



**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 2017**

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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 ENDED 31 MARCH 2017

	Quarter ended	
	31/03/2017 RM'000	31/03/2016 RM'000
Revenue	67,539	66,304
Cost of sales	(36,388)	(38,204)
Gross profit	31,151	28,100
Other income	1,260	2,094
Selling & Distribution expenses	(14,544)	(12,840)
Administrative expenses	(5,303)	(4,846)
Other expenses	(945)	(4,769)
Results from operating activities	11,619	7,739
Finance income	344	226
Finance cost	(275)	(277)
Share of result of associate	(14)	(79)
Profit before tax	11,674	7,609
Income tax expense	(3,030)	(2,650)
Profit for the period	8,644	4,959
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	193	(91)
Total other comprehensive (expenses)/ income for the period	193	(91)
Total comprehensive income for the period	8,837	4,868



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)**

FOR THE QUARTER ENDED 31 MARCH 2017

	Quarter ended	
	31/03/2017 RM'000	31/03/2016 RM'000
Attributable to:		
Owners of the Company	8,767	4,886
Non-controlling interests	(123)	73
Profit for the period	8,644	4,959
Total comprehensive income attributable to:		
Owners of the Company	8,928	4,834
Non-controlling interests	(91)	34
Total comprehensive income for the period	8,837	4,868
Earnings per share (EPS) attributable to owners of the Company (sen):		
Basic EPS	6.510	3.630
Diluted EPS	6.487	3.626

Included in the profit for the period are:

	Quarter ended	
	31/03/2017 RM'000	31/03/2016 RM'000
interest income	(344)	(226)
other income including investment income	(91)	(91)
interest expenses	275	277
depreciation and amortization	2,417	2,244
provision for and write off/(write back) of receivables	4	(60)
writedown and written off of inventories	609	(1)
(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/(gain)	(240)	3,034
(gain) or loss on derivatives	N/A	N/A
exceptional items	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 2016.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	As at 31/03/2017 RM'000 <i>Unaudited</i>	As at 31/12/2016 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	115,736	117,342
Land use rights	6,826	6,908
Intangible assets	425	403
Investment in associates	4,236	4,250
Deferred tax assets	612	618
Non-current Assets	127,835	129,521
Inventories	74,822	76,920
Trade receivables	60,685	53,666
Other receivables	13,984	13,226
Amounts due from affiliated companies	246	177
Amount due from an associate	266	132
Current tax assets	143	129
Cash & cash equivalents	79,788	67,327
Current Assets	229,934	211,577
TOTAL ASSETS	357,769	341,098
EQUITY AND LIABILITIES		
Share capital	134,686	134,668
Share premium	1,541	1,516
Other reserves	7,276	7,124
Retained earnings	139,866	131,099
Equity Attributable to Owners of the Company	283,369	274,407
Non-controlling interests	5,433	5,524
Total Equity	288,802	279,931
Deferred taxation	9,618	9,416
Loans and borrowings	12,592	12,836
Finance lease liabilities	2,538	2,875
Post-employment benefits	127	127
Non-current Liabilities	24,875	25,254
Trade payables	16,588	10,052
Other payables	12,965	12,388
Provisions	1,639	1,612
Finance lease liabilities	3,566	3,673
Amounts due to affiliated companies	5,525	5,149
Loans and borrowings	2,402	2,421
Current tax liabilities	1,407	618
Current Liabilities	44,092	35,913
Total Liabilities	68,967	61,167
TOTAL EQUITY AND LIABILITIES	357,769	341,098
Net assets per share attributable to owners of the Company (RM)	2.10	2.04

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016.



