



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 2014

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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 2014**

	3 months ended		12 months ended	
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Revenue	54,924	48,784	202,289	190,827
Cost of sales	(29,938)	(27,851)	(110,621)	(106,135)
Gross profit	24,986	20,933	91,668	84,692
Other income	2,357	2,435	4,937	4,955
Selling & Distribution expenses	(12,832)	(12,230)	(50,846)	(47,812)
Administrative expenses	(4,336)	(4,221)	(17,658)	(16,469)
Other expenses	(89)	(1,369)	(2,512)	(2,766)
Results from operating activities	10,086	5,548	25,589	22,600
Finance income	175	255	997	1,042
Finance cost	(304)	(396)	(1,370)	(1,756)
Share of result of associate	20	133	14	133
Profit before tax	9,977	5,540	25,230	22,019
Income tax expense	(2,783)	(1,373)	(8,139)	(5,371)
Profit for the period/year	7,194	4,167	17,091	16,648
Attributable to:				
Owners of the Company	7,018	4,072	16,492	16,191
Non-controlling interests	176	95	599	457
	7,194	4,167	17,091	16,648
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	5.27	3.06	12.40	12.17
Diluted EPS	5.27	3.06	12.36	12.17

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013.



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 2014

	3 months ended		12 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	7,194	4,167	17,091	16,648
Foreign currency translation differences for foreign operations	473	174	425	150
Total comprehensive income for the period/year	7,667	4,341	17,516	16,798
Total comprehensive income attributable to:				
Owners of the Company	7,491	4,246	16,917	16,341
Non-controlling interests	176	95	599	457
	7,667	4,341	17,516	16,798

Included in the total comprehensive income for the period are:

	3 months ended		12 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
interest income	(175)	(255)	(997)	(1,042)
other income including investment income	(76)	(34)	(205)	(134)
interest expenses	304	396	1,370	1,756
depreciation and amortization	2,268	2,316	9,054	9,201
provision for and write off of receivables	30	485	60	816
writedown and written off of inventories	720	215	1,103	624
(gain) or loss on disposal of quoted and unquoted investments or properties	N/A	(653)	N/A	(653)
impairment of assets	N/A	N/A	N/A	N/A
foreign exchange gain	(1,921)	(309)	(2,209)	(730)
(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 2013.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	As at 31/12/2014 RM'000 <i>Unaudited</i>	As at 31/12/2013 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	116,700	114,418
Prepaid land lease payments	4,884	4,740
Intangible assets	551	675
Investment in an associate	345	330
Deferred tax assets	514	378
Non-current Assets	122,994	120,541
Inventories	70,980	62,125
Trade receivables	52,480	47,649
Other receivables	7,722	9,287
Amounts due from affiliated companies	139	135
Amount due from an associate	470	196
Current tax assets	43	47
Cash & cash equivalents	43,607	59,519
Current Assets	175,441	178,958
TOTAL ASSETS	298,435	299,499
EQUITY AND LIABILITIES		
Share capital	133,043	133,043
Share premium	137	137
Other reserves	7,824	6,683
Retained earnings	94,074	86,230
Equity Attributable to Owners of the Company	235,078	226,093
Non-controlling interests	4,820	4,221
Total Equity	239,898	230,314
Deferred taxation	8,612	7,923
Loans and borrowings	10,030	13,073
Finance lease liabilities	1,531	2,239
Non-current Liabilities	20,173	23,235
Trade payables	9,115	10,429
Other payables	11,759	11,945
Provisions	1,421	1,310
Finance lease liabilities	2,409	3,120
Amounts due to affiliated companies	4,020	4,247
Loans and borrowings	8,059	14,019
Current tax liabilities	1,581	880
Current Liabilities	38,364	45,950
Total Liabilities	58,537	69,185
TOTAL EQUITY AND LIABILITIES	298,435	299,499
Net assets per share attributable to owners of the Company (RM)	1.77	1.70

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013.



