



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 2023

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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 2023

	Quarter ended	
	31/03/2023 RM'000	31/03/2022 RM'000
Revenue	95,588	81,536
Cost of sales	(56,251)	(49,292)
Gross profit	39,337	32,244
Other income	2,776	658
Selling & Distribution expenses	(19,564)	(17,183)
Administrative expenses	(6,510)	(5,603)
Other expenses	(1,015)	(172)
Results from operating activities	15,024	9,944
Finance income	499	272
Finance cost	(421)	(454)
Share of result of associate	51	(6)
Profit before tax	15,153	9,756
Income tax expense	(4,017)	(3,134)
Profit for the period	11,136	6,622
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(865)	(83)
Total other comprehensive income / (expenses) for the period	(865)	(83)
Total comprehensive income for the period	10,271	6,539



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

FOR THE QUARTER ENDED 31 MARCH 2023

	Quarter ended	
	31/03/2023	31/03/2022
	RM'000	RM'000
Attributable to:		
Owners of the Company	10,815	6,514
Non-controlling interests	321	108
Profit for the period	11,136	6,622
Total comprehensive income attributable to:		
Owners of the Company	10,039	6,432
Non-controlling interests	232	107
Total comprehensive income for the period	10,271	6,539
Earnings per share (EPS) attributable to owners of the Company (sen):		
Basic EPS	7.67	4.62
Diluted EPS	7.64	4.62

Included in the profit for the period are:

	Quarter ended	
	31/03/2023	31/03/2022
	RM'000	RM'000
interest income	(499)	(272)
other income including investment income	(19)	(20)
interest expenses	421	454
depreciation and amortisation	3,822	3,880
provision for and (write back) / write off of receivables	521	181
written down and (write back) / write off of inventories	(506)	(21)
foreign exchange loss or (gain)	(2,813)	(1,233)

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 2022.



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 2023

	As at 31/03/2023 RM'000 <i>Unaudited</i>	As at 31/12/2022 RM'000 <i>Audited</i>
ASSETS		
Property, plant and equipment	135,246	134,719
Intangible assets	4,805	4,826
Investment in associates	310	258
Deferred tax assets	158	158
Non-current Assets	<u>140,519</u>	<u>139,961</u>
Inventories	119,863	117,259
Trade receivables	79,152	63,376
Other receivables	26,721	22,972
Amount due from affiliated companies	249	275
Amount due from an associate	853	438
Current tax assets	418	258
Cash & cash equivalents	121,068	129,506
Current Assets	<u>348,324</u>	<u>334,084</u>
TOTAL ASSETS	<u>488,843</u>	<u>474,045</u>
EQUITY AND LIABILITIES		
Share capital	152,671	152,258
Other reserves	4,587	5,447
Retained earnings	225,269	214,454
Equity Attributable to Owners of the Company	<u>382,527</u>	<u>372,159</u>
Non-controlling interests	6,048	5,816
Total Equity	<u>388,575</u>	<u>377,975</u>
Deferred taxation	11,807	11,516
Loans and borrowings	12,036	13,451
Post-employment benefits	617	593
Lease liabilities	4,306	4,784
Non-current Liabilities	<u>28,766</u>	<u>30,344</u>
Trade payables	23,980	16,707
Other payables	19,873	22,630
Refund liability	1,733	1,928
Amount due to affiliated companies	7,553	8,193
Loans and borrowings	10,500	10,639
Current tax liabilities	4,458	2,233
Lease liabilities	3,405	3,396
Current Liabilities	<u>71,502</u>	<u>65,726</u>
Total Liabilities	<u>100,268</u>	<u>96,070</u>
TOTAL EQUITY AND LIABILITIES	<u>488,843</u>	<u>474,045</u>
Net assets per share attributable to owners of the Company (RM)	2.71	2.64

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022.



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 2023

← 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 2022	151,963	662	2,675	191,202	346,502	5,361	351,863
Foreign currency translation differences for foreign operations	-	(82)	-	-	(82)	(1)	(83)
Total other comprehensive income for the period	-	(82)	-	-	(82)	(1)	(83)
Profit for the period	-	-	-	6,514	6,514	108	6,622
Total comprehensive income for the period	-	(82)	-	6,514	6,432	107	6,539
At 31 March 2022	151,963	580	2,675	197,716	352,934	5,468	358,402
At 1 January 2023	152,258	2,888	2,559	214,454	372,159	5,816	377,975
Foreign currency translation differences for foreign operations	-	(776)	-	-	(776)	(89)	(865)
Total other comprehensive income for the period	-	(776)	-	-	(776)	(89)	(865)
Profit for the period	-	-	-	10,815	10,815	321	11,136
Total comprehensive income for the period	-	(776)	-	10,815	10,039	232	10,271
Issuance of ordinary shares pursuant to ESOS	413	-	-	-	413	-	413
Total transactions with owners of the Company	413	-	-	-	413	-	413
Transfer to share capital for share options exercised	-	-	(84)	-	(84)	-	(84)
At 31 March 2023	152,671	2,112	2,475	225,269	382,527	6,048	388,575

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022.



