



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015**

	3 months ended		9 months ended	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Revenue	59,319	49,821	169,260	147,365
Cost of sales	(31,413)	(27,237)	(90,311)	(80,683)
Gross profit	27,906	22,584	78,949	66,682
Other income	5,676	845	9,347	2,580
Selling & Distribution expenses	(14,102)	(12,778)	(39,639)	(38,014)
Administrative expenses	(4,908)	(5,112)	(13,913)	(13,322)
Other expenses	(1,072)	(445)	(2,447)	(2,423)
Results from operating activities	13,500	5,094	32,297	15,503
Finance income	292	226	753	822
Finance cost	(302)	(321)	(930)	(1,066)
Share of result of associate	3	4	12	(6)
Profit before tax	13,493	5,003	32,132	15,253
Income tax expense	(3,585)	(1,836)	(9,353)	(5,356)
Profit for the period	9,908	3,167	22,779	9,897
Attributable to:				
Owners of the Company	9,838	3,055	22,606	9,474
Non-controlling interests	70	112	173	423
	9,908	3,167	22,779	9,897
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	7.32	2.30	16.92	7.12
Diluted EPS	7.31	2.30	16.90	7.12

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 NINE MONTHS ENDED 30 SEPTEMBER 2015

	3 months ended		9 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	9,908	3,167	22,779	9,897
Foreign currency translation differences for foreign operations	997	96	1,623	(48)
Total comprehensive income for the period	10,905	3,263	24,402	9,849
Total comprehensive income attributable to:				
Owners of the Company	10,698	3,160	24,092	9,435
Non-controlling interests	207	103	310	414
	10,905	3,263	24,402	9,849

Included in the total comprehensive income for the period are:

	3 months ended		9 months ended	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
interest income	(292)	(226)	(753)	(822)
other income including investment income	(105)	(62)	(288)	(129)
interest expenses	302	321	930	1,066
depreciation and amortization	2,430	2,270	7,016	6,786
provision for and write off/(write back) of receivables	(21)	53	131	30
writedown and written off of inventories	244	86	438	383
(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	(4,624)	(591)	(6,808)	(288)
(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 SEPTEMBER 2015

	As at 30/09/2015 RM'000 <i>Unaudited</i>	As at 31/12/2014 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	115,532	116,700
Prepaid land lease payments	5,605	4,884
Intangible assets	460	551
Investment in an associate	383	372
Deferred tax assets	574	514
Non-current Assets	122,554	123,021
Inventories	88,447	70,980
Trade receivables	56,964	52,481
Other receivables	12,071	7,721
Amounts due from affiliated companies	340	139
Amount due from an associate	339	470
Current tax assets	97	43
Cash & cash equivalents	51,879	43,607
Current Assets	210,137	175,441
TOTAL ASSETS	332,691	298,462
EQUITY AND LIABILITIES		
Share capital	134,515	133,043
Share premium	1,383	137
Other reserves	8,781	7,851
Retained earnings	107,973	94,074
Equity Attributable to Owners of the Company	252,652	235,105
Non-controlling interests	4,908	4,820
Total Equity	257,560	239,925
Deferred taxation	9,459	8,612
Loans and borrowings	9,565	10,030
Finance lease liabilities	2,807	1,531
Post-employment benefits	46	42
Non-current Liabilities	21,877	20,215
Trade payables	14,370	9,115
Other payables	13,545	11,759
Provisions	1,596	1,379
Finance lease liabilities	2,199	2,409
Amounts due to affiliated companies	10,656	4,020
Loans and borrowings	5,886	8,059
Current tax liabilities	5,002	1,581
Current Liabilities	53,254	38,322
Total Liabilities	75,131	58,537
TOTAL EQUITY AND LIABILITIES	332,691	298,462
Net assets per share attributable to owners of the Company (RM)	1.88	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 NINE MONTHS ENDED 30 SEPTEMBER 2015