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 2017

	Attributable to owners of the Company					Distributable	Non-controlling interest	Total equity
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Share option reserve			
RM'000								
At 1 January 2016	134,600	1,454	6,168	2,116	128	114,277	258,743	5,175
Foreign currency translation differences for foreign operations	-	-	-	(52)	-	-	(52)	(39)
Total other comprehensive income for the period	-	-	-	(52)	-	-	(52)	(39)
Profit for the period	-	-	-	-	-	4,886	4,886	73
Total comprehensive income for the period	-	-	-	(52)	-	4,886	4,834	34
Issuance of ordinary shares pursuant to ESOS	17	8	-	-	-	-	25	-
Total transactions with owners of the Company	17	8	-	-	-	-	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
At 1 January 2017	134,668	1,516	6,168	(1,136)	2,092	131,099	274,407	5,524
Foreign currency translation differences for foreign operations	-	-	-	161	-	-	161	32
Total other comprehensive income for the period	-	-	-	161	-	-	161	32
Profit for the period	-	-	-	-	-	8,767	8,767	(123)
Total comprehensive income for the period	-	-	-	161	-	8,767	8,928	(91)
Issuance of ordinary shares pursuant to ESOS	18	16	-	-	-	-	34	-
Total transactions with owners of the Company	18	16	-	-	-	-	34	-
Transfer to share premium for share options exercised	-	9	-	-	(9)	-	-	-
At 31 March 2017	134,686	1,541	6,168	(975)	2,083	139,866	283,369	5,433

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016.



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 2017

	Quarter ended	
	31/03/2017	31/03/2016
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	11,674	7,609
Other adjustment	3,229	6,349
Operating profit before changes in working capital	14,903	13,958
Net change in current assets	(9,111)	(12,286)
Net change in current liabilities	9,797	6,926
Cash generated from operations	15,589	8,598
Tax paid	(2,046)	(2,524)
Net cash generated from operating activities	13,543	6,074
Cash flows from investing activities		
Interest received	344	226
Proceeds from disposal of property, plant and equipment	10	4
Purchase of property, plant and equipment	(853)	(2,982)
Purchase of intangible assets	(42)	-
Investment in associate	-	(2,835)
Net cash used in investing activities	(541)	(5,587)
Cash flows from financing activities		
Interest paid	(271)	(277)
Proceeds from issuance of shares under ESOS	34	25
Refinance of property, plant and equipment under finance lease	566	822
Payment of finance lease liabilities	(1,013)	(590)
Repayment of term loans	(222)	(224)
Net cash used in financing activities	(906)	(244)
Net increase in cash and cash equivalents	12,096	243
Effect of exchange rate fluctuations on cash held	365	1,520
Cash and cash equivalents at 1 January	67,327	50,696
Cash and cash equivalents at 31 March	79,788	52,459
Composition of cash and cash equivalents		
Cash and bank balances	26,838	22,327
Fixed deposits with licensed banks	52,950	30,132
	79,788	52,459

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 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 2016. 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 2016.

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 2016.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2016 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 2017.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter ended 31 March 2017.

A7 Debt and Equity Securities

During the quarter ended 31 March 2017, the Company has issued 18,000 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
1.89	18,000	34,020

A8 Dividends Paid

No dividend was paid during the quarter ended 31 March 2017.

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 2017	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	-	10,759	56,780	-	67,539
Inter-segment revenue	-	162	8,499	(8,661)	-
Total revenue	-	10,921	65,279	(8,661)	67,539
Segment profit before tax	671	1,127	11,193	(1,317)	11,674
Segment assets	182,939	56,518	311,959	(193,647)	357,769

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

Investment holding 1Q17 vs. 1Q16

Holding company's profit before tax reported at RM0.67 million in 1Q17 against a pre-tax losses of RM1.25 million in 1Q16 mainly due lower foreign exchange loss in the current quarter.

Trading 1Q17 vs. 1Q16

Trading segment recorded profit before tax of RM1.13 million in 1Q17, a decrease of 25.4% compared to RM1.51 million in 1Q16. This was due to higher operating costs recognised during the quarter under review.

Manufacturing 1Q17 vs. 1Q16

Manufacturing segment recorded a revenue and profit before tax of RM65.28 million and RM11.19 million respectively in 1Q17 as compared to RM66.25 million and RM8.64 million in 1Q16.

Revenue has performed consistently as compared to previous corresponding quarter. The increase in profit before tax was due to lower cost margin in product mix and lower foreign exchange loss incurred in the current quarter.

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 ended 31 March 2017.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2016.

