



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH 2020

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Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])

(Incorporated in Malaysia)

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

FOR THE QUARTER ENDED 31 MARCH 2020

	Quarter ended	
	31/03/2020 RM'000	31/03/2019 RM'000
Revenue	80,537	74,738
Cost of sales	(44,522)	(42,486)
Gross profit	36,015	32,252
Other income	1,143	1,471
Selling & Distribution expenses	(17,323)	(17,382)
Administrative expenses	(6,843)	(6,318)
Other expenses	(3,734)	(2,696)
Results from operating activities	9,258	7,327
Finance income	382	359
Finance cost	(558)	(506)
Share of result of associate	(41)	(181)
Profit before tax	9,041	6,999
Income tax expense	(3,513)	(2,183)
Profit for the period	5,528	4,816
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	910	132
Total other comprehensive (expenses)/ income for the period	910	132
Total comprehensive income for the period	6,438	4,948



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

FOR THE QUARTER ENDED 31 MARCH 2020

	Quarter ended	
	31/03/2020	31/03/2019
	RM'000	RM'000
Attributable to:		
Owners of the Company	5,741	4,834
Non-controlling interests	(213)	(18)
Profit for the period	5,528	4,816
Total comprehensive income attributable to:		
Owners of the Company	6,696	4,978
Non-controlling interests	(258)	(30)
Total comprehensive income for the period	6,438	4,948
Earnings per share (EPS) attributable to owners of the Company (sen):		
Basic EPS	4.11	3.49
Diluted EPS	4.14	3.47

Included in the profit for the period are:

	Quarter ended	
	31/03/2020	31/03/2019
	RM'000	RM'000
interest income	(382)	(359)
other income including investment income	(93)	(94)
interest expenses	558	506
depreciation and amortization	3,592	2,851
provision for and (write back) / write off of receivables	273	317
written down and written off of inventories	1,014	933
foreign exchange (gain) or loss	2,555	1,042

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 2019.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	As at 31/03/2020 RM'000 <i>Unaudited</i>	As at 31/12/2019 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	143,819	146,403
Intangible assets	4,873	4,891
Investment in associates	1,647	1,688
Deferred tax assets	241	235
Non-current Assets	<u>150,580</u>	<u>153,217</u>
Inventories	109,097	105,958
Trade receivables	77,142	64,614
Other receivables	21,956	16,825
Amount due from affiliated companies	101	106
Amount due from an associate	380	428
Current tax assets	515	506
Cash & cash equivalents	94,762	90,083
Current Assets	<u>303,953</u>	<u>278,520</u>
TOTAL ASSETS	<u>454,533</u>	<u>431,737</u>
EQUITY AND LIABILITIES		
Share capital	149,234	148,912
Other reserves	4,351	2,838
Retained earnings	182,164	176,437
Equity Attributable to Owners of the Company	<u>335,749</u>	<u>328,187</u>
Non-controlling interests	5,150	5,408
Total Equity	<u>340,899</u>	<u>333,595</u>
Deferred taxation	9,147	9,023
Loans and borrowings	27,317	28,831
Post-employment benefits	335	369
Lease liabilities	5,761	6,460
Non-current Liabilities	<u>42,560</u>	<u>44,683</u>
Trade payables	25,240	15,004
Other payables	19,953	16,631
Refund liability	1,421	1,411
Amount due to affiliated companies	7,877	6,629
Loans and borrowings	11,598	9,915
Current tax liabilities	2,269	1,151
Lease liabilities	2,716	2,718
Current Liabilities	<u>71,074</u>	<u>53,459</u>
Total Liabilities	<u>113,634</u>	<u>98,142</u>
TOTAL EQUITY AND LIABILITIES	<u>454,533</u>	<u>431,737</u>
Net assets per share attributable to owners of the Company (RM)	2.40	2.35

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)])
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2020

