



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 2021

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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 2021

	Quarter ended	
	31/03/2021 RM'000	31/03/2020 RM'000
Revenue	71,201	80,537
Cost of sales	(45,038)	(44,522)
Gross profit	26,163	36,015
Other income	2,647	1,143
Selling & Distribution expenses	(17,588)	(17,323)
Administrative expenses	(6,099)	(6,843)
Other expenses	(362)	(3,734)
Results from operating activities	4,761	9,258
Finance income	171	382
Finance cost	(571)	(558)
Share of result of associate	2	(41)
Profit before tax	4,363	9,041
Income tax expense	(1,592)	(3,513)
Profit for the period	2,771	5,528
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(455)	910
Total other comprehensive income / (expenses) for the period	(455)	910
Total comprehensive income for the period	2,316	6,438

Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE QUARTER ENDED 31 MARCH 2021

	Quarter ended	
	31/03/2021	31/03/2020
	RM'000	RM'000
Attributable to:		
Owners of the Company	2,792	5,741
Non-controlling interests	(21)	(213)
Profit for the period	2,771	5,528
Total comprehensive income attributable to:		
Owners of the Company	2,335	6,696
Non-controlling interests	(19)	(258)
Total comprehensive income for the period	2,316	6,438
Earnings per share (EPS) attributable to owners of the Company (sen):		
Basic EPS	2.00	4.11
Diluted EPS	2.00	4.11

Included in the profit for the period are:

	Quarter ended	
	31/03/2021	31/03/2020
	RM'000	RM'000
interest income	(171)	(382)
other income including investment income	(19)	(93)
interest expenses	572	480
depreciation and amortisation	3,961	3,613
provision for and write off of receivables	95	268
writedown and written off of inventories	324	1,017
foreign exchange loss or (gain)	(2,004)	2,555

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 2020.



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 2021

	As at 31/03/2021 RM'000 <i>Unaudited</i>	As at 31/12/2020 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	142,948	142,291
Intangible assets	4,801	4,819
Investment in associates	1,421	1,419
Deferred tax assets	177	176
Non-current Assets	<u>149,347</u>	<u>148,705</u>
Inventories	123,274	131,756
Trade receivables	65,245	58,229
Other receivables	21,215	21,481
Amount due from affiliated companies	291	151
Amount due from an associate	240	203
Current tax assets	2,022	1,330
Cash & cash equivalents	94,904	86,889
Current Assets	<u>307,191</u>	<u>300,039</u>
TOTAL ASSETS	<u>456,538</u>	<u>448,744</u>
EQUITY AND LIABILITIES		
Share capital	151,659	151,641
Other reserves	3,264	3,724
Retained earnings	190,022	187,230
Equity Attributable to Owners of the Company	<u>344,945</u>	<u>342,595</u>
Non-controlling interests	5,577	5,596
Total Equity	<u>350,522</u>	<u>348,191</u>
Deferred taxation	9,458	9,389
Loans and borrowings	24,166	23,710
Post-employment benefits	512	512
Lease liabilities	3,279	3,886
Non-current Liabilities	<u>37,415</u>	<u>37,497</u>
Trade payables	15,138	11,920
Other payables	14,501	16,234
Refund liability	1,305	1,600
Amount due to affiliated companies	4,221	3,110
Loans and borrowings	29,826	26,739
Current tax liabilities	400	469
Lease liabilities	3,210	2,984
Current Liabilities	<u>68,601</u>	<u>63,056</u>
Total Liabilities	<u>106,016</u>	<u>100,553</u>
TOTAL EQUITY AND LIABILITIES	<u>456,538</u>	<u>448,744</u>
Net assets per share attributable to owners of the Company (RM)	2.45	2.43

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020.



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 2021

← Attributable to owners of the Company →
← Non-distributable → Distributable

RM'000	Share capital	Exchange fluctuation reserve	Share option reserve	Retained earnings	Total	Non-controlling interest	Total equity
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
Adoption of new accounting standard	-	-	-	(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
At 1 January 2021	151,641	926	2,798	187,230	342,595	5,596	348,191
Foreign currency translation differences for foreign operations	-	(457)	-	-	(457)	2	(455)
Total other comprehensive income for the period	-	(457)	-	-	(457)	2	(455)
Profit for the period	-	-	-	2,792	2,792	(21)	2,771
Total comprehensive income for the period	-	(457)	-	2,792	2,335	(19)	2,316
Issuance of ordinary shares pursuant to ESOS	15	-	-	-	15	-	15
Total transactions with owners of the Company	15	-	-	-	15	-	15
Transfer to share capital for share options exercised	3	-	(3)	-	-	-	-
At 31 March 2021	151,659	469	2,795	190,022	344,945	5,577	350,522

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020.



