



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2015

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 INCOME STATEMENT

FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2015

	3 months ended		6 months ended	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Revenue	50,632	46,112	109,941	97,544
Cost of sales	(28,025)	(25,837)	(58,898)	(53,446)
Gross profit	22,607	20,275	51,043	44,098
Other income	1,190	309	3,671	1,735
Selling & Distribution expenses	(13,047)	(12,851)	(25,537)	(25,236)
Administrative expenses	(4,675)	(4,050)	(9,005)	(8,210)
Other expenses	(617)	(1,349)	(1,375)	(1,978)
Results from operating activities	5,458	2,334	18,797	10,409
Finance income	263	306	461	596
Finance cost	(322)	(361)	(628)	(745)
Share of result of associate	(6)	(12)	9	(10)
Profit before tax	5,393	2,267	18,639	10,250
Income tax expense	(1,919)	(1,149)	(5,768)	(3,520)
Profit for the period	3,474	1,118	12,871	6,730
Attributable to:				
Owners of the Company	3,422	964	12,768	6,419
Non-controlling interests	52	154	103	311
	3,474	1,118	12,871	6,730
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	2.57	0.72	9.59	4.82
Diluted EPS	2.56	0.72	9.56	4.82

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014.



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 SIX MONTHS ENDED 30 JUNE 2015

	3 months ended		6 months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,474	1,118	12,871	6,730
Foreign currency translation differences for foreign operations	272	(278)	626	(144)
Total comprehensive income for the period	3,746	840	13,497	6,586
Total comprehensive income attributable to:				
Owners of the Company	3,694	686	13,394	6,275
Non-controlling interests	52	154	103	311
	3,746	840	13,497	6,586

Included in the total comprehensive income for the period are:

	3 months ended		6 months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
interest income	(263)	(306)	(461)	(596)
other income including investment income	(91)	(35)	(183)	(67)
interest expenses	322	361	628	745
depreciation and amortization	2,296	2,232	4,586	4,516
provision for and write off/(write back) of receivables	55	12	152	(23)
writedown and written off of inventories	90	61	194	297
(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) or loss	(780)	971	(2,184)	303
(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 2014.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	As at 30/06/2015 RM'000 <i>Unaudited</i>	As at 31/12/2014 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	114,278	116,700
Prepaid land lease payments	5,031	4,884
Intangible assets	490	551
Investment in an associate	381	372
Deferred tax assets	534	514
Non-current Assets	120,714	123,021
Inventories	81,853	70,980
Trade receivables	51,380	52,481
Other receivables	10,778	7,721
Amounts due from affiliated companies	148	139
Amount due from an associate	204	470
Current tax assets	59	43
Cash & cash equivalents	61,613	43,607
Current Assets	206,035	175,441
TOTAL ASSETS	326,749	298,462
EQUITY AND LIABILITIES		
Share capital	133,924	133,043
Share premium	884	137
Other reserves	8,162	7,851
Retained earnings	98,137	94,074
Equity Attributable to Owners of the Company	241,107	235,105
Non-controlling interests	4,923	4,820
Total Equity	246,030	239,925
Deferred taxation	9,124	8,612
Loans and borrowings	9,672	10,030
Finance lease liabilities	3,340	1,531
Post-employment benefits	42	42
Non-current Liabilities	22,178	20,215
Trade payables	16,221	9,115
Other payables	21,303	11,759
Provisions	1,405	1,379
Finance lease liabilities	2,308	2,409
Amounts due to affiliated companies	7,297	4,020
Loans and borrowings	6,619	8,059
Current tax liabilities	3,388	1,581
Current Liabilities	58,541	38,322
Total Liabilities	80,719	58,537
TOTAL EQUITY AND LIABILITIES	326,749	298,462
Net assets per share attributable to owners of the Company (RM)	1.80	1.77

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015

RM'000	Attributable to owners of the Company					Total equity			
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Share option reserve				
	Non-distributable					Distributable			
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Share option reserve	Retained earnings	Total	Non-controlling interest	Total equity
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	-	-	-	(144)	-	-	(144)	-	(144)
Total other comprehensive income for the period	-	-	-	(144)	-	-	(144)	-	(144)
Profit for the period	-	-	-	-	-	6,419	6,419	311	6,730
Total comprehensive income for the period	-	-	-	(144)	-	6,419	6,275	311	6,586
Dividends to owners of the Company	-	-	-	-	-	(8,648)	(8,648)	-	(8,648)
Total transactions with owners of the Company	-	-	-	-	-	(8,648)	(8,648)	-	(8,648)
At 30 June 2014	133,043	137	6,168	371	-	84,001	223,720	4,532	228,252
At 1 January 2015	133,043	137	6,168	967	716	94,074	235,105	4,820	239,925
Foreign currency translation differences for foreign operations	-	-	-	626	-	-	626	-	626
Total other comprehensive income for the period	-	-	-	626	-	-	626	-	626
Profit for the period	-	-	-	-	-	12,768	12,768	103	12,871
Total comprehensive income for the period	-	-	-	626	-	12,768	13,394	103	13,497
Dividends to owners of the Company	-	-	-	-	-	(8,705)	(8,705)	-	(8,705)
Issuance of ordinary shares pursuant to ESOS	881	432	-	-	-	-	1,313	-	1,313
Total transactions with owners of the Company	881	432	-	-	-	(8,705)	(7,392)	-	(7,392)
Transfer to share premium for share options exercised	-	315	-	-	(315)	-	-	-	-
At 30 June 2015	133,924	864	6,168	1,593	401	98,137	241,107	4,923	246,030