RM'000	Attributable to owners of the Company						Non-controlling interest	Total equity
	Non-distributable			Distributable				
	Share capital	Capital reserve	Exchange fluctuation reserve	Share option reserve	Retained earnings	Total		
At 1 January 2019, as previously reported	145,261	-	307	2,742	166,741	315,051	5,952	321,003
Adjustment on initial applicatin of MFRS 16, net of tax	-	-	-	-	(1,451)	(1,451)	(38)	(1,489)
At 1 January 2019, restated	145,261	-	307	2,742	165,290	313,600	5,914	319,514
Foreign currency translation differences for foreign operations	-	-	144	-	-	144	(12)	132
Total other comprehensive income for the period	-	-	144	-	-	144	(12)	132
Profit for the period	-	-	-	-	4,834	4,834	(18)	4,816
Total comprehensive income for the period	-	-	144	-	4,834	4,978	(30)	4,948
Issuance of ordinary shares pursuant to ESOS	215	-	-	-	-	215	-	215
Share options granted under ESOS forfeited	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	215	-	-	-	-	215	-	215
Transfer to share capital for share options exercised	48	-	-	(48)	-	-	-	-
At 31 March 2019	145,524	-	451	2,694	170,124	318,793	5,884	324,677
At 1 January 2020	148,912	-	82	2,756	176,437	328,187	5,408	333,595
Foreign currency translation differences for foreign operations	-	-	955	-	-	955	(45)	910
Total other comprehensive income for the period	-	-	955	-	-	955	(45)	910
Profit for the period	-	-	-	-	5,741	5,741	(213)	5,528
Total comprehensive income for the period	-	-	955	-	5,741	6,696	(258)	6,438
Effect of adoption of MFRS 16	-	-	-	-	(14)	(14)	-	(14)
Issuance of ordinary shares pursuant to ESOS	270	-	-	610	-	880	-	880
Total transactions with owners of the Company	270	-	-	610	(14)	866	-	866
Transfer to share capital for share options exercised	52	-	-	(52)	-	-	-	-
At 31 March 2020	149,234	-	1,037	3,314	182,164	335,749	5,150	340,899

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : [200101017024 (552781-X)]
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2020

	Quarter ended	
	31/03/2020	31/03/2019
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	9,041	6,999
Other adjustments	8,328	5,749
Operating profit before changes in working capital	17,369	12,748
Net change in current assets	(22,348)	(14,247)
Net change in current liabilities	12,761	4,451
Cash generated from operations	7,782	2,952
Tax paid	(2,286)	(2,892)
Net cash generated from operating activities	5,496	60
Cash flows from investing activities		
Interest received	382	359
Proceeds from disposal of property, plant and equipment	(185)	-
Purchase of property, plant and equipment	(1,932)	(1,133)
Purchase of intangible assets	-	(2)
Net cash used in investing activities	(1,735)	(776)
Cash flows from financing activities		
Interest paid	(480)	(506)
Proceeds from issuance of ordinary shares-ESOS, net of expenses	269	232
Drawdown of term loans	1,177	390
Repayment of term loans	(1,158)	(571)
Refinance of property, plant and equipment under finance lease	-	840
Payment of finance lease liabilities	(815)	(806)
Net cash from / (used in) financing activities	(1,007)	(421)
Net increase in cash and cash equivalents	2,754	(1,137)
Effect on foreign exchange rate changes	1,925	443
Cash and cash equivalents at 1 January	90,083	76,641
Cash and cash equivalents at 31 March	94,762	75,947
	31/03/2020	31/03/2019
	RM '000	RM '000
Composition of cash and cash equivalents		
Cash and bank balances	46,496	29,242
Fixed deposits with licensed banks	48,266	46,705
	94,762	75,947

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2019.



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NOTES TO THE INTERIM FINANCIAL REPORT - 31 MARCH 2020

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 2019. 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 2019.

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 2019.

In the preparation of the condensed consolidated interim financial statements, the accounting policies and the method of computation of the recent annual financial statements were as disclosed below:-

(a) Adoption of Standards, Amendments and Annual Improvements to Standards

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

The Group plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2020 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2020.