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 2014

RM'000	← Attributable to owners of the Company →					Distributable		Non-controlling interest	Total equity
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Share option reserve	Retained earnings	Total		
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 insurance 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
At 1 January 2014	133,043	137	6,168	515	-	86,230	226,093	4,221	230,314
Foreign currency translation differences for foreign operations	-	-	-	425	-	-	425	-	425
Total other comprehensive income for the year	-	-	-	425	-	-	425	-	425
Profit for the year	-	-	-	-	-	16,492	16,492	599	17,091
Total comprehensive income for the year	-	-	-	425	-	16,492	16,917	599	17,516
Dividends to owners of the Company	-	-	-	-	-	(8,648)	(8,648)	-	(8,648)
Share-based payment under ESOS	-	-	-	-	716	-	716	-	716
Total transactions with owners of the Company	-	-	-	-	716	(8,648)	(7,932)	-	(7,932)
At 31 December 2014	133,043	137	6,168	940	716	94,074	235,078	4,820	239,898

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2014

	12 months ended	
	31/12/2014	31/12/2013
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	25,230	22,019
Other adjustment	9,807	8,708
Operating profit before changes in working capital	<u>35,037</u>	<u>30,727</u>
Net change in current assets	(11,200)	664
Net change in current liabilities	(2,512)	4,987
Cash generated from operations	<u>21,325</u>	<u>36,378</u>
Income tax paid	(6,881)	(6,356)
Net cash generated from operating activities	<u>14,444</u>	<u>30,022</u>
Cash flows from investing activities		
Interest received	997	1,042
Proceeds from disposal of property, plant and equipment	22	14
Proceeds from disposal of prepaid interest in leased land	-	2,780
Acquisition of property, plant and equipment	(10,655)	(4,776)
Purchase of intangible assets	-	(358)
Acquisition of prepaid land lease payments	-	(30)
Net cash used in investing activities	<u>(9,636)</u>	<u>(1,328)</u>
Cash flows from financing activities		
Interest paid	(1,370)	(1,772)
Dividends paid	(8,648)	(8,648)
ESOS expenses	-	(70)
Repayment of short term revolving credit	(500)	(1,000)
Net repayment of term loans	(8,372)	(4,752)
Repayment of banker acceptance	-	(1,480)
Refinance of property, plant and equipment under finance lease	1,967	1,496
Payment of finance lease liabilities	(3,391)	(3,537)
Net cash used in financing activities	<u>(20,314)</u>	<u>(19,763)</u>
Net (decrease)/increase in cash and cash equivalents	(15,506)	8,931
Effect of exchange rate fluctuations on cash held	(406)	(250)
Cash and cash equivalents at 1 January	59,519	50,838
Cash and cash equivalents at 31 December	<u>43,607</u>	<u>59,519</u>
Composition of cash and cash equivalents		
Cash and bank balances	24,604	21,640
Fixed deposits with licensed banks	19,003	37,879
	<u>43,607</u>	<u>59,519</u>

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013.



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NOTES TO THE INTERIM FINANCIAL REPORT - 31 DECEMBER 2014

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 2013. 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 2013.

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 2013.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2013 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 year ended 31 December 2014.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter and year ended 31 December 2014.

A7 Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the quarter and year ended 31 December 2014.

A8 Dividends Paid

A first and final single tier dividend of 6.5 sen per ordinary share totalling RM8,647,794 in respect of the financial year ended 31 December 2013 was paid on 15 August 2014.

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.

Twelve months ended 31 December 2014	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	24	35,179	167,086	-	202,289
Inter-segment revenue	10,519	355	17,089	(27,963)	-
Total revenue	10,543	35,534	184,175	(27,963)	202,289
Segment profit before tax	11,928	4,036	20,068	(10,802)	25,230
Segment assets	177,481	40,363	261,880	(181,289)	298,435

Twelve months 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	12,401	267	12,005	(24,673)	-
Total revenue	12,425	33,423	169,652	(24,673)	190,827
Segment profit before tax	12,778	2,077	16,771	(9,607)	22,019
Segment assets	172,324	37,244	258,906	(168,975)	299,499

Investment holding FY2014 vs. FY2013

Holding company's profit before tax reported at RM11.93 mil in FY2014, a decrease of 6.7% over the RM12.78 million reported in FY2013. The decrease was mainly due to a single tier exempt dividend income received from subsidiary in FY2014 whereas a gross dividend income with 25% tax was received in FY2013.

Trading FY2014 vs. FY2013

Trading segment profit before tax increased by 94.3% to RM4.04 million in FY2014 from RM2.08 million in FY2013 due to lower operating costs recognised in the current year.

Manufacturing FY2014 vs. FY2013

Manufacturing segment recorded a revenue of RM184.18 million in FY2014 compared to RM169.65 million in FY2013 showing a growth of 8.6%. This has led to an improved profit before tax of RM20.07 million, 19.7% higher in FY2014 as compared to RM16.77 million in FY2013.

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

There were no changes in the composition of the Group during the quarter and year ended 31 December 2014.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2013.

