



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 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 TWELVE MONTHS ENDED 31 DECEMBER 2013**

	3 months ended		12 months ended	
	31/12/2013 RM'000	31/12/2012 RM'000	31/12/2013 RM'000	31/12/2012 RM'000
Revenue	48,784	46,476	190,827	180,610
Cost of sales	(27,851)	(25,587)	(106,135)	(98,363)
Gross profit	20,933	20,889	84,692	82,247
Other income	2,434	656	4,954	3,000
Selling & Distribution expenses	(12,230)	(11,725)	(47,812)	(44,989)
Administrative expenses	(4,369)	(4,576)	(16,469)	(16,088)
Other expenses	(1,368)	(1,219)	(2,765)	(3,111)
Results from operating activities	5,400	4,025	22,600	21,059
Finance income	255	208	1,042	910
Finance cost	(248)	(342)	(1,756)	(1,818)
Share of result of associate	133	-	133	-
Profit before tax	5,540	3,891	22,019	20,151
Income tax expense	(1,373)	(1,358)	(5,371)	(6,580)
Profit for the period/year	4,167	2,533	16,648	13,571
Attributable to:				
Owners of the Company	4,072	2,600	16,191	13,628
Non-controlling interests	95	(67)	457	(57)
	4,167	2,533	16,648	13,571
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	3.06	1.95	12.17	10.24

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 TWELVE MONTHS ENDED 31 DECEMBER 2013

	3 months ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	4,167	2,533	16,648	13,571
Foreign currency translation differences for foreign operations	174	(70)	150	(458)
Total comprehensive income for the period/year	4,341	2,463	16,798	13,113
Total comprehensive income attributable to:				
Owners of the Company	4,246	2,530	16,341	13,170
Non-controlling interests	95	(67)	457	(57)
	4,341	2,463	16,798	13,113

Included in the total comprehensive income for the period are:

	3 months ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
interest income	(255)	(208)	(1,042)	(910)
other income including investment income	(687)	59	(787)	(102)
interest expenses	396	523	1,756	1,818
depreciation and amortization	2,317	2,201	9,202	8,172
provision for and write off/(write back) of receivables	460	244	791	(84)
writedown and written off of inventories	215	243	624	804
(gain) or loss on disposal of quoted and unquoted investments or properties	(653)	N/A	(653)	N/A
impairment of assets	N/A	N/A	N/A	N/A
foreign exchange gain	(309)	(189)	(730)	(672)
(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 31 DECEMBER 2013

	As at 31/12/2013 RM'000 <i>unaudited</i>	As at 31/12/2012 RM'000
ASSETS		
Property, plant and equipment	114,418	118,105
Prepaid land lease payments	4,740	6,973
Intangible assets	675	428
Investment in associate	330	-
Non-current Assets	120,163	125,506
Inventories	62,125	68,633
Trade receivables	47,649	41,823
Other receivables	9,287	8,121
Amount due from affiliated companies	135	416
Amount due from an associate	196	304
Current tax assets	47	70
Cash & cash equivalents	59,519	50,838
Current Assets	178,958	170,205
TOTAL ASSETS	299,121	295,711
EQUITY AND LIABILITIES		
Share capital	133,043	133,043
Share premium	137	207
Other reserves	6,683	6,533
Retained earnings	86,230	78,687
Equity Attributable to Owners of the Company	226,093	218,470
Non-controlling interests	4,221	3,764
Total Equity	230,314	222,234
Deferred taxation	7,545	7,743
Loans and borrowings	13,073	16,555
Finance lease liabilities	2,239	4,207
Non-current Liabilities	22,857	28,505
Trade payables	12,507	7,212
Other payables	9,867	10,108
Provisions	1,310	2,481
Finance lease liabilities	3,120	3,185
Amount due to affiliated companies	4,247	2,897
Loans and borrowings	14,019	17,398
Current tax liabilities	880	1,691
Current Liabilities	45,950	44,972
Total Liabilities	68,807	73,477
TOTAL EQUITY AND LIABILITIES	299,121	295,711
Net assets per share attributable to owners of the Company (RM)	1.70	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 TWELVE MONTHS ENDED 31 DECEMBER 2013

