



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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2016**

Contents	Page No.
Unaudited Condensed Consolidated Income Statement	1
Unaudited Condensed Consolidated Statement of 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 ENDED 31 MARCH 2016

	Quarter ended	
	31/03/2016 RM'000	31/03/2015 RM'000
Revenue	66,304	59,309
Cost of sales	(38,204)	(30,873)
Gross profit	28,100	28,436
Other income	2,094	2,481
Selling & Distribution expenses	(12,840)	(12,490)
Administrative expenses	(4,846)	(4,330)
Other expenses	(4,769)	(758)
Results from operating activities	7,739	13,339
Finance income	226	198
Finance cost	(277)	(306)
Share of result of associate	(79)	15
Profit before tax	7,609	13,246
Income tax expense	(2,650)	(3,849)
Profit for the period	4,959	9,397
Attributable to:		
Owners of the Company	4,886	9,346
Non-controlling interests	73	51
	4,959	9,397
Earnings per share (EPS) attributable to owners of the Company (sen):		
Basic EPS	3.630	7.02
Diluted EPS	3.626	6.98

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015.



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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 MARCH 2016

	Quarter ended	
	31/03/2016 RM'000	31/03/2015 RM'000
Profit for the period	4,959	9,397
Foreign currency translation differences for foreign operations	(91)	354
Total comprehensive income for the period	4,868	9,751
Total comprehensive income attributable to:		
Owners of the Company	4,834	9,682
Non-controlling interests	34	69
	4,868	9,751

Included in the total comprehensive income for the period are:

	Quarter ended	
	31/03/2016 RM'000	31/03/2015 RM'000
interest income	(226)	(198)
other income including investment income	(91)	(92)
interest expenses	277	306
depreciation and amortization	2,244	2,290
provision for and write off/(write back) of receivables	(60)	97
written down and written off of inventories	(1)	104
(gain) or loss on disposal of quoted and unquoted investments or properties	N/A	N/A
impairment of assets	N/A	N/A
foreign exchange loss or (gain)	3,034	(1,404)
(gain) or loss on derivatives	N/A	N/A
exceptional items	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 2015.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	As at 31/03/2016 RM'000 <i>Unaudited</i>	As at 31/12/2015 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	117,200	117,798
Land use rights	6,250	6,668
Intangible assets	399	429
Investment in an associates	3,160	404
Deferred tax assets	584	605
Non-current Assets	127,593	125,904
Inventories	80,047	82,531
Trade receivables	61,997	53,522
Other receivables	12,608	12,065
Amounts due from affiliated companies	151	141
Amount due from an associate	177	206
Current tax assets	36	63
Cash & cash equivalents	52,459	50,696
Current Assets	207,475	199,224
TOTAL ASSETS	335,068	325,128
EQUITY AND LIABILITIES		
Share capital	134,617	134,600
Share premium	1,468	1,454
Other reserves	8,354	8,412
Retained earnings	119,163	114,277
Equity Attributable to Owners of the Company	263,602	258,743
Non-controlling interests	5,209	5,175
Total Equity	268,811	263,918
Deferred taxation	8,965	8,870
Loans and borrowings	9,017	9,245
Finance lease liabilities	2,209	2,253
Post-employment benefits	78	78
Non-current Liabilities	20,269	20,446
Trade payables	13,748	7,338
Other payables	12,998	12,750
Provisions	1,572	1,563
Finance lease liabilities	2,433	2,162
Amounts due to affiliated companies	6,579	8,250
Loans and borrowings	5,874	5,900
Current tax liabilities	2,784	2,801
Current Liabilities	45,988	40,764
Total Liabilities	66,257	61,210
TOTAL EQUITY AND LIABILITIES	335,068	325,128
Net assets per share attributable to owners of the Company (RM)	1.96	1.92

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015.



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2016

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 2015	133,043	137	6,168	967	716	94,074	235,105	4,820	239,925
Foreign currency translation differences for foreign operations	-	-	-	336	-	-	336	18	354
Total other comprehensive income for the period	-	-	-	336	-	-	336	18	354
Profit for the period	-	-	-	-	-	9,346	9,346	51	9,397
Total comprehensive income for the period	-	-	-	336	-	9,346	9,682	69	9,751
At 31 March 2015	133,043	137	6,168	1,303	716	103,420	244,787	4,889	249,676
At 1 January 2016	134,600	1,454	6,168	2,116	128	114,277	258,743	5,175	263,918
Foreign currency translation differences for foreign operations	-	-	-	(52)	-	-	(52)	(39)	(91)
Total other comprehensive income for the period	-	-	-	(52)	-	-	(52)	(39)	(91)
Profit for the period	-	-	-	-	-	4,886	4,886	73	4,959
Total comprehensive income for the period	-	-	-	(52)	-	4,886	4,834	34	4,868
Issuance of ordinary shares pursuant to ESOS	17	8	-	-	-	-	25	-	25
Total transactions with owners of the Company	17	8	-	-	-	-	25	-	25
Transfer to share premium for share options exercised	-	6	-	-	(6)	-	-	-	-
At 31 March 2016	134,617	1,468	6,168	2,064	122	119,163	263,602	5,209	268,811