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 2023

	Quarter ended	
	31/03/2023	31/03/2022
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax	15,153	9,756
Other adjustments	2,303	4,100
Operating profit before changes in working capital	<u>17,456</u>	<u>13,856</u>
Net change in current assets	(24,678)	(13,417)
Net change in current liabilities	5,692	6,329
Cash generated from operations	<u>(1,530)</u>	<u>6,768</u>
Tax paid	(1,671)	(988)
Net cash generated from operating activities	<u>(3,201)</u>	<u>5,780</u>
Cash flows from investing activities		
Interest received	499	272
Proceeds from disposal of property, plant and equipment	(146)	3
Purchase of property, plant and equipment	(3,389)	(179)
Net cash used in investing activities	<u>(3,036)</u>	<u>96</u>
Cash flows from financing activities		
Interest paid	(421)	(454)
Proceeds from issuance of ordinary shares-ESOS, net of expenses	329	-
Repayment of term loans / hire purchase creditors	(1,556)	(2,042)
Payment of lease liabilities	(931)	(936)
Net cash (used in) / from financing activities	<u>(2,579)</u>	<u>(3,432)</u>
Net increase in cash and cash equivalents	(8,816)	2,444
Effect on foreign exchange rate changes	378	279
Cash and cash equivalents at 1 January	129,506	120,401
Cash and cash equivalents at 31 March	<u>121,068</u>	<u>123,124</u>
	31/03/2023	31/03/2022
	RM '000	RM '000
Composition of cash and cash equivalents		
Cash and bank balances	51,625	62,680
Fixed deposits with licensed banks	69,443	60,444
	<u>121,068</u>	<u>123,124</u>



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))
(Incorporated in Malaysia)
NOTES TO THE INTERIM FINANCIAL REPORT - 31 MARCH 2023

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 2022. 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 2022.

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 2022.

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 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2024 are as follows:

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on or after a date yet to be confirmed are as follows:

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

- 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 and amendments to MFRS 17 which are not applicable to the Group.
- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standards, interpretations and 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 2022 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 2023.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter ended 31 March 2023.

A7 Debt and Equity Securities

For the quarter ended 31 March 2023, the Company has issued 158,000 unit of ordinary shares pursuant to the exercise of Company's ESOS.

Exercise Price RM	No. of Shares Issued	Cash Proceeds RM
1.82	50,000	91,000
1.89	56,000	105,840
2.40	2,000	4,800
2.55	50,000	127,500

A8 Dividends Paid

No dividend was paid during the quarter ended 31 March 2023.

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 2023	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	-	15,077	80,511	-	95,588
Inter-segment revenue	-	253	10,326	(10,579)	-
Total revenue	-	15,330	90,837	(10,579)	95,588
Segment profit before tax	368	3,617	14,672	(3,504)	15,153
Segment assets	194,109	71,377	437,490	(214,133)	488,843
Segment liabilities	3,446	40,935	206,066	(150,179)	100,268

Year-to-date ended 31 March 2022	Investment holding RM'000	Trading RM'000	Manufacturing RM'000	Inter-company Elimination RM'000	Total RM'000
Revenue from external customer	-	12,538	68,998	-	81,536
Inter-segment revenue	-	230	7,887	(8,117)	-
Total revenue	-	12,768	76,885	(8,117)	81,536
Segment profit / (loss) before tax	537	2,014	9,903	(2,698)	9,756
Segment assets	201,429	62,052	410,402	(215,042)	458,841
Segment liabilities	7,629	34,406	201,827	(143,423)	100,439

Geographical segments	Total revenue	
	31/03/2023 RM'000	31/03/2022 RM'000
Malaysia	71,264	61,446
Singapore	9,335	7,527
Vietnam	3,472	3,951
Philippines	406	745
Cambodia	2,935	2,012
Myanmar	1,498	162
Brunei	1,012	1,307
Indonesia	1,458	1,315
Thailand	692	-
Africa	1,059	1,778
Other countries	2,457	1,293
	95,588	81,536

Investment holding 1Q23 vs 1Q22

Investment holding segment profit before tax reported lower at RM0.4 million in 1Q23 compared to RM0.5 million in 1Q22 mainly attributed to weakening of Ringgit against US Dollar during the quarter under review.

Trading 1Q23 vs 1Q22

Trading segment reported a higher profit before tax of RM3.6 million in 1Q23 compared to a profit before tax of RM2.0 million in 1Q22 mainly due to increase in sales for over-the-counter products as compared to the same period last year.

