



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Contents	Page No.
Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income	1 - 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 STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2016

	3 months ended		12 months ended	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Revenue	59,719	53,665	237,065	222,925
Cost of sales	(32,433)	(28,709)	(131,408)	(119,020)
Gross profit	27,286	24,956	105,657	103,905
Other income	3,642	734	8,705	10,081
Selling & Distribution expenses	(14,064)	(12,659)	(53,915)	(52,298)
Administrative expenses	(5,254)	(4,889)	(22,560)	(18,802)
Other expenses	2,539	(692)	(1,093)	(3,139)
Results from operating activities	14,149	7,450	36,794	39,747
Finance income	287	230	1,048	983
Finance cost	(294)	(275)	(1,193)	(1,205)
Share of result of associate	(151)	(10)	(332)	2
Profit before tax	13,991	7,395	36,317	39,527
Income tax expense	(2,095)	(801)	(8,399)	(10,154)
Profit for the period/year	11,896	6,594	27,918	29,373
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(3,049)	(332)	(3,227)	1,291
Total other comprehensive (expenses)/ income for the period/year	(3,049)	(332)	(3,227)	1,291
Total comprehensive income for the period/year	8,847	6,262	24,691	30,664



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 552781-X)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)**

FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2016

	3 months ended		12 months ended	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Attributable to:				
Owners of the Company	11,950	6,362	27,594	28,968
Non-controlling interests	(54)	232	324	405
Profit for the period/year	11,896	6,594	27,918	29,373
Total comprehensive income attributable to:				
Owners of the Company	8,874	6,053	24,342	30,117
Non-controlling interests	(25)	209	349	547
Total comprehensive income for the period/year	8,849	6,262	24,691	30,664
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic EPS	8.87	4.73	20.49	21.65
Diluted EPS	8.85	4.72	20.37	21.62

Included in the profit for the period/year are:

	3 months ended		12 months ended	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
interest income	(287)	(230)	(1,048)	(983)
other income including investment income	(49)	(66)	(313)	(354)
interest expenses	294	275	1,193	1,205
depreciation and amortization	2,431	2,183	9,349	9,199
provision for and write off/(write back) of receivables	(87)	55	(383)	186
writedown and written off of inventories	1,130	790	1,433	1,228
(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 loss/(gain)	(6,411)	258	(7,059)	(6,550)
(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 statements of profit or loss and other 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 DECEMBER 2016

	As at 31/12/2016 RM'000 <i>Unaudited</i>	As at 31/12/2015 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	117,342	117,798
Land use rights	6,908	6,668
Intangible assets	403	429
Investment in associates	4,250	404
Deferred tax assets	618	605
Non-current Assets	129,521	125,904
Inventories	76,920	82,531
Trade receivables	53,666	53,522
Other receivables	13,226	12,065
Amounts due from affiliated companies	177	141
Amount due from an associate	132	206
Current tax assets	129	63
Cash & cash equivalents	67,327	50,696
Current Assets	211,577	199,224
TOTAL ASSETS	341,098	325,128
EQUITY AND LIABILITIES		
Share capital	134,668	134,600
Share premium	1,516	1,454
Other reserves	7,124	8,412
Retained earnings	131,099	114,277
Equity Attributable to Owners of the Company	274,407	258,743
Non-controlling interests	5,524	5,175
Total Equity	279,931	263,918
Deferred taxation	9,416	8,870
Loans and borrowings	12,836	9,245
Finance lease liabilities	2,875	2,253
Post-employment benefits	127	78
Non-current Liabilities	25,254	20,446
Trade payables	10,052	7,338
Other payables	12,388	12,750
Provisions	1,612	1,563
Finance lease liabilities	3,673	2,162
Amounts due to affiliated companies	5,149	8,250
Loans and borrowings	2,421	5,900
Current tax liabilities	618	2,801
Current Liabilities	35,913	40,764
Total Liabilities	61,167	61,210
TOTAL EQUITY AND LIABILITIES	341,098	325,128
Net assets per share attributable to owners of the Company (RM)	2.04	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 TWELVE MONTHS ENDED 31 DECEMBER 2016

