance lease liabilities	2,968	4,207
Non-current Liabilities	25,043	28,505
Trade payables	13,737	7,212
Other payables	10,823	10,108
Provisions	1,573	2,481
Finance lease liabilities	3,262	3,185
Amount due to affiliated companies	4,218	2,897
Loans and borrowings	13,307	17,398
Current tax liabilities	553	1,691
Current Liabilities	47,473	44,972
Total Liabilities	72,516	73,477
TOTAL EQUITY AND LIABILITIES	298,489	295,711
Net assets per share attributable to owners of the Company (RM)	1.67	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 NINE MONTHS ENDED 30 SEPTEMBER 2013

RM'000	← Attributable to owners of the Company →						Total	Non-controlling interest	Total equity
	← Non-distributable →			Distributable					
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Warrant reserve	Retained earnings			
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	-	-	-	(388)	-	-	(388)	-	(388)
Total other comprehensive income for the period	-	-	-	(388)	-	-	(388)	-	(388)
Profit for the period	-	-	-	-	-	11,028	11,028	10	11,038
Total comprehensive income for the period	-	-	-	(388)	-	11,028	10,640	10	10,650
Dividends to owners of the Company	-	-	-	-	-	(7,982)	(7,982)	-	(7,982)
Total transactions with owners of the Company	-	-	-	-	-	(7,982)	(7,982)	-	(7,982)
Additional investment in partly owned subsidiaries	-	-	-	-	-	-	-	632	632
At 30 September 2012	133,043	207	-	435	6,176	76,087	215,948	3,831	219,779
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	-	-	-	(24)	-	-	(24)	-	(24)
Total other comprehensive income for the period	-	-	-	(24)	-	-	(24)	-	(24)
Profit for the period	-	-	-	-	-	12,119	12,119	362	12,481
Total comprehensive income for the period	-	-	-	(24)	-	12,119	12,095	362	12,457
Dividends to owners of the Company	-	-	-	-	-	(8,648)	(8,648)	-	(8,648)
Share issuance expenses	-	(70)	-	-	-	-	(70)	-	(70)
Total transactions with owners of the Company	-	(70)	-	-	-	(8,648)	(8,718)	-	(8,718)
At 30 September 2013	133,043	137	6,168	341	-	82,158	221,847	4,126	225,973

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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

	9 months ended	
	30/09/2013	30/09/2012
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	16,479	16,260
Other adjustment	6,545	6,840
Operating profit before changes in working capital	<u>23,024</u>	<u>23,100</u>
Net change in current assets	(2,106)	(14,922)
Net change in current liabilities	8,161	(49)
Cash generated from operations	<u>29,079</u>	<u>8,129</u>
Tax paid	(4,555)	(3,394)
Net cash generated from operating activities	<u>24,524</u>	<u>4,735</u>
Cash flows from investing activities		
Interest received	787	702
Proceeds from disposal of property, plant & equipment	6	6
Purchase of property, plant and equipment	(3,272)	(14,962)
Purchase of intangible assets	(358)	(109)
Net cash used in investing activities	<u>(2,837)</u>	<u>(14,363)</u>
Cash flows from financing activities		
Interest paid	(1,374)	(1,336)
Dividend paid	(8,648)	(7,982)
ESOS expenses	(70)	-
Proceeds from issuance of share capital to minority shareholders	-	6
Repayment of short term revolving credit	(1,500)	-
Net (repayment)/drawdown of term loans	(3,879)	10,668
Repayment of banker acceptance	(1,480)	-
Refinance of property, plant and equipment under finance lease	1,496	-
Payment of finance lease liabilities	(2,664)	(1,929)
Net cash used in financing activities	<u>(18,119)</u>	<u>(573)</u>
Net increase/(decrease) in cash and cash equivalents	3,568	(10,201)
Effect on foreign exchange rate changes	(119)	(241)
Cash and cash equivalents at 1 January	50,838	58,253
Cash and cash equivalents at 30 September	<u>54,287</u>	<u>47,811</u>
Composition of cash and cash equivalents		
Cash and bank balances	17,712	22,599
Fixed deposits with licensed banks	36,575	25,212
	<u>54,287</u>	<u>47,811</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)
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NOTES TO THE INTERIM FINANCIAL REPORT - 30 SEPTEMBER 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 nine months ended 30 September 2013.

A6 Material Changes in Estimates

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

A7 Debt and Equity Securities

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

A8 Dividends Paid

A first and final single tier dividend of 6.5% per ordinary share amounting to RM8,647,794 in respect of the financial year ended 31 December 2012 was paid on 05 August 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.

