



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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2018**

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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 2018

	Quarter ended	
	31/3/2018 RM'000	31/3/2017 RM'000
Revenue	71,593	67,539
Cost of sales	(36,236)	(36,388)
Gross profit	35,357	31,151
Other income	1,777	1,260
Selling & Distribution expenses	(15,355)	(14,544)
Administrative expenses	(5,812)	(5,303)
Other expenses	(5,647)	(945)
Results from operating activities	10,320	11,619
Finance income	312	344
Finance cost	(327)	(275)
Share of result of associate	(215)	(14)
Profit before tax	10,090	11,674
Income tax expense	(3,487)	(3,030)
Profit for the period	6,603	8,644
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	616	193
Total other comprehensive (expenses)/ income for the period	616	193
Total comprehensive income for the period	7,219	8,837



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

FOR THE QUARTER ENDED 31 MARCH 2018

	Quarter ended	
	31/3/2018 RM'000	31/3/2017 RM'000
Attributable to:		
Owners of the Company	6,729	8,767
Non-controlling interests	(126)	(123)
Profit for the period	6,603	8,644
Total comprehensive income attributable to:		
Owners of the Company	7,387	8,928
Non-controlling interests	(168)	(91)
Total comprehensive income for the period	7,219	8,837
Earnings per share (EPS) attributable to owners of the Company (sen):		
Basic EPS	4.91	6.51
Diluted EPS	4.88	6.49

Included in the profit for the period are:

	Quarter ended	
	31/3/2018 RM'000	31/3/2017 RM'000
interest income	(312)	(344)
other income including investment income	(93)	(91)
interest expenses	327	275
depreciation and amortization	2,509	2,417
provision for and write off/(write back) of receivables	5	4
written down and written off of inventories	781	609
(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)	3,885	(240)
(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 2017.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company No : 552781-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	As at 31/03/2018 RM'000 <i>Unaudited</i>	As at 31/12/2017 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	126,994	117,000
Land use rights	5,784	6,182
Intangible assets	4,953	4,895
Investment in associates	3,575	3,789
Deferred tax assets	472	495
Non-current Assets	<u>141,778</u>	<u>132,361</u>
Inventories	94,018	86,468
Trade receivables	66,507	60,171
Other receivables	17,684	14,904
Amount due from affiliated companies	366	284
Amount due from an associate	475	321
Current tax assets	315	300
Cash & cash equivalents	70,008	75,198
Current Assets	<u>249,373</u>	<u>237,646</u>
TOTAL ASSETS	<u>391,151</u>	<u>370,007</u>
EQUITY AND LIABILITIES		
Share capital	141,904	141,136
Other reserves	9,009	8,497
Retained earnings	146,610	139,881
Equity Attributable to Owners of the Company	<u>297,523</u>	<u>289,514</u>
Non-controlling interests	6,014	6,182
Total Equity	<u>303,537</u>	<u>295,696</u>
Deferred taxation	8,598	8,458
Loans and borrowings	22,181	11,873
Finance lease liabilities	980	1,504
Post-employment benefits	197	197
Other payables	1,026	1,000
Non-current Liabilities	<u>32,982</u>	<u>23,032</u>
Trade payables	20,506	19,162
Other payables	14,872	15,001
Provisions	1,316	1,410
Finance lease liabilities	2,270	2,562
Amount due to affiliated companies	5,474	6,523
Loans and borrowings	7,020	3,909
Current tax liabilities	3,174	2,712
Current Liabilities	<u>54,632</u>	<u>51,279</u>
Total Liabilities	<u>87,614</u>	<u>74,311</u>
TOTAL EQUITY AND LIABILITIES	<u>391,151</u>	<u>370,007</u>
Net assets per share attributable to owners of the Company (RM)	2.17	2.12

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017.



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 2018

RM'000	Attributable to owners of the Company						Total	Non-controlling interest	Total equity
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Share option reserve	Retained earnings			
At 1 January 2017	134,668	1,516	6,168	(1,136)	2,092	131,099	274,407	5,524	279,931
Foreign currency translation differences for foreign operations	-	-	-	161	-	-	161	32	193
Total other comprehensive income for the period	-	-	-	161	-	-	161	32	193
Profit for the period	-	-	-	-	-	8,767	8,767	(123)	8,644
Total comprehensive income for the period	-	-	-	161	-	8,767	8,928	(91)	8,837
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-
Share based payment transactions	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to ESOS	18	16	-	-	-	-	34	-	34
Share options granted under ESOS forfeited	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	18	16	-	-	-	-	34	-	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	288,802
At 1 January 2018	141,136	-	6,168	171	2,158	139,881	289,514	6,182	295,696
Foreign currency translation differences for foreign operations	-	-	-	658	-	-	658	(42)	616
Total other comprehensive income for the period	-	-	-	658	-	-	658	(42)	616
Profit for the period	-	-	-	-	-	6,729	6,729	(126)	6,603
Total comprehensive income for the period	-	-	-	658	-	6,729	7,387	(168)	7,219
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-
Acquisition of new subsidiary	-	-	-	-	-	-	-	-	-
Issuance of share capital to minority shareholders	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to ESOS	622	-	-	-	-	-	622	-	622
Share option granted under ESOS forfeited	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	622	-	-	-	-	-	622	-	622
Transfer to share capital for share options exercised	146	-	-	-	(146)	-	-	-	-
At 31 March 2018	141,904	-	6,168	829	2,012	146,610	297,523	6,014	303,537