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	6 months ended	
	30/06/2015	30/06/2014
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	18,639	10,250
Other adjustment	(5,461)	(3,443)
Operating profit before changes in working capital	<u>13,178</u>	<u>6,807</u>
Net change in current assets	(10,806)	(14,490)
Net change in current liabilities	19,395	17,083
Cash generated from operations	<u>21,767</u>	<u>9,400</u>
Tax paid	(3,288)	(2,981)
Net cash generated from operating activities	<u>18,479</u>	<u>6,419</u>
Cash flows from investing activities		
Interest received	461	596
Purchase of property, plant and equipment	(1,188)	(4,340)
Net cash used in investing activities	<u>(727)</u>	<u>(3,744)</u>
Cash flows from financing activities		
Interest paid	(628)	(737)
Proceeds from issuance of ordinary shares-ESOS, net of expenses	1,312	-
Repayment of short term revolving credit	-	(500)
Repayment of term loans	(1,846)	(4,193)
Refinance of property, plant and equipment under finance lease	3,879	927
Payment of finance lease liabilities	(2,179)	(1,712)
Net cash from/(used in) financing activities	<u>538</u>	<u>(6,215)</u>
Net increase/(decrease) in cash and cash equivalents	18,290	(3,540)
Effect on foreign exchange rate changes	(284)	385
Cash and cash equivalents at 1 January	43,607	59,519
Cash and cash equivalents at 30 June	<u>61,613</u>	<u>56,364</u>
Composition of cash and cash equivalents		
Cash and bank balances	23,431	21,506
Fixed deposits with licensed banks	38,182	34,858
	<u>61,613</u>	<u>56,364</u>

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

NOTES TO THE INTERIM FINANCIAL REPORT - 30 JUNE 2015

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", IAS 34 "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 2014. 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 2014.

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 2014.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2014 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 2015.

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 2015.

A7 Debt and Equity Securities

During the quarter and six months ended 30 June 2015, the Company has issued 881,000 new ordinary shares of RM1.00 each pursuant to the exercise of Company's ESOS as follows:

Exercise Price RM	No. of Shares Issued	Cash Proceeds RM
1.49	<u>881,000</u>	<u>1,312,690</u>

A8 Dividends Paid

No dividend was paid during the quarter and six months ended 30 June 2015.

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 2015	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	12	19,058	90,871	-	109,941
Inter-segment revenue	10,600	166	14,075	(24,841)	-
Total revenue	<u>10,612</u>	<u>19,224</u>	<u>104,946</u>	<u>(24,841)</u>	<u>109,941</u>
Segment profit before tax	<u>12,814</u>	<u>1,740</u>	<u>15,825</u>	<u>(11,740)</u>	<u>18,639</u>
Segment assets	<u>192,757</u>	<u>45,191</u>	<u>283,233</u>	<u>(194,432)</u>	<u>326,749</u>

Six months ended 30 June 2014	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	12	16,288	81,244	-	97,544
Inter-segment revenue	59	162	8,162	(8,383)	-
Total revenue	<u>71</u>	<u>16,450</u>	<u>89,406</u>	<u>(8,383)</u>	<u>97,544</u>
Segment profit before tax	<u>344</u>	<u>2,056</u>	<u>8,406</u>	<u>(556)</u>	<u>10,250</u>
Segment assets	<u>172,158</u>	<u>36,546</u>	<u>269,109</u>	<u>(169,427)</u>	<u>308,386</u>

Investment holding 1H15 vs. 1H14

Holding company's profit before tax reported at RM12.81 million in 1H15 against last year correspondence period of RM344,000 due to higher dividend income from subsidiary and favourable unrealized foreign exchange gain recognised during the period under review.

Trading 1H15 vs. 1H14

Trading segment recorded profit before tax of RM1.74 million in 1H15, a decrease of 15% compared to RM2.06 million achieved in 1H14. This was mainly due to higher cost of goods sold and operating costs.

Manufacturing 1H15 vs. 1H14

Manufacturing segment posted a higher profit before tax of RM15.83 million for 1H15 compared to RM8.41 million in 1H14, an increase of 88% mainly due to lower cost margin in product mix and growth in revenue of RM15.54 million in 1H15.

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

There were no changes in the composition of the Group during the quarter and six months ended 30 June 2015.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2014.