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

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED 31 MARCH 2021

	Quarter ended	
	31/03/2021	31/03/2020
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	4,363	9,041
Other adjustments	2,193	8,328
Operating profit before changes in working capital	6,556	17,369
Net change in current assets	2,795	(22,348)
Net change in current liabilities	1,954	12,761
Cash generated from operations	11,305	7,782
Tax paid	(2,287)	(2,286)
Net cash generated from operating activities	9,018	5,496
Cash flows from investing activities		
Interest received	171	382
Proceeds from disposal of property, plant and equipment	10	(185)
Purchase of property, plant and equipment	(3,813)	(1,932)
Net cash used in investing activities	(3,632)	(1,735)
Cash flows from financing activities		
Interest paid	(572)	(480)
Proceeds from issuance of ordinary shares-ESOS, net of expenses	15	269
Drawdown of term loans / revolving credit	9,067	1,177
Repayment of term loans / hire purchase creditors	(5,682)	(1,158)
Payment of lease liabilities	(895)	(815)
Net cash from / (used in) financing activities	1,933	(1,007)
Net increase in cash and cash equivalents	7,319	2,754
Effect on foreign exchange rate changes	696	1,925
Cash and cash equivalents at 1 January	86,889	90,083
Cash and cash equivalents at 31 March	94,904	94,762
	31/03/2021	31/03/2020
	RM '000	RM '000
Composition of cash and cash equivalents		
Cash and bank balances	48,074	46,496
Fixed deposits with licensed banks	46,830	48,266
	94,904	94,762



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NOTES TO THE INTERIM FINANCIAL REPORT - 31 MARCH 2021

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 2020. 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 2020.

A2 Changes in Accounting Policies

The accounting policies and method of computation adopted for the condensed interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2020

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2021 are as follows:

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2022 are as follows:

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2023 are as follows:

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments marked as ["**"] which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group and the Company.

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 and the Company.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2020 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 2021.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter ended 31 March 2021.

A7 Debt and Equity Securities

During the quarter ended 31 March 2021, the Company has issued 8,000 new ordinary shares pursuant to the exercise of Company's ESOS as follows:

Exercise Price RM	No. of Shares Issued	Cash Proceeds RM
1.82	8,000	14,560

A8 Dividends Paid

No dividend was paid during the quarter ended 31 March 2021.

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 2021	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	-	10,137	61,064	-	71,201
Inter-segment revenue	-	234	9,974	(10,208)	-
Total revenue	-	10,371	71,038	(10,208)	71,201
Segment profit before tax	998	1,003	5,642	(3,280)	4,363
Segment assets	208,917	65,241	413,159	(230,779)	456,538
Segment liabilities	10,416	36,979	210,235	(151,614)	106,016

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

Geographical segments	Total revenue	
	31/03/2021 RM'000	31/03/2020 RM'000
Malaysia	53,318	59,412
Singapore	6,101	7,647
Vietnam	4,548	4,645
Philippines	461	561
Cambodia	1,113	1,351
Myanmar	-	144
Brunei	550	498
Indonesia	1,302	1,290
Thailand	883	2,340
Africa	1,549	1,741
Other countries	1,376	908
	71,201	80,537

Investment holding 1Q21 vs 1Q20

Holding company's posted a lower profit before tax at RM1.0 million in 1Q21 compared to RM2.1 million in 1Q20 mainly contributed by weakening of RM against USD during the quarter under review.

Trading 1Q21 vs 1Q20

Trading segment reported a higher profit before tax of RM1.0 million in 1Q21 compared to a loss before tax of RM0.4 million in 1Q20 resulting from lower cost of goods sold in product mix during the quarter under review.

Manufacturing 1Q21 vs 1Q20

Manufacturing segment recorded revenue of RM71.0 million in 1Q21, 9.6% lower than the revenue of RM78.6 million recorded in 1Q20. The profit before tax for 1Q21 posted lower at RM5.6 million compared to RM9.1 million in 1Q20. This was mainly due to decrease in sales revenue from local and export market.

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 2021.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2020.

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>3,199</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	Quarter ended	
	31/03/2021 RM'000	31/03/2020 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	1,000	5,952
Consultancy fees payable	8	1
Rental payable	-	23
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	2,665	1,015
Sales of pharmaceutical products	(333)	(121)

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 31/03/2021		As at 31/12/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Long term loans and borrowings	21,262	20,396	21,929	21,095
Long term finance lease liabilities	<u>2,904</u>	<u>2,790</u>	<u>1,781</u>	<u>1,677</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	
	31/03/2021 RM'000	31/03/2020 RM'000	RM'000	%
Revenue	71,201	80,537	(9,336)	(11.6)
Operating profit	4,761	9,258	(4,497)	(48.6)
Profit before interest and tax	4,763	9,217	(4,454)	(48.3)
Profit before tax	4,363	9,041	(4,678)	(51.7)
Profit after tax	2,771	5,528	(2,757)	(49.9)
Profit attributable to owners of the Company	2,792	5,741	(2,949)	(51.4)

The Group's 1Q21 revenue decreased by 11.6% to RM71.2 million from RM80.5 million a year ago as a result of decrease in demand from local and export market during the COVID-19 outbreak.