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017.



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 2018

	Quarter ended	
	31/03/2018	31/03/2017
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	10,090	11,674
Other adjustment	8,280	3,229
Operating profit before changes in working capital	<u>18,370</u>	<u>14,903</u>
Net change in current assets	(20,355)	(9,111)
Net change in current liabilities	(1,890)	9,797
Cash generated from operations	<u>(3,875)</u>	<u>15,589</u>
Tax paid	(2,878)	(2,046)
Net cash generated from operating activities	<u>(6,753)</u>	<u>13,543</u>
Cash flows from investing activities		
Interest received	312	344
Proceeds from disposal of property, plant and equipment	18	10
Purchase of property, plant and equipment	(13,953)	(853)
Purchase of intangible assets	(76)	(42)
Net cash used in investing activities	<u>(13,699)</u>	<u>(541)</u>
Cash flows from financing activities		
Interest paid	(325)	(271)
Proceeds from issuance of ordinary shares-ESOS, net of expenses	622	34
Drawdown of term loans	13,841	-
Repayment of term loans	(184)	(222)
Refinance of property, plant and equipment under finance lease	-	566
Payment of finance lease liabilities	(814)	(1,013)
Net cash from financing activities	<u>13,140</u>	<u>(906)</u>
Net increase in cash and cash equivalents	(7,312)	12,096
Effect on foreign exchange rate changes	2,122	365
Cash and cash equivalents at 1 January	75,198	67,327
Cash and cash equivalents at 31 March	<u>70,008</u>	<u>79,788</u>
Composition of cash and cash equivalents		
Cash and bank balances	28,984	26,838
Fixed deposits with licensed banks	41,024	52,950
	<u>70,008</u>	<u>79,788</u>

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017.



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NOTES TO THE INTERIM FINANCIAL REPORT - 31 MARCH 2018

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 2017. 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 2017.

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 2017.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2017 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 2018.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter ended 31 March 2018.

A7 Debt and Equity Securities

During the quarter ended 31 March 2018, the Company has issued 301,000 new ordinary shares pursuant to the exercise of Company's ESOS as follows:

Exercise Price RM	No. of Shares Issued	Cash Proceeds RM
1.49	<u>10,000</u>	<u>14,900</u>
1.89	<u>178,000</u>	<u>336,420</u>
2.40	<u>113,000</u>	<u>271,200</u>

A8 Dividends Paid

No dividend was paid during the quarter ended 31 March 2018.

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 2018	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter- company Elimination RM'000	Total RM'000
Revenue from external customer	-	9,892	61,701		71,593
Inter-segment revenue	-	586	6,675	(7,261)	-
Total revenue	-	10,478	68,376	(7,261)	71,593
Segment profit before tax	(895)	545	12,093	(1,653)	10,090
Segment assets	188,672	52,902	343,500	(193,923)	391,151
Segment liabilities	8,292	28,085	156,713	(105,476)	87,614

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
Segment liabilities	23,006	29,285	135,427	(118,750)	68,968

Investment holding 1Q18 vs 1Q17

Holding company's reported a loss before tax of RM0.90 million in 1Q18 compared to last year correspondence period reported a profit before tax of RM0.67 million. This was mainly attributed to foreign exchange loss incurred in the current period.

Trading 1Q18 vs 1Q17

Trading segment posted a lower profit before tax of RM0.54 million in 1Q18 , a decrease of 51.6% compared to RM1.13 million in 1Q17 resulting from higher operating costs and cost margin in product mix.

Manufacturing 1Q18 vs 1Q17

Manufacturing segment recorded revenue of RM68.38 million in 1Q18, 4.7% higher than the revenue of RM65.28 million recorded in 1Q17. The profit before tax for 1Q18 was RM12.09 million compared to RM11.19 million in 1Q17. This was mainly due to lower operating costs and cost margin in product mix incurred in the period under review.