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2016

	Quarter ended	
	31/03/2016	31/03/2015
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	7,609	13,246
Other adjustment	6,349	1,123
Operating profit before changes in working capital	13,958	14,369
Net change in current assets	(12,286)	(7,629)
Net change in current liabilities	6,926	5,931
Cash generated from operations	8,598	12,671
Tax paid	(2,524)	(1,711)
Net cash generated from operating activities	6,074	10,960
Cash flows from investing activities		
Interest received	226	198
Proceeds from disposal of property, plant and equipment	4	-
Purchase of property, plant and equipment	(2,982)	(446)
Investment in associate	(2,835)	-
Net cash used in investing activities	(5,587)	(248)
Cash flows from financing activities		
Interest paid	(277)	(306)
Proceeds from issuance of ordinary shares-ESOS, net of expenses	25	-
Repayment of term loans	(224)	(918)
Refinance of property, plant and equipment under finance lease	822	3,879
Payment of finance lease liabilities	(590)	(983)
Net cash from/(used in) financing activities	(244)	1,672
Net increase in cash and cash equivalents	243	12,384
Effect on foreign exchange rate changes	1,520	(334)
Cash and cash equivalents at 1 January	50,696	43,607
Cash and cash equivalents at 31 March	52,459	55,657
Composition of cash and cash equivalents		
Cash and bank balances	22,327	25,834
Fixed deposits with licensed banks	30,132	29,823
	52,459	55,657

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015.

NOTES TO THE INTERIM FINANCIAL REPORT - 31 MARCH 2016

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 2015. 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 2015.

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 2015.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2015 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 ended 31 March 2016.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter ended 31 March 2016.

A7 Debt and Equity Securities

During the quarter ended 31 March 2016, the Company has issued 17,000 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>17,000</u>	<u>25,330</u>

A8 Dividends Paid

No dividend was paid during the quarter ended 31 March 2016.

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 March 2016	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	6	9,418	56,880	-	66,304
Inter-segment revenue	34	714	9,372	(10,120)	-
Total revenue	40	10,132	66,252	(10,120)	66,304
Segment (loss)/ profit before tax	(1,247)	1,510	8,639	(1,293)	7,609
Segment assets	189,745	50,684	301,566	(206,927)	335,068

Year-to-date ended 31 March 2015	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	6	9,136	50,167	-	59,309
Inter-segment revenue	32	98	5,084	(5,214)	-
Total revenue	38	9,234	55,251	(5,214)	59,309
Segment profit before tax	1,273	960	11,311	(298)	13,246
Segment assets	179,809	40,622	281,682	(184,027)	318,086

Investment holding 1Q16 vs. 1Q15

Holding company's reported a loss before tax of RM1.25 million in 1Q16 as compared to a profit before tax of RM1.27 million in 1Q15 mainly due to reversal of unrealized foreign exchange gain recognized in prior year.

Trading 1Q16 vs. 1Q15

Trading segment posted a higher profit before tax of RM1.51 million in 1Q16, an increase of 57% compared to RM0.96 million in 1Q15. This was due to higher revenue achieved and lower operating costs recognised in the current quarter.

Manufacturing 1Q16 vs. 1Q15

Manufacturing segment recorded revenue of RM66.25 million in 1Q16, 20% higher than the revenue of RM55.25 mil recorded in 1Q15. The profit before tax for 1Q16 was RM8.64 million compared to RM11.31 million in 1Q15. Despite the improvements in revenue, profit before tax of manufacturing segment was negatively impacted from the reversal of unrealized foreign exchange gain recognized in prior year and 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 1 March 2016, the Directors announced that the Company was notified by the relevant China authority that approval was given for the Company to invest in the capital of Globecare Trading (Shanghai) Co., Ltd. ("GCT") for an investment sum of USD1,000,000, representing 40% participation in the total enlarged capital of GCT of USD2,500,000.

The existing total issued and paid-up capital of GCT is USD1,000,000 wholly owned by Yung Shin China Holding Co. Ltd. ("YSCH"). GCT is increasing its current total issued and paid-up capital by USD1,500,000 to USD2,500,000.

The Company will invest USD1,000,000 and YSCH will invest USD500,000 in GCT. Upon the completion of this exercise, there will be a participation of 60% by YSCH and 40% by the Company in GCT.

Other than disclosed above, there were no changes in the composition of the Group as at the reporting date.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2015.