	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
RM'000									
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	-	-	-	1,149	-	-	1,149	142	1,291
Total other comprehensive income for the year	-	-	-	1,149	-	-	1,149	142	1,291
Profit for the year	-	-	-	-	-	28,968	28,968	405	29,373
Total comprehensive income for the year	-	-	-	1,149	-	28,968	30,117	547	30,664
Dividends to owners of the Company	-	-	-	-	-	(8,736)	(8,736)	-	(8,736)
Additional investment in partly owned subsidiary	-	-	-	-	-	(29)	(29)	(192)	(221)
Issuance of ordinary shares pursuant to ESOS	1,557	760	-	-	-	-	2,317	-	2,317
Share options granted under ESOS forfeited	-	-	-	-	(31)	-	(31)	-	(31)
Total transactions with owners of the Company	1,557	760	-	-	(31)	(8,765)	(6,479)	(192)	(6,671)
Transfer to share premium for share options exercised	-	557	-	-	(557)	-	-	-	-
At 31 December 2015	134,600	1,454	6,168	2,116	128	114,277	258,743	5,175	263,918
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	-	-	-	(3,252)	-	-	(3,252)	25	(3,227)
Total other comprehensive income for the period	-	-	-	(3,252)	-	-	(3,252)	25	(3,227)
Profit for the year	-	-	-	-	-	27,594	27,594	324	27,918
Total comprehensive income for the year	-	-	-	(3,252)	-	27,594	24,342	349	24,691
Dividends to owners of the Company	-	-	-	-	-	(10,772)	(10,772)	-	(10,772)
Share based payment transactions	-	(1)	-	-	2,024	-	2,023	-	2,023
Issuance of ordinary shares pursuant to ESOS	68	37	-	-	-	-	105	-	105
Share options granted under ESOS forfeited	-	-	-	-	(34)	-	(34)	-	(34)
Total transactions with owners of the Company	68	36	-	-	1,990	(10,772)	(8,678)	-	(8,678)
Transfer to share premium for share options exercised	-	26	-	-	(26)	-	-	-	-
At 31 December 2016	134,668	1,516	6,168	(1,136)	2,092	131,099	274,407	5,524	279,931

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 TWELVE MONTHS ENDED 31 DECEMBER 2016

	12 months ended	
	31/12/2016	31/12/2015
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	36,317	39,527
Other adjustment	6,936	4,145
Operating profit before changes in working capital	43,253	43,672
Net change in current assets	8,196	(10,070)
Net change in current liabilities	564	2,137
Cash generated from operations	52,013	35,739
Tax paid	(10,114)	(8,788)
Net cash generated from operating activities	41,899	26,951
Cash flows from investing activities		
Interest received	1,048	983
Proceeds from disposal of property, plant and equipment	4	-
Purchase of property, plant and equipment	(7,787)	(8,466)
Purchase of intangible assets	(57)	-
Investment in associate	(4,164)	-
Net cash used in investing activities	(10,956)	(7,483)
Cash flows from financing activities		
Interest paid	(1,177)	(1,205)
Proceeds from issuance of shares under ESOS	105	2,317
Dividends paid	(10,772)	(8,736)
Refinance of property, plant and equipment under finance lease	5,238	3,785
Payment of finance lease liabilities	(3,108)	(3,426)
Repayment of short term revolving credit	(3,500)	-
Net drawdown/(repayment) of term loans	3,418	(3,070)
Acquisition of interest of subsidiary from non-controlling shareholders	-	(221)
Net cash used in financing activities	(9,796)	(10,556)
Net increase in cash and cash equivalents	21,147	8,912
Effect of exchange rate fluctuations on cash held	(4,516)	(1,823)
Cash and cash equivalents at 1 January	50,696	43,607
Cash and cash equivalents at 31 December	67,327	50,696
Composition of cash and cash equivalents		
Cash and bank balances	30,531	24,744
Fixed deposits with licensed banks	36,796	25,952
	67,327	50,696

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 DECEMBER 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 and 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 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 and year ended 31 December 2016.

A6 Material Changes in Estimates

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

A7 Debt and Equity Securities

During the quarter and year ended 31 December 2016, the Company has issued 68,000 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	58,000	86,420
1.89	10,000	18,900
	<u>68,000</u>	<u>105,320</u>

A8 Dividends Paid

In respect of the year ended 31 December 2015, the Company paid a final and special dividend totalling RM10,772,319 on 28 July 2016 as follows:

	RM'000
(a) final dividend of 6.5 sen per ordinary share	8,753
(b) special dividend of 1.5 sen per ordinary share	2,020
	<u>10,772</u>

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 2016	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	24	42,789	194,252	-	237,065
Inter-segment revenue	18,139	1,149	28,697	(47,985)	-
Total revenue	18,163	43,938	222,949	(47,985)	237,065
Segment profit before tax	22,761	4,506	28,325	(19,275)	36,317
Segment assets	196,204	55,843	298,522	(209,471)	341,098

Year-to-date ended 31 December 2015	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	24	39,767	183,134	-	222,925
Inter-segment revenue	12,183	457	25,831	(38,471)	-
Total revenue	12,207	40,224	208,965	(38,471)	222,925
Segment profit before tax	18,209	3,008	30,903	(12,593)	39,527
Segment assets	192,856	48,337	289,854	(205,919)	325,128

Investment holding FY2016 vs. FY2015

Holding company's profit before tax reported at RM22.76 million in FY2016 against last year of RM18.21 million due to higher dividend income from subsidiaries.

Trading FY2016 vs. FY2015

Trading segment posted a higher profit before tax of RM4.51 million in FY2016, an increase of 49.8% compared to RM3.0 million in FY2015. This was due to higher revenue achieved and lower operating costs recognised during the year under review.

Manufacturing FY2016 vs. FY2015

Manufacturing segment recorded a revenue and profit before tax of RM222.95 million and RM28.33 million respectively in FY2016 as compared to RM208.97 million and RM30.90 million in FY2015.