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 2018.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2017.

A14 Capital Commitment

Capital commitment 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 and other assets	6,804	1,056

A15 Related Party Transactions

Significant related party transactions are as follows:

	Quarter ended	
	31/03/2018 RM'000	31/03/2017 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	3,361	4,374
Consultancy fees payable	6	17
Rental payable	23	23
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	1,188	510
Sales of pharmaceutical products	(494)	(256)

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 31/03/2018		As at 31/12/2017	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Long term loans and borrowings	22,181	21,687	11,873	11,579
Long term finance lease	980	923	1,504	1,417

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

B1 Review of Performance

	Quarter ended		Variance	
	31/03/2018	31/03/2017	RM'000	%
	RM'000	RM'000		
Revenue	71,593	67,539	4,054	6.0
Operating profit	10,320	11,619	(1,299)	(11.2)
Profit before interest and tax	10,105	11,605	(1,500)	(12.9)
Profit before tax	10,090	11,674	(1,584)	(13.6)
Profit after tax	6,603	8,644	(2,041)	(23.6)
Profit attributable to owners of the Company	6,729	8,767	(2,038)	(23.2)

The Group recorded a revenue of RM71.59 million for the three months ended 31 March 2018, 6.0% higher compared with the revenue of RM67.54 million recorded in the same period last year.

The Group recorded lower profit before tax of RM10.09 million as compared to RM11.67 million in the same period last year. This was due to higher operating costs and unrealised foreign exchange loss recognised in current period.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1	Qtr 4	Variance	
	(31/03/18)	(31/12/17)	RM'000	%
	RM'000	RM'000		
Revenue	71,593	68,017	3,576	5.3
Operating profit	10,320	8,181	2,139	26.1
Profit before interest and tax	10,105	7,938	2,167	27.3
Profit before tax	10,090	8,067	2,023	25.1
Profit after tax	6,603	5,085	1,518	29.9
Profit attributable to owners of the Company	6,729	5,121	1,608	31.4

The Group recorded a revenue of RM71.59 million for the current quarter as compared to RM68.02 million for the immediate preceding quarter ("4Q17") which was an increase of 5.3%. The increase was mainly due to higher demand from local markets.

The Group achieved a profit before tax of RM10.09 million in 1Q18 compared to RM8.07 million in 4Q17 resulting from higher profit margin in product mix during the quarter under review.

B3 Prospects of the Group

With the unabated challenges in both the domestic and international fronts that impacted the business, the group will concentrate on enhancing operational efficiency, increasing product registration, effective and bolder marketing, promotional and sales strategies.

Efforts to increase the brand and product awareness will be initiated in tandem with an aggressive blitz in brand exposure to target a more pronounced online presence in product marketing and sales. The group is cautiously optimistic of maintaining the financial performance in the year ahead.

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	
	31/03/2018	31/03/2017
	RM'000	RM'000
Current tax	3,354	2,828
Deferred tax	133	202
	<u>3,487</u>	<u>3,030</u>

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2017: 24%)

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.

B6 Corporate Proposals

There were no corporate proposals announced by the Company as at the reporting date.

B7 Borrowings and Debt Securities

The details of the Group borrowings as at 31 March 2018 are as follows :

31 March 2018

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	1,500
<u>Secured bank loans:</u>			
- Domestic	-	-	5,448
- Foreign	-	24	72
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,231
- Foreign	-	13	39
	<u>-</u>	<u>37</u>	<u>9,290</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	17,737
- Foreign	1,000	196	4,444
<u>Finance lease creditor:</u>			
- Domestic	-	-	963
- Foreign	-	6	17
	<u>1,000</u>	<u>202</u>	<u>23,161</u>
Total borrowings	<u>1,000</u>	<u>239</u>	<u>32,451</u>

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>

As at the reporting date, the Group had not issued any debt securities.

B8 Material Litigation

There was no material litigation against the Group as at the reporting date.

B9 Proposed Dividend

On 16 March 2018, the Company proposed a first and final ordinary dividend of 7.0 sen for financial year ended 31 December 2017, which is subjected to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

B10 Earnings Per Share

	Quarter ended	
	00/01/1900	00/01/1900
i) Basic Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	6,729	8,767
Weighted average number of ordinary shares in issue ('000)	137,102	134,675
Basic Earnings Per Share (sen)	<u>4.91</u>	<u>6.51</u>
ii) Diluted Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	6,729	8,767
Weighted average number of ordinary shares in issue ('000)	137,102	134,675
Effect of dilution-Share options ('000)	<u>725</u>	<u>480</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>137,827</u>	<u>135,155</u>
Diluted Earnings Per Share (sen)	<u>4.88</u>	<u>6.49</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.