RM'000	← Attributable to owners of the Company →						Total	Non-controlling interest	Total equity
	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	-	-	-	(458)	-	-	(458)	-	(458)
Total other comprehensive expenses 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)
Warrant expenses	-	-	-	-	(8)	-	(8)	-	(8)
Total transactions with owners of the Company	-	-	-	-	(8)	(7,982)	(7,990)	-	(7,990)
Additional investment in partly owned subsidiaries	-	-	-	-	-	-	-	632	632
Transfer to 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
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	-	-	-	150	-	-	150	-	150
Total other comprehensive income for the year	-	-	-	150	-	-	150	-	150
Profit for the year	-	-	-	-	-	16,191	16,191	457	16,648
Total comprehensive income for the year	-	-	-	150	-	16,191	16,341	457	16,798
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 31 December 2013	133,043	137	6,168	515	-	86,230	226,093	4,221	230,314

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 TWELVE MONTHS ENDED 31 DECEMBER 2013

	12 months ended	
	31/12/2013	31/12/2012
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	22,019	20,151
Other adjustment	8,343	10,874
	30,362	31,025
Operating profit before changes in working capital		
Net change in current assets	664	(4,898)
Net change in current liabilities	5,003	(4,384)
	36,029	21,743
Cash generated from operations		
Tax paid	(6,006)	(5,160)
	30,023	16,583
Net cash generated from operating activities		
Cash flows from investing activities		
Interest received	1,042	910
Proceeds from disposal of property, plant & equipment	14	7
Proceeds from disposal of prepaid land lease payment	2,780	-
Purchase of property, plant and equipment	(4,806)	(17,679)
Purchase of intangible assets	(358)	(108)
Addition of prepaid land lease payment	-	(2,173)
	(1,328)	(19,043)
Net cash used in investing activities		
Cash flows from financing activities		
Interest paid	(1,772)	(1,867)
Dividend paid	(8,648)	(7,982)
ESOS expenses	(70)	-
Proceeds from issuance of share capital to minority shareholders	-	632
(Repayment)/drawdown of short term revolving credit	(1,000)	5,000
Net (repayment)/drawdown of term loans	(4,753)	704
(Repayment)/proceeds of banker acceptance	(1,480)	1,480
Payment of finance lease liabilities	(2,041)	(2,745)
Warrants expenses	-	(8)
	(19,764)	(4,786)
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	8,931	(7,246)
Effect on foreign exchange rate changes	(250)	(169)
Cash and cash equivalents at 1 January	50,838	58,253
Cash and cash equivalents at 31 December	59,519	50,838
Composition of cash and cash equivalents		
Cash and bank balances	21,640	19,534
Fixed deposits with licensed banks	37,879	31,304
	59,519	50,838

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



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NOTES TO THE INTERIM FINANCIAL REPORT - 31 DECEMBER 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 financial year-to-date.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter and financial year results.

A7 Debt and Equity Securities

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

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.

Year-to-date ended 31 December 2013	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	24	33,156	157,647	-	190,827
Inter-segment revenue	13,968	267	12,005	(26,240)	-
Total revenue	13,992	33,423	169,652	(26,240)	190,827
Segment profit before tax	14,345	2,077	16,771	(11,174)	22,019
Segment assets	172,324	36,866	258,906	(168,975)	299,121

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	428	9,097	(21,576)	-
Total revenue	12,075	29,943	160,168	(21,576)	180,610
Segment profit before tax	(246)	2,011	17,268	1,118	20,151
Segment assets	172,175	34,724	253,789	(164,977)	295,711

Investment holding FY2013 vs. FY2012

Holding company's profit before tax reported at RM14.34 million in FY2013 due to higher dividend income received from subsidiary in FY2013. Pre-tax loss of RM0.25 million in prior year due to higher provision for impairment losses on investment in subsidiary recognised in FY2012.