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 2014	133,043	137	6,168	515	-	86,230	226,093	4,221	230,314
Foreign currency translation differences for foreign operations	-	-	-	(39)	-	-	(39)	(9)	(48)
Total other comprehensive income for the period	-	-	-	(39)	-	-	(39)	(9)	(48)
Profit for the period	-	-	-	-	-	9,474	9,474	423	9,897
Total comprehensive income for the period	-	-	-	(39)	-	9,474	9,435	414	9,849
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 30 September 2014	133,043	137	6,168	476	716	87,056	227,596	4,635	232,231
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	-	-	-	1,457	-	29	1,486	137	1,623
Total other comprehensive income for the period	-	-	-	1,457	-	29	1,486	137	1,623
Profit for the period	-	-	-	-	-	22,606	22,606	173	22,779
Total comprehensive income for the period	-	-	-	1,457	-	22,635	24,092	310	24,402
Dividends to owners of the Company	-	-	-	-	-	(8,736)	(8,736)	-	(8,736)
Issuance of ordinary shares pursuant to ESOS	1,472	719	-	-	-	-	2,191	-	2,191
Total transactions with owners of the Company	1,472	719	-	-	-	(8,736)	(6,545)	-	(6,545)
Additional investment in partly owned subsidiary	-	-	-	-	-	-	-	(222)	(222)
Transfer to share premium for share options exercised	-	527	-	-	(527)	-	-	-	-
At 30 September 2015	134,515	1,363	6,168	2,424	189	107,973	252,652	4,908	257,560

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)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

	9 months ended	
	30/09/2015	30/09/2014
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	32,132	15,253
Other adjustment	271	8,239
Operating profit before changes in working capital	<u>32,403</u>	<u>23,492</u>
Net change in current assets	(15,448)	(17,189)
Net change in current liabilities	9,208	5,252
Cash generated from operations	<u>26,163</u>	<u>11,555</u>
Tax paid	(4,923)	(4,537)
Net cash generated from operating activities	<u>21,240</u>	<u>7,018</u>
Cash flows from investing activities		
Interest received	753	822
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(2,389)	(5,813)
Net cash used in investing activities	<u>(1,636)</u>	<u>(4,990)</u>
Cash flows from financing activities		
Interest paid	(930)	(956)
Dividends paid	(8,736)	(8,648)
Proceeds from issuance of ordinary shares-ESOS, net of expenses	2,191	-
Repayment of short term revolving credit	-	(500)
Repayment of term loans	(2,790)	(7,462)
Refinance of property, plant and equipment under finance lease	3,880	1,071
Payment of finance lease liabilities	(2,840)	(2,531)
Net cash used in financing activities	<u>(9,225)</u>	<u>(19,026)</u>
Net increase/(decrease) in cash and cash equivalents	10,379	(16,998)
Effect on foreign exchange rate changes	(2,107)	139
Cash and cash equivalents at 1 January	43,607	59,519
Cash and cash equivalents at 30 September	<u>51,879</u>	<u>42,660</u>
Composition of cash and cash equivalents		
Cash and bank balances	23,825	21,244
Fixed deposits with licensed banks	28,054	21,416
	<u>51,879</u>	<u>42,660</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 SEPTEMBER 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 nine months ended 30 September 2015.

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 2015.

A7 Debt and Equity Securities

During the quarter and nine months ended 30 September 2015, the Company has issued 1,472,000 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>1,472,000</u>	<u>2,193,280</u>

A8 Dividends Paid

A first and final single tier dividend of 6.5 sen per ordinary share totalling RM8,736,455 in respect of the financial year ended 31 December 2014 was paid on 25 August 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.

Nine months ended 30 September 2015	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	18	31,136	138,106	-	169,260
Inter-segment revenue	12,149	350	20,780	(33,279)	-
Total revenue	<u>12,167</u>	<u>31,486</u>	<u>158,886</u>	<u>(33,279)</u>	<u>169,260</u>
Segment profit before tax	<u>18,651</u>	<u>2,528</u>	<u>25,256</u>	<u>(14,303)</u>	<u>32,132</u>
Segment assets	<u>194,230</u>	<u>44,670</u>	<u>301,852</u>	<u>(208,061)</u>	<u>332,691</u>

Nine months ended 30 September 2014	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	18	25,171	122,176	-	147,365
Inter-segment revenue	10,490	244	12,871	(23,605)	-
Total revenue	<u>10,508</u>	<u>25,415</u>	<u>135,047</u>	<u>(23,605)</u>	<u>147,365</u>
Segment profit before tax	<u>10,389</u>	<u>2,866</u>	<u>13,155</u>	<u>(11,157)</u>	<u>15,253</u>
Segment assets	<u>174,654</u>	<u>37,106</u>	<u>264,147</u>	<u>(178,350)</u>	<u>297,557</u>

Investment holding 9M15 vs. 9M14

Holding company's profit before tax reported at RM18.65 million in 9M15 against last year correspondence period of RM10.39 million due to higher dividend income from subsidiary and favourable unrealized foreign exchange gain recognised during the period under review.