A14 Capital Commitment

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

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Building in progress	71	-
Plant & machinery	768	67
Renovation	23	-
	<u>862</u>	<u>67</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	12 months ended	
	31/12/2014 RM'000	31/12/2013 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	11,839	11,708
Consultancy fees payable	<u>132</u>	<u>125</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	3,900	651
Sales of pharmaceutical products	<u>(748)</u>	<u>(2,113)</u>

B1 Review of Performance

The Group's **revenue** has reported an increase of 6.0% to RM202.29 million from RM190.83 million recorded in the financial year ended 31 December 2013.

The Group registered a **profit before tax** of RM25.23 million, an increase of 14.6% 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 (31/12/14) RM'000	Qtr 3 (30/09/14) RM'000	Variance	
			RM'000	%
Revenue	54,924	49,821	5,103	10.2
Profit before tax	9,977	5,003	4,974	99.4

The Group recorded a revenue of RM54.92 million in 4Q14, an increase of 10.2% compared to RM49.82 million in 3Q14. The increase came mainly from export segment.

The Group's profit before tax increased by 99.4% to RM9.98 million in 4Q14 from RM5.00 million in 3Q14 on the back of higher turnover, favourable foreign exchange rate and better efficiency in operations during the quarter under review.

B3 Prospects of the Group

The Group is optimistic of heightened prospects in its business with focus on new product development and expected successful registration of new products with the regulatory authority in Malaysia as well as foreign countries and with increasing global presence. The favourable outlook for the domestic pharmaceutical industry, buoyed by the greater potential for generics with ongoing patent expiration of branded drugs, further adds to the optimism.

On the operational front, the Group will continue to seize opportunities, navigate challenges and focus on streamlining its manufacturing and production towards effective cost saving measures and better productivity.

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	
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Income Tax				
Current tax	2,299	1,876	7,571	5,570
Deferred tax	484	(503)	568	(199)
	<u>2,783</u>	<u>1,373</u>	<u>8,139</u>	<u>5,371</u>

Income tax is calculated at the Malaysian statutory tax rate of 25%. (2013: 25%)

The Group's effective tax rate for the quarter and year ended 31 December 2014 was higher than the statutory tax rate principally due to certain expenses which were not deductible for tax purposes and unavailability of group tax relief from overseas subsidiaries.

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 31/12/2014 RM'000	As at 31/12/2013 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	106,467	97,754
Unrealised	4,843	4,712
	<u>111,310</u>	<u>102,466</u>
Total share of accumulated losses of associate:		
Realised	121	106
Unrealised	-	-
	<u>111,431</u>	<u>102,572</u>
Less: Consolidation adjustments	(17,357)	(16,342)
Total Group retained earnings as per consolidated accounts	<u>94,074</u>	<u>86,230</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 utilisation of proceeds raised under the Rights Issue for the year under review**

As at the reporting date, the status of the proposed utilisation of proceeds raised under the Rights Issue in 2011 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	2,050	2,950	By Q4 2015
- Replacement of obsolete machineries and equipments	5,000	5,000	-	By Q4 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>33,260</u>	<u>30,310</u>	<u>2,950</u>	

* Expenses relating to the Rights Issue amounting to RM398,000 were lower than estimated, the remaining portion was reclassified for working capital purposes.

The revision in the utilization of Rights Issue proceeds had been extended to Q4 2015 as disclosed in the announcement dated 15 October 2014.

B8 Borrowings and Debt Securities

The details of the Group borrowings as at 31 December are as follows :

31 December 2014	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	5,000
<u>Secured bank loans:</u>			
- Domestic	-	-	2,980
- Foreign	-	30	79
Unsecured bank loan - Foreign	-	-	-
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,379
- Foreign	-	11	30
	<u>-</u>	<u>41</u>	<u>10,468</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	9,257
- Foreign	-	292	773
<u>Finance lease creditor:</u>			
- Domestic	-	-	1,409
- Foreign	-	46	122
	<u>-</u>	<u>338</u>	<u>11,561</u>
Total borrowings	<u>-</u>	<u>379</u>	<u>22,029</u>
31 December 2013			
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>

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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	7,018	4,072	16,492	16,191
Weighted average number of ordinary shares in issue ('000)	133,043	133,043	133,043	133,043
Basic Earnings Per Share (sen)	5.27	3.06	12.40	12.17
ii) Diluted Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	7,018	4,072	16,492	16,191
Weighted average number of ordinary shares in issue ('000)	133,043	133,043	133,043	133,043
Effect of dilution-Share options ('000)	196	-	405	-
Adjusted weighted average number of ordinary shares in issue ('000)	133,239	133,043	133,448	133,043
Diluted Earnings Per Share (sen)	5.27	3.06	12.36	12.17

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.