For the quarter ended 31 March 2021, the Group recorded a lower profit before tax of RM4.4 million as compared to RM9.0 million in the same period last year attributed to higher cost of goods sold in product mix and decrease in demand from local and export market during the COVID-19 outbreak.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1 (31/03/2021) RM'000	Qtr 4 (31/12/2020) RM'000	Variance	
			RM'000	%
Revenue	71,201	76,042	(4,841)	(6.4)
Operating profit	4,761	5,988	(1,227)	(20.5)
Profit before interest and tax	4,763	5,897	(1,134)	(19.2)
Profit before tax	4,363	5,526	(1,163)	(21.0)
Profit after tax	2,771	4,172	(1,401)	(33.6)
Profit attributable to owners of the Company	2,792	4,221	(1,429)	(33.9)

The Group's revenue decreased by 6.4% to RM71.2 million for the current quarter as compared to RM76.0 million for the immediate preceding quarter ("4Q20") which was mainly attributed to higher cost of goods sold and decrease in demand from local and export market.

The Group's profit before tax decreased by 21.0% to RM4.4 million from RM5.5 million for the immediate preceding quarter as a result of higher cost of goods sold and decrease in demand from local and export market during the quarter under review .

B3 Prospects of the Group

During the COVID-19 pandemic, it has been reported that many businesses are facing downward trend in sales, increased supply chain risk etc. It is clear that the COVID-19 situation has impacted local and global market. It is an unprecedented event and many businesses are forced to scale back their operations and respond quickly to minimise its impact, and emerge stronger as they thrive for success..

For the 1st quarter 2021, the Group's revenue has dropped 11.6% compared to same period last year due to decrease in demand from local and export market. The Group recorded a 51.7% drop in profit before tax to RM4.4 million from RM9.0 million in the same period last year due to increase in cost of goods sold and a drop in demand from local and export market.

Moving forward in 2021, the Group will continue with efforts to improve operational efficiency and increased product offerings in line with changing market trends.

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	
	31/03/2021 RM'000	31/03/2020 RM'000
Current tax	1,531	3,389
Deferred tax	61	124
	<u>1,592</u>	<u>3,513</u>

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2020: 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 2021 are as follows :

31 March 2021

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	19,000
<u>Secured bank loans:</u>			
- Domestic	-	-	3,506
- Foreign	700	25	2,993
<u>Hire purchase creditor:</u>			
- Domestic	-	-	4,290
- Foreign	-	12	37
	<u>700</u>	<u>37</u>	<u>29,826</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	16,853
- Foreign	1,000	94	4,409
<u>Hire purchase creditor:</u>			
- Domestic	-	-	2,883
- Foreign	-	7	21
	<u>1,000</u>	<u>101</u>	<u>24,166</u>
Total borrowings	<u>1,700</u>	<u>138</u>	<u>53,992</u>

31 December 2020

	Denominated in Foreign Currency		RM Equivalent
	USD'000	SGD'000	RM'000
Current			
Secured revolving credit	-	-	14,500
<u>Secured bank loans:</u>			
- Domestic	-	-	5,625
- Foreign	700	34	2,945
<u>Hire purchase creditor:</u>			
- Domestic	-	-	3,633
- Foreign	-	12	36
	<u>700</u>	<u>46</u>	<u>26,739</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic	-	-	17,605
- Foreign	1,000	94	4,324
<u>Hire purchase creditor:</u>			
- Domestic	-	-	1,750
- Foreign	-	10	31
	<u>1,000</u>	<u>104</u>	<u>23,710</u>
Total borrowings	<u>1,700</u>	<u>150</u>	<u>50,449</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

No dividend was proposed during the quarter under review.

B10 Earnings Per Share

	Quarter ended	
	31/03/2021	31/03/2020
i) Basic Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	2,792	5,741
Weighted average number of ordinary shares in issue ('000)	139,589	139,617
Basic Earnings Per Share (sen)	<u>2.00</u>	<u>4.11</u>
ii) Diluted Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	2,792	5,741
Weighted average number of ordinary shares in issue ('000)	139,589	139,617
Effect of dilution-Share options ('000)	243	46
Adjusted weighted average number of ordinary shares in issue ('000)	139,832	139,663
Diluted Earnings Per Share (sen)	<u>2.00</u>	<u>4.11</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.