A14 Capital Commitment

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

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Plant & machinery	749	176
	<u>749</u>	<u>176</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	6 months ended	
	30/06/2015 RM'000	30/06/2014 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	6,645	6,086
Consultancy fees payable	<u>45</u>	<u>64</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	2,439	3,165
Sales of pharmaceutical products	<u>(270)</u>	<u>(142)</u>

A16 Financial Instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities not carried at fair value, together with the carrying amounts shown in the statements of financial position, are as follows:

	As at 30/06/2015		As at 31/12/2014	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Long term loans and borrowings	9,672	9,135	10,030	9,528
Long term finance lease liabilities	<u>3,340</u>	<u>3,088</u>	<u>1,531</u>	<u>1,415</u>

B1 Review of Performance

The Group's **revenue** has reported an increase of 12.7% to RM109.94 million from RM97.54 million recorded in the half year ended 30 June 2015.

The Group registered a **profit before tax** of RM18.64 million, an increase of 81.8% compared to the corresponding period last year. This was mainly due to higher revenue recorded and lower cost margin for product mix sold during the period under review.

B2 Comparison with the Preceding Quarter's Results

	Qtr 2 (30/06/15) RM'000	Qtr 1 (31/03/15) RM'000	Variance	
			RM'000	%
Revenue	50,632	59,309	(8,677)	(14.6)
Profit before tax	5,393	13,246	(7,853)	(59.3)

The Group recorded a revenue of RM50.63 million for the current quarter under review compared to RM59.31 million for the immediate preceding quarter which is a decrease of 14.6%. The decrease was mainly due to lower demand from domestic market.

Further, the Group reported a lower profit before tax of RM5.39 million in the current quarter as compared to RM13.25 million in the immediate preceding quarter. This was due to lower revenue recorded during the quarter and higher cost margin for product mix during the quarter under review.

B3 Prospects of the Group

The continued strong performance of the Group at the start of 2015 was the result of improved operational efficiency, increased product range through successful product registration, and enhancing competitiveness through strategic investments and expansion.

The prospects for domestic and overseas manufacturing plant, consumer healthcare products and traditional complementary medicine remain good in the markets we operate. Efforts in introducing more new range of products will be stepped up to broaden our market base. However, uncertainties in the global economic outlook and the weakening of the Malaysian Ringgit are some of the factors beyond our control that may have an impact on our business in 2015.

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	
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Income Tax				
Current tax	1,764	1,132	5,256	3,463
Deferred tax	155	17	512	57
	<u>1,919</u>	<u>1,149</u>	<u>5,768</u>	<u>3,520</u>

Income tax is calculated at the Malaysian statutory tax rate of 25%. (2014: 25%)

The Group's effective tax rate for the quarter and six months ended 30 June 2015 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 30 June 2015 and 31 December 2014, into realised and unrealised profits/(losses) is as follows:

	As at 30/06/2015 RM'000	As at 31/12/2014 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	110,682	106,467
Unrealised	5,997	4,843
	<u>116,679</u>	<u>111,310</u>
Total share of accumulated losses of associate:		
Realised	130	121
Unrealised	-	-
	<u>116,809</u>	<u>111,431</u>
Less: Consolidation adjustments	(18,672)	(17,357)
Total Group retained earnings as per consolidated accounts	<u><u>98,137</u></u>	<u><u>94,074</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 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 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	-	
- Expansion of R&D facilities	5,000	2,486	2,514	By Q4 2015
- Replacement of obsolete machineries and equipments	5,000	5,000	-	
Working capital				
- Purchase of raw materials, packaging materials and original equipment manufacturer ("OEM") finished products	9,500	9,500	-	
- Distribution and marketing expenses	2,900	2,900	-	
- Production, R&D and administrative expenses	3,400	3,400	-	
Estimated expenses in relation to the Rights Issue *	460	460	-	
Total	<u><u>33,260</u></u>	<u><u>30,746</u></u>	<u><u>2,514</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.

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 30 June are as follows :

30 June 2015

	Denominated in Foreign Currency	RM Equivalent
	SGD'000	RM'000
Current		
Secured revolving credit	-	5,000
<u>Secured bank loans:</u>		
- Domestic	-	1,576
- Foreign	15	43
<u>Finance lease creditor:</u>		
- Domestic	-	2,276
- Foreign	11	32
	26	8,927
Non-current		
<u>Secured bank loans:</u>		
- Domestic	-	8,855
- Foreign	292	817
<u>Finance lease creditor:</u>		
- Domestic	-	3,227
- Foreign	40	113
	332	13,012
Total borrowings	358	21,939

31 December 2014

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

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 Fourteenth Annual General Meeting held on 29 June 2015, the shareholders approved a first and final single tier dividend of 6.5 sen per ordinary share which would be payable on 25 August 2015 in respect of the financial year ended 31 December 2014.

B11 Earnings Per Share

	3 months ended		6 months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	3,422	964	12,768	6,419
Weighted average number of ordinary shares in issue ('000)	133,283	133,043	133,164	133,043
Basic Earnings Per Share (sen)	2.57	0.72	9.59	4.82
ii) Diluted Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	3,422	964	12,768	6,419
Weighted average number of ordinary shares in issue ('000)	133,283	133,043	133,164	133,043
Effect of dilution-Share options ('000)	370	-	359	-
Adjusted weighted average number of ordinary shares in issue ('000)	133,653	133,043	133,523	133,043
Diluted Earnings Per Share (sen)	2.56	0.72	9.56	4.82

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.