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	596	11
	<u>596</u>	<u>11</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	Quarter ended	
	31/03/2016 RM'000	31/03/2015 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	5,118	2,472
Consultancy fees payable	<u>11</u>	<u>19</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	701	721
Sales of pharmaceutical products	<u>(186)</u>	<u>(78)</u>

B1 Review of Performance

The Group recorded a revenue of RM66.30 million for the quarter ended 31 March 2016 ("1Q16"), 11.8% higher than the revenue of RM59.31 million recorded in the quarter ended 31 March 2015 ("1Q15").

The Group recorded a lower profit before tax of RM7.61 million in 1Q16 as compared to RM13.25 million in 1Q15. This was due to higher cost of goods sold from product mix and reversal of unrealized foreign exchange gain recognized in prior year.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1 (31/03/16) RM'000	Qtr 4 (31/12/15) RM'000	Variance	
			RM'000	%
Revenue	66,304	53,665	12,639	23.6
Profit before tax	7,609	7,395	214	2.9

The Group recorded a revenue of RM66.30 million for the current quarter as compared to RM53.67 million for the immediate preceding quarter ("4Q15") showing a growth of 23.6%. The revenue was supported by better demand for the Group's products especially from local market.

The Group achieved a profit before tax of RM7.61 million in 1Q16 compared to RM7.40 million in 4Q15 whereby impact of the cost as disclosed in Note B1 above were softened by higher revenue generated during the quarter under review.

B3 Prospects of the Group

The Group expects the market outlook for 2016 to remain challenging with persistent foreign exchange volatility.

Notwithstanding the economic uncertainty, the Group remain focused in improving it's operational efficiency, increasing product registration, and embarking on more aggressive marketing, promotional and sales strategies, to facilitate a sustainable performance in 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 :-

	Quarter ended	
	31/03/2016 RM'000	31/03/2015 RM'000
Income Tax		
Current tax	2,555	3,492
Deferred tax	95	357
	2,650	3,849

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2015: 25%)

The Group's effective tax rate for the current quarter 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 March 2016 and 31 December 2015, into realised and unrealised profits/(losses) is as follows:

	As at 31/03/2016 RM'000	As at 31/12/2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	131,663	122,146
Unrealised	7,078	10,342
	<u>138,741</u>	<u>132,488</u>
Total share of accumulated losses of associate:		
Realised	44	123
Unrealised	-	-
	<u>138,785</u>	<u>132,611</u>
Less: Consolidation adjustments	(19,622)	(18,334)
Total Group retained earnings as per consolidated accounts	<u><u>119,163</u></u>	<u><u>114,277</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 by the Company as at the reporting date.

B8 Borrowings and Debt Securities

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

31 March 2016

	Denominated in Foreign Currency	RM Equivalent
	SGD'000	RM'000
Current		
Secured revolving credit	-	5,000
<u>Secured bank loans:</u>		
- Domestic	-	804
- Foreign	24	70
<u>Finance lease creditor:</u>		
- Domestic	-	2,398
- Foreign	12	35
	36	8,307
Non-current		
<u>Secured bank loans:</u>		
- Domestic	-	8,252
- Foreign	261	765
<u>Finance lease creditor:</u>		
- Domestic	-	2,117
- Foreign	31	92
	292	11,226
Total borrowings	328	19,533

31 December 2015

	Denominated in Foreign Currency	RM Equivalent
	SGD'000	RM'000
Current		
Secured revolving credit	-	5,000
<u>Secured bank loans:</u>		
- Domestic	-	804
- Foreign	32	96
<u>Finance lease creditor:</u>		
- Domestic	-	2,127
- Foreign	12	35
	44	8,062
Non-current		
<u>Secured bank loans:</u>		
- Domestic	-	8,453
- Foreign	261	792
<u>Finance lease creditor:</u>		
- Domestic	-	2,149
- Foreign	34	104
	295	11,498
Total borrowings	339	19,560

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

On 17 March 2016, the Company proposed a final ordinary dividend of 6.5 sen and a final special dividend of 1.5 sen, making a total dividend of 8.0 sen per ordinary share of RM1.00 each for the financial year ended 31 December 2015, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

B11 Earnings Per Share

	Quarter ended	
	31/03/2016	31/03/2015
i) Basic Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	4,886	9,346
Weighted average number of ordinary shares in issue ('000)	134,612	133,043
Basic Earnings Per Share (sen)	3.630	7.02
ii) Diluted Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	4,886	9,346
Weighted average number of ordinary shares in issue ('000)	134,612	133,043
Effect of dilution-Share options ('000)	143	778
Adjusted weighted average number of ordinary shares in issue ('000)	134,755	133,821
Diluted Earnings Per Share (sen)	3.626	6.98

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.