The Group do not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group.

The initial application of the accounting standards, interpretations or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2019 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 2020.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter ended 31 March 2020.

A7 Debt and Equity Securities

During the quarter ended 31 March 2020, the Company has issued 113,000 new ordinary shares pursuant to the exercise of Company's ESOS as follows:

Exercise Price RM	No. of Shares Issued	Cash Proceeds RM
1.89	<u>3,000</u>	<u>5,670</u>
2.40	<u>110,000</u>	<u>264,000</u>

A8 Dividends Paid

No dividend was paid during the quarter ended 31 March 2020.

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 that are reviewed by the Group. 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 2020				
	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	-	12,757	67,780	-	80,537
Inter-segment revenue	-	174	10,786	(10,960)	-
Total revenue	-	12,931	78,566	(10,960)	80,537
Segment profit / (loss) before tax	2,103	(401)	9,103	(1,764)	9,041
Segment assets	201,737	64,379	403,812	(215,395)	454,533
Segment liabilities	6,453	37,550	201,876	(132,245)	113,634

	Year-to-date ended 31 March 2019				
	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	-	10,394	64,344	-	74,738
Inter-segment revenue	-	196	9,592	(9,788)	-
Total revenue	-	10,590	73,936	(9,788)	74,738
Segment profit / (loss) before tax	(164)	1,602	8,039	(2,478)	6,999
Segment assets	197,505	55,360	383,702	(209,269)	427,298
Segment liabilities	11,455	30,709	187,461	(127,004)	102,621

Geographical segments	Total revenue	
	31/03/2020	31/03/2019
	RM'000	RM'000
Malaysia	59,412	57,152
Singapore	7,647	6,407
Vietnam	4,645	3,995
Philippines	561	933
Cambodia	1,351	1,761
Myanmar	144	182
Brunei	498	1,198
Indonesia	1,290	911
Thailand	2,340	748
Africa	1,741	407
Other countries	908	1,044
	80,537	74,738

Investment holding 1Q20 vs 1Q19

Holding company's posted a profit before tax at RM2.1 million in 1Q20 compared to corresponding period last year loss before tax of RM0.2 million was mainly due to the foreign exchange gain during the quarter under review.

Trading 1Q20 vs 1Q19

Trading segment reported a loss before tax of RM0.4 million in 1Q20 compared to profit before tax of RM1.6 million in 1Q19 resulting from higher operating costs and cost margin in product mix.

Manufacturing 1Q20 vs 1Q19

Manufacturing segment recorded revenue of RM78.6 million in 1Q20, 6.3% higher than the revenue of RM73.9 million recorded in 1Q19. The profit before tax for 1Q20 posted higher at RM9.1 million compared to RM8.0 million in 1Q19. This was mainly due to increase in sales revenue in domestic market during 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 2020.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2019.

A14 Capital Commitment

Capital commitment expenditure not provided for in the condensed report as at the end of the financial period were as follows:

	Contracted but not provided for RM'000
Plant & machinery and other assets	<u>8,058</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	Quarter ended	
	31/03/2020 RM'000	31/03/2019 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	5,952	3,564
Consultancy fees payable	1	20
Rental payable	<u>23</u>	<u>23</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	1,015	1,385
Sales of pharmaceutical products	<u>(121)</u>	<u>(187)</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 31/03/2020		As at 31/12/2019	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Long term loans and borrowings	23,296	22,292	23,899	23,136
Long term finance lease liabilities	<u>4,021</u>	<u>3,788</u>	<u>4,932</u>	<u>4,647</u>

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

B1 Review of Performance

	Quarter ended		Variance	
	31/03/2020 RM'000	31/03/2019 RM'000	RM'000	%
Revenue	80,537	74,738	5,799	7.8
Operating profit	9,258	7,327	1,931	26.4
Profit before interest and tax	9,217	7,146	2,071	29.0
Profit before tax	9,041	6,999	2,042	29.2
Profit after tax	5,528	4,816	712	14.8
Profit attributable to owners of the Company	5,741	4,834	907	18.8

The Group recorded a revenue of RM80.5 million for the quarter ended 31 March 2020, 7.8 % higher compared with the revenue of RM74.7 million recorded in the same period last year.