The increase in revenue was mainly attributed to higher sales in the export markets and subsidiary company in Vietnam. However, profit before tax was impacted from higher operating costs and 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 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").

As at the reporting date, the total paid-up capital of GCT is USD2,500,000, out of which USD1,000,000 was paid by the Company, this represents a 40% equity interest in GCT. Following the said investment, GCT remains an associate of the Company.

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 year were as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Plant & machinery	570	1,324
Office equipment	205	131
Renovation	246	37
	<u>1,021</u>	<u>1,492</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	12 months ended	
	31/12/2016 RM'000	31/12/2015 RM'000
Corporation related to substantial shareholder		
Purchase of pharmaceutical products	19,530	19,866
Consultancy fees payable	44	63
	<u>19,574</u>	<u>19,929</u>
Companies in which certain Directors have interest		
Purchase of raw materials	3,046	2,749
Sales of pharmaceutical products	(674)	(757)
	<u>2,372</u>	<u>1,992</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 31/12/2016		As at 31/12/2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Long term loans and borrowings	12,836	12,303	9,245	8,797
Long term finance lease liabilities	2,875	2,709	2,253	2,123
	<u>15,711</u>	<u>15,012</u>	<u>11,498</u>	<u>10,920</u>

B1 Review of Performance

For the Quarter

For the current quarter, the Group reported an increase of 11.3% in revenue as compared to the previous year's corresponding quarter. Further, the Group posted a higher profit before tax of RM13.99 million compared with RM7.40 million in the same quarter last year, primarily driven by higher revenue achieved and higher unrealised foreign exchange gain for the quarter under review.

Year-to-date

For the financial year ended 31 December 2016, the Group recorded a higher revenue of RM237.07 million compared with RM222.93 million in last year. This was mainly due to higher sales achieved from overseas markets and subsidiary in Vietnam. However, the Group registered a lower profit before tax of RM36.32 million compared with RM39.53 million in last year, mainly due to lower gross margin and higher operating cost for the year under review.

B2 Comparison with the Preceding Quarter's Results

	Qtr 4 (31/12/16) RM'000	Qtr 3 (30/09/16) RM'000	Variance	
			RM'000	%
Revenue	59,719	59,194	525	0.9
Profit before tax	13,991	6,060	7,931	130.9

The Group recorded a revenue of RM59.72 million in 4Q16, a marginal increase of 0.9% compared to RM59.19 million in 3Q16. The increase came mainly from export market.

Further, the Group's profit before tax increased by 130.9% to RM13.99 million in 4Q16 from RM6.06 million in 3Q16 on the back of favourable foreign exchange rate and better efficiency in operations during the quarter under review.

B3 Prospects of the Group

The Group expects the market outlook for 2017 to remain challenging with persistent foreign exchange volatility.

Notwithstanding the economic uncertainty, the Group remain focused in improving its 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 :-

	3 months ended		12 months ended	
	31/12/2016 RM'000	3/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Income Tax				
Current tax	1,783	1,433	7,872	9,939
Deferred tax	312	(632)	527	215
	<u>2,095</u>	<u>801</u>	<u>8,399</u>	<u>10,154</u>

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

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 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	137,925	122,146
Unrealised	12,981	10,342
	<hr/> 150,906	<hr/> 132,488
Total share of accumulated losses of associate:		
Realised	(209)	123
Unrealised	-	-
	<hr/> 150,697	<hr/> 132,611
Less: Consolidation adjustments	(19,598)	(18,334)
Total Group retained earnings as per consolidated accounts	<hr/> <hr/> 131,099	<hr/> <hr/> 114,277

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 December are as follows :

31 December 2016

	Denominated in Foreign currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	1,500
<u>Secured bank loans:</u>			
- Domestic	-	-	804
- Foreign	4	32	117
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,635
- Foreign	-	12	38
	<u>4</u>	<u>44</u>	<u>6,094</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	7,649
- Foreign	1,000	229	5,187
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,807
- Foreign	-	22	68
	<u>1,000</u>	<u>251</u>	<u>15,711</u>
Total borrowings	<u>1,004</u>	<u>295</u>	<u>21,805</u>

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	
	<u>44</u>	<u>8,062</u>	
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	8,453	
- Foreign	261	792	
<u>Finance lease creditor:</u>			
- Domestic	-	2,149	
- Foreign	34	104	
	<u>295</u>	<u>11,498</u>	
Total borrowings	<u>339</u>	<u>19,560</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	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
i) Basic Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	11,950	6,362	27,594	28,968
Weighted average number of ordinary shares in issue ('000)	134,662	134,546	134,638	133,824
Basic Earnings Per Share (sen)	8.87	4.73	20.49	21.65
ii) Diluted Earnings Per Share				
Profit attributable to owners of the Company (RM'000)	11,950	6,362	27,594	28,968
Weighted average number of ordinary shares in issue ('000)	134,662	134,546	134,638	133,824
Effect of share option on issue ('000)	309	144	855	140
Adjusted weighted average number of ordinary shares in issue ('000)	134,971	134,690	135,493	133,964
Diluted Earnings Per Share (sen)	8.85	4.72	20.37	21.62

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.