Trading 9M15 vs. 9M14

Trading segment recorded profit before tax of RM2.53 million in 9M15, a decrease of 12% compared to RM2.87 million achieved in 9M14. This was mainly due to higher cost of goods sold and operating costs.

Manufacturing 9M15 vs. 9M14

Manufacturing segment posted a higher profit before tax of RM25.26 million for 9M15 compared to RM13.16 million in 9M14, an increase of 92% mainly due to lower cost margin in product mix and growth in revenue of RM23.84 million in 9M15.

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 nine months ended 30 September 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	2,469	23
	<u>2,469</u>	<u>23</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	9 months ended	
	30/09/2015 RM'000	30/09/2014 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	13,235	8,793
Consultancy fees payable	<u>61</u>	<u>98</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	2,722	3,335
Sales of pharmaceutical products	<u>(649)</u>	<u>(402)</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 30/09/2015		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	9,565	9,017	10,030	9,528
Long term finance lease liabilities	<u>2,807</u>	<u>2,645</u>	<u>1,531</u>	<u>1,415</u>

B1 Review of Performance

The Group's **revenue** has reported an increase of 14.9% to RM169.26 million from RM147.37 million recorded in the nine months ended 30 September 2015.

The Group registered a **profit before tax** of RM32.13 million, an increase of 110.7% compared to the corresponding period last year. This was mainly due to higher revenue recorded, lower cost margin for product mix sold and favourable unrealized foreign exchange gain recognised during the period under review.

B2 Comparison with the Preceding Quarter's Results

	Qtr 3 (30/09/15) RM'000	Qtr 2 (30/06/15) RM'000	Variance	
			RM'000	%
Revenue	59,319	50,632	8,687	17.2
Profit before tax	13,493	5,393	8,100	150.2

The Group recorded a revenue of RM59.32 million in 3Q15, an increase of 17.2% compared to RM50.63 million in 2Q15. The increase came mainly from export market and Vietnam's subsidiary.

The Group's profit before tax increased by 150.2% to RM13.49 million in 3Q15 from RM5.39 million in 2Q15 on the back of favourable foreign exchange rate and better efficiency in operations during the quarter under review.

B3 Prospects of the Group

The continued strong performance of the Group 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 the Group operate. Efforts in introducing more new range of products will be stepped up to broaden the market base. However, uncertainties in the global economic outlook and the weakening of the Malaysian Ringgit are some of the factors beyond the Group's 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		9 months ended	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Income Tax				
Current tax	3,250	1,809	8,506	5,272
Deferred tax	335	27	847	84
	<u>3,585</u>	<u>1,836</u>	<u>9,353</u>	<u>5,356</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 nine months ended 30 September 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 30/09/2015 RM'000	As at 31/12/2014 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	116,937	106,467
Unrealised	10,667	4,843
	<u>127,604</u>	<u>111,310</u>
Total share of accumulated losses of associate:		
Realised	132	121
Unrealised	-	-
	<u>127,736</u>	<u>111,431</u>
Less: Consolidation adjustments	(19,763)	(17,357)
Total Group retained earnings as per consolidated accounts	<u><u>107,973</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	2,647	2,353	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>30,907</u></u>	<u><u>2,353</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 September are as follows :

30 September 2015

	Denominated in Foreign Currency	RM Equivalent
	SGD'000	RM'000
Current		
Secured revolving credit	-	5,000
<u>Secured bank loans:</u>		
- Domestic	-	861
- Foreign	8	25
<u>Finance lease creditor:</u>		
- Domestic	-	2,163
- Foreign	12	36
	20	8,085
Non-current		
<u>Secured bank loans:</u>		
- Domestic	-	8,654
- Foreign	292	911
<u>Finance lease creditor:</u>		
- Domestic	-	2,690
- Foreign	37	117
	329	12,372
Total borrowings	349	20,457

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

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	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	9,838	3,055	22,606	9,474
Weighted average number of ordinary shares in issue ('000)	134,399	133,043	133,580	133,043
Basic Earnings Per Share (sen)	7.32	2.30	16.92	7.12
ii) Diluted Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	9,838	3,055	22,606	9,474
Weighted average number of ordinary shares in issue ('000)	134,399	133,043	133,580	133,043
Effect of dilution-Share options ('000)	246	-	206	-
Adjusted weighted average number of ordinary shares in issue ('000)	134,645	133,043	133,786	133,043
Diluted Earnings Per Share (sen)	7.31	2.30	16.90	7.12

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.