The Group recorded a higher profit before tax of RM9.0 million as compared to RM7.0 million in the same period last year due to increase in sales revenue in domestic and overseas market.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1 (31/03/2020) RM'000	Qtr 4 (31/12/2019) RM'000	Variance	
			RM'000	%
Revenue	80,537	77,116	3,421	4.4
Operating profit	9,258	6,572	2,686	40.9
Profit before interest and tax	9,217	6,950	2,267	32.6
Profit before tax	9,041	6,758	2,283	33.8
Profit after tax	5,528	3,625	1,903	52.5
Profit attributable to owners of the Company	5,741	3,787	1,954	51.6

The Group recorded a revenue of RM80.5 million for the current quarter as compared to RM77.1 million for the immediate preceding quarter ("4Q19") which was an increase of 4.4%. The increase was mainly due to an improvement in domestic and overseas market.

The Group recorded a higher profit before tax of RM9.0 million in 1Q20 compared to RM6.8 million in 4Q19 as a result of higher profit margin in product mix during the quarter under review.

B3 Prospects of the Group

The movement control order imposed by the Government from mid of March, extended to 9 June 2020 was a preventive measure in response to the COVID-19 pandemic in the country. The COVID-19 outbreak is a human tragedy and has a growing impact on the global economy. In view of the uncertainties arising from this pandemic, the Group is unable to estimate the financial impact of this at this stage.

The sales of Covid-19 related pharmaceutical products has increased in 1Q20. The Group reported a higher net profit in 1Q20 and will continue improving its operational efficiency and is focusing on efforts to mitigate the impact of COVID-19 to the business.

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	
	31/03/2020 RM'000	31/03/2019 RM'000
Current tax	3,389	2,101
Deferred tax	124	82
	<u>3,513</u>	<u>2,183</u>

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2019: 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 2020 are as follows :

31 March 2020

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	5,000
<u>Secured bank loans:</u>			
- Domestic	-	-	2,903
- Foreign	-	26	78
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,583
- Foreign	-	11	34
	<u>-</u>	<u>37</u>	<u>11,598</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	19,868
- Foreign	700	129	3,428
<u>Finance lease creditor:</u>			
- Domestic	-	-	3,961
- Foreign	-	20	60
	<u>700</u>	<u>149</u>	<u>27,317</u>
Total borrowings	<u>700</u>	<u>186</u>	<u>38,915</u>

31 March 2019

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	2,500
<u>Secured bank loans:</u>			
- Domestic	-	-	2,689
- Foreign	-	25	76
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,037
- Foreign	-	16	49
	<u>-</u>	<u>41</u>	<u>7,351</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	21,801
- Foreign	1,700	163	7,424
<u>Finance lease creditor:</u>			
- Domestic	-	-	2,659
- Foreign	-	32	97
	<u>1,700</u>	<u>195</u>	<u>31,981</u>
Total borrowings	<u>1,700</u>	<u>236</u>	<u>39,332</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

There was no dividend proposed in the current quarter under review.

B10 Earnings Per Share

	Quarter ended	
	31/03/2020	31/03/2019
i) Basic Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	5,741	4,834
Weighted average number of ordinary shares in issue ('000)	139,617	138,329
Basic Earnings Per Share (sen)	<u>4.11</u>	<u>3.49</u>
ii) Diluted Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	5,741	4,834
Weighted average number of ordinary shares in issue ('000)	139,617	138,329
Effect of dilution-Share options ('000)	(851)	1,001
Adjusted weighted average number of ordinary shares in issue ('000)	138,766	139,330
Diluted Earnings Per Share (sen)	<u>4.14</u>	<u>3.47</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.