Trading FY2013 vs. FY2012

Trading Segment recorded segment profit before tax of RM2.08 million in FY2013, an increase of 3.5% compared to RM2.01 million in FY2012. This was mainly due to growth in revenue of RM3.48 million in FY2013.

Manufacturing FY2013 vs. FY2012

Manufacturing segment posted a lower profit before tax of RM16.77 million for FY2013 compared to RM17.27 million in FY2012, a decrease of 3% 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 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

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 31/12/2013 RM'000	As at 31/12/2012 RM'000
Approved & contracted for:-		
Building in progress	67	62
Plant & machinery	3,001	1,131
Renovation	1,233	-
	<u>4,301</u>	<u>1,193</u>
Approved but not contracted for:-		
Plant & machinery	-	234
	<u>-</u>	<u>234</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	12 months ended	
	31/12/2013 RM'000	31/12/2012 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	11,708	13,164
Sales of pharmaceutical products	-	(80)
Consultancy fees payable	125	151
	<u>11,833</u>	<u>13,235</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	651	220
Sales of pharmaceutical products	(2,113)	(3,771)
	<u>(1,462)</u>	<u>(3,551)</u>

B1 Review of Performance

The Group's **revenue** has reported an increase of 5.7% to RM190.8 million from RM180.6 million recorded in the financial year ended 31 December 2012.

The Group registered a **profit before tax** of RM22.0 million, an increase of 9.3% compared to last year. This was mainly due to higher revenue recorded for the current year.

B2 Comparison with the Preceding Quarter's Results

	Qtr 4 (31/12/13) RM'000	Qtr 3 (30/09/13) RM'000	Variance	
			RM'000	%
Revenue	48,784	46,638	2,146	4.6
Profit before tax	5,540	5,363	177	3.3

The Group recorded a revenue of RM48.78 million for the current quarter compared to RM46.64 million in the immediate preceding quarter. The increased was mainly attributable to higher demand from overseas market as compared to the previous quarter. Increase in revenue has led to increase in profit before tax for the current quarter as compared to immediate preceding quarter.

B3 Prospects of the Group

As expected 2013 was 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 managed to achieve a reasonable performance.

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	
	31/12/2013 RM'000	31/12/2012 RM'000	31/12/2013 RM'000	31/12/2012 RM'000
Income Tax				
Current tax	1,876	1,676	5,570	6,265
Deferred tax	(503)	(318)	(199)	315
	<u>1,373</u>	<u>1,358</u>	<u>5,371</u>	<u>6,580</u>

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

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

B6 Realised/unrealised Retained Earnings

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

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	97,753	93,941
Unrealised	4,712	3,211
	<u>102,465</u>	<u>97,152</u>
Total share of accumulated losses of associate:		
Realised	107	(26)
Unrealised	-	-
	<u>102,572</u>	<u>97,126</u>
Less: Consolidation adjustments	(16,342)	(18,439)
Total Group retained earnings as per consolidated accounts	<u><u>86,230</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

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

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	1,248	3,752	By Q3 2014
- Replacement of obsolete machineries and equipment	5,000	2,542	2,458	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>27,050</u></u>	<u><u>6,210</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 :

31 December 2013

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	5,500
<u>Secured bank loans:</u>			
- Domestic	-	-	3,503
- Foreign	-	29	76
Unsecured bank loan - Foreign	1,500	-	4,940
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,084
- Foreign	-	14	36
	<u>1,500</u>	<u>43</u>	<u>17,139</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	12,236
- Foreign	-	322	837
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,091
- Foreign	-	57	148
	<u>-</u>	<u>379</u>	<u>15,312</u>
Total borrowings	<u>1,500</u>	<u>422</u>	<u>32,451</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		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	4,072	2,600	16,191	13,628
Weighted average number of ordinary shares in issue ('000)	133,043	133,043	133,043	133,043
Basic Earnings Per Share (sen)	3.06	1.95	12.17	10.24

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.