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	443	1,287
Office equipment	186	132
Renovation	119	36
	748	1,455
	748	1,455

A15 Related Party Transactions

Significant related party transactions are as follows:

	Quarter ended	
	31/03/2017 RM'000	31/03/2016 RM'000
Corporation related to substantial shareholder		
Purchase of pharmaceutical products	4,374	5,118
Consultancy fees payable	17	11
	4,391	5,129
Companies in which certain Directors have interest		
Purchase of raw materials	510	701
Sales of pharmaceutical products	(256)	(186)
	254	515
	254	515

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 31/03/2017		As at 31/12/2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Long term loans and borrowings	12,592	12,051	12,836	12,303
Long term finance lease liabilities	2,538	2,391	2,875	2,658
	15,130	14,442	15,711	14,961
	15,130	14,442	15,711	14,961

B1 Review of Performance

The Group recorded a revenue of RM67.54 million during the current quarter which represents a marginal increase of 1.9% as compared to the preceding year corresponding quarter's revenue of RM66.30 million.

Further, the Group posted a higher profit before tax of RM11.67 million compared with RM7.61 million in the same quarter last year, primarily driven by higher gross profit margin and lower unrealised foreign exchange loss for the quarter under review.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1 (31/03/17) RM'000	Qtr 4 (31/12/16) RM'000	Variance	
			RM'000	%
Revenue	67,539	59,719	7,820	13.1
Profit before tax	11,674	13,991	(2,317)	(16.6)

The Group recorded a revenue of RM67.54 million in 1Q17, an increase of 13.1% compared to RM59.72 million in 4Q16. The increase came mainly from local market.

However, the Group registered a lower profit before tax of RM11.67 million compared with RM13.99 million in 4Q16 mainly due to higher foreign exchange gain in the preceding quarter.

B3 Prospects of the Group

With world economic uncertainties still prevailing, increased competition and persistent foreign exchange volatility, the Group expects mounting pressures and challenges to the business environment to continue in 2017.

However, effort is consistently directed in improving operational efficiency, increase product range through successful product registration, and enhance competitiveness through strategic investments and expansion as well as marketing and sales strategies to gain further market penetration and market share.

Barring further unforeseen circumstances, the Group is cautiously optimistic over the forthcoming period and expects to perform satisfactorily in 2017.

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	
	31/03/2017 RM'000	31/03/2016 RM'000
Income Tax		
Current tax	2,828	2,555
Deferred tax	202	95
	3,030	2,650

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2016: 24%)

B6 Realised/unrealised Retained Earnings

The breakdown of the retained profits of the Group as at 31 March 2017 and 31 December 2016, into realised and unrealised profits/(losses) is as follows:

	As at 31/03/2017 RM'000	As at 31/12/2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	134,798	124,730
Unrealised	11,884	11,442
	<hr/> 146,682	<hr/> 136,172
Total share of accumulated losses of associate:		
Realised	(223)	(209)
Unrealised	-	-
	<hr/> 146,459	<hr/> 135,963
Less: Consolidation adjustments	(6,593)	(4,864)
Total Group retained earnings as per consolidated accounts	<hr/> <hr/> 139,866	<hr/> <hr/> 131,099

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 2017

	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	5	24	98
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,526
- Foreign	-	13	40
	<u>5</u>	<u>37</u>	<u>5,968</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	7,448
- Foreign	1,000	229	5,144
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,479
- Foreign	-	19	59
	<u>1,000</u>	<u>248</u>	<u>15,130</u>
Total borrowings	<u>1,005</u>	<u>285</u>	<u>21,098</u>

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>

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 13 March 2017, the Company proposed a final ordinary dividend of 7.0 sen and a final special dividend of 1.5 sen, making a total dividend of 8.5 sen per ordinary share for financial year ended 31 December 2016, which is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

B11 Earnings Per Share

	Quarter ended	
	31/03/2017	31/03/2016
i) Basic Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	8,767	4,886
Weighted average number of ordinary shares in issue ('000)	134,675	134,612
Basic Earnings Per Share (sen)	<u>6.510</u>	<u>3.630</u>
ii) Diluted Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	8,767	4,886
Weighted average number of ordinary shares in issue ('000)	134,675	134,612
Effect of share option on issue ('000)	480	143
Adjusted weighted average number of ordinary shares in issue ('000)	<u>135,155</u>	<u>134,755</u>
Diluted Earnings Per Share (sen)	<u>6.487</u>	<u>3.626</u>

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.