Nine months ended 30 September 2013	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	18	24,783	117,242	-	142,043
Inter-segment revenue	13,941	1,719	7,796	(23,456)	-
Total revenue	13,959	26,502	125,038	(23,456)	142,043
Segment profit before tax	15,452	2,222	12,716	(13,911)	16,479
Segment assets	173,014	36,215	261,572	(172,312)	298,489

Nine months ended 30 September 2012	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	18	21,513	112,603	-	134,134
Inter-segment revenue	12,025	1,645	7,233	(20,903)	-
Total revenue	12,043	23,158	119,836	(20,903)	134,134
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

Investment holding 9M13 vs. 9M12

Holding company's profit before tax reported an increase of 20% in 9M13 due to higher dividend income received from subsidiary as at 30 September 2013.

Trading 9M13 vs. 9M12

Trading Segment recorded segment profit before tax of RM2.22 million in 9M13, an increase of 22% compared to RM1.82 million in 9M12. This was mainly due to growth in revenue of RM3.34 million or 15% in 9M13.

Manufacturing 9M13 vs. 9M12

Manufacturing segment posted a lower profit before tax of RM12.72 million for 9M13 compared to RM14.04 million in 9M12, a decrease of 9% 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 30/09/2013 RM'000	As at 30/09/2012 RM'000
Approved & contracted for:-		
Building in progress	65	63
Plant & machinery	662	785
	<u>727</u>	<u>848</u>
Approved but not contracted for:-		
Plant & machinery	-	521
	<u>-</u>	<u>521</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	9 months ended	
	30/09/2013 RM'000	30/09/2012 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	9,095	10,912
Consultancy fees payable	98	110
	<u>9,193</u>	<u>11,022</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	112	200
Sales of pharmaceutical products	(1,870)	(2,924)
	<u>(1,758)</u>	<u>(2,724)</u>

B1 Review of Performance

The Group's **revenue** has reported an increase of 5.9% to RM142.0 million from RM134.1 million recorded in the financial period ended 30 September 2012.

The Group registered a **profit before tax** of RM16.5 million, a marginal increase of 1.4% compared to the corresponding period last year. This was mainly due to higher revenue recorded for the period under review.

B2 Comparison with the Preceding Quarter's Results

	Qtr 3 (30/09/13) RM'000	Qtr 2 (30/06/13) RM'000	Variance	
			RM'000	%
Revenue	46,638	46,622	16	0.0
Profit before tax	5,363	5,019	344	6.9

The Group recorded a flat revenue for the current quarter of RM46.64 million compared to RM46.62 million in the immediate preceding quarter.

However, the Group reported marginally higher profit before tax of RM5.36 million in the current quarter as compared to RM5.02 million in the immediate preceding quarter. The 6.9% increase was achieved with lower cost in operation during the quarter under review.

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 and volatile of foreign currency especially US Dollar. 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		9 months ended	
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Income Tax				
Current tax	934	1,964	3,694	4,589
Deferred tax	102	81	304	633
	<u>1,036</u>	<u>2,045</u>	<u>3,998</u>	<u>5,222</u>

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

The Group's effective tax rate is approximately to the statutory tax rate.

B6 Realised/unrealised Retained Earnings

The breakdown of the retained profits of the Group as at 30 September 2013 and 31 December 2012, into realised and unrealised profits/(losses) is as follows:

	As at 30/09/2013 RM'000	As at 31/12/2012 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	97,536	107,333
Unrealised	3,498	3,211
	<u>101,034</u>	<u>110,544</u>
Total share of accumulated losses of associate:		
Realised	(26)	(26)
Unrealised	-	-
	<u>101,008</u>	<u>110,518</u>
Less: Consolidation adjustments	(18,850)	(31,831)
Total Group retained earnings as per consolidated accounts	<u><u>82,158</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" has been granted 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	1,159	3,841	By Q3 2014
- Replacement of obsolete machineries and equipment	5,000	2,045	2,955	By Q3 2014
Working capital				
- Purchase of raw materials, packaging materials and original equipment manufacturer ("OEM") finished products	9,500	9,500	-	By Q3 2013
- Distribution and marketing expenses	2,900	2,900	-	By Q3 2013
- Production, R&D and administrative expenses	3,400	3,400	-	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>26,464</u></u>	<u><u>6,796</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 September are as follows :

30 September 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	-	-	3,468
- Foreign	-	7	19
Unsecured bank loan - Foreign	1,500	-	4,820
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,214
- Foreign	-	19	48
	<u>1,500</u>	<u>26</u>	<u>16,569</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	13,125
- Foreign	-	352	902
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,814
- Foreign	-	60	154
	<u>-</u>	<u>412</u>	<u>16,995</u>
Total borrowings	<u>1,500</u>	<u>438</u>	<u>33,564</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

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	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	4,167	2,604	12,119	11,028
Weighted average number of ordinary shares in issue ('000)	133,043	133,043	133,043	133,043
Basic Earnings Per Share (sen)	3.13	1.96	9.11	8.29

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.