Manufacturing 1Q23 vs 1Q22

Manufacturing segment recorded revenue of RM90.8 million in 1Q23, 18.2% higher than the revenue of RM76.9 million recorded in 1Q22. The profit before tax for 1Q23 recorded higher at RM14.7 million compared to RM9.9 million in 1Q22 due to increase in sales from local and overseas market in 1Q23.

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 quarter under review.

A11 Subsequent Events

There were no changes in the composition of the Group during the quarter under review.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2022.

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>31,828</u>

A15 Related Party Transactions

Significant related party transactions are as follows:

	Quarter ended	
	31/03/2023 RM'000	31/03/2022 RM'000
<u>Corporation related to substantial shareholder</u>		
Purchase of pharmaceutical products	4,569	2,204
Sales of raw materials	(109)	-
Consultancy fees payable	<u>42</u>	<u>15</u>
<u>Companies in which certain Directors have interest</u>		
Purchase of raw materials	1,139	426
Sales of pharmaceutical products	<u>(242)</u>	<u>(235)</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 31/03/2023		As at 31/12/2022	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Long term loans and borrowings	10,748	10,430	11,526	11,106
Long term hire purchase creditors	<u>1,288</u>	<u>1,238</u>	<u>1,925</u>	<u>1,788</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	
	31/03/2023	31/03/2022	RM'000	%
	RM'000	RM'000		
Revenue	95,588	81,536	14,052	17.2
Operating profit	15,024	9,944	5,080	51.1
Profit before interest and tax	15,075	9,938	5,137	51.7
Profit before tax	15,153	9,756	5,397	55.3
Profit after tax	11,136	6,622	4,514	68.2
Profit attributable to owners of the Company	10,815	6,514	4,301	66.0

The Group's revenue grew by 17.2% to RM95.6 million from RM81.5 million when compared to the same period last year mainly due to higher sales from local and overseas market

For the first quarter ended 31 March 2023, the Group recorded a profit before tax of RM15.2 million compared to RM9.8 million in the same period last year mainly due to higher productivity and higher sales from local and overseas market.

B2 Comparison with the Preceding Quarter's Results

	Qtr 1	Qtr 4	Variance	
	(31/03/2023)	(31/12/2022)	RM'000	%
	RM'000	RM'000		
Revenue	95,588	82,554	13,034	15.8
Operating profit	15,024	7,428	7,596	102.3
Profit before interest and tax	15,075	7,468	7,607	101.9
Profit before tax	15,153	7,434	7,719	103.8
Profit after tax	11,136	5,489	5,647	102.9
Profit attributable to owners of the Company	10,815	5,800	5,015	86.5

The Group's reported a higher revenue of RM95.6 million, a grew of 15.8% for the current quarter as compared to RM82.6 million for the immediate preceding quarter ("4Q22") which was mainly due to higher sales from local market during the quarter under review.

The Group posted a higher profit before tax of RM15.2 million as compared to RM7.4 million for the immediate preceding quarter due to higher productivity and higher sales from local market during the quarter under review.

B3 Prospects of the Group

In 2023, rising cost for pharmaceutical and healthcare products and supply chain interruptions are the challenges in pharmaceutical market spawned by the pandemic in many countries. Nonetheless, the growth momentum of the pharmaceutical industry is expected to be sustainable in 2023 despite operating in a challenging environment and long impact of COVID-19.

The Group's revenue rose 17.2% to RM95.6 million for the first quarter ended 31 March 2023 compared with RM81.5 million a year ago. The Group's profit before tax increased 55.3% to RM15.2 million from RM9.8 million last year due to higher sales from local and overseas market.

The Group is cautiously optimistic that the growth prospects of the pharmaceutical products will continue and will take cautious approaches in reviewing and monitoring market conditions to be 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	
	31/03/2023	31/03/2022
	RM'000	RM'000
Current tax	3,726	2,780
Deferred tax	291	354
	<u>4,017</u>	<u>3,134</u>

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2022: 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 2023 are as follows :

		Denominated in Foreign Currency	
		SGD'000	RM Equivalent RM'000
31 March 2023			
Current			
Secured revolving credit		-	4,400
<u>Secured bank loans:</u>			
- Domestic		-	3,079
- Foreign		-	-
<u>Hire purchase creditor:</u>			
- Domestic		-	2,972
- Foreign		15	49
		<u>15</u>	<u>10,500</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic		-	10,748
- Foreign		-	-
<u>Hire purchase creditor:</u>			
- Domestic		-	1,229
- Foreign		18	59
		<u>18</u>	<u>12,036</u>
Total borrowings		<u>33</u>	<u>22,536</u>
31 December 2022			
Current			
Secured revolving credit		-	4,400
<u>Secured bank loans:</u>			
- Domestic		-	3,060
- Foreign		-	-
<u>Hire purchase creditor:</u>			
- Domestic		-	3,131
- Foreign		15	48
		<u>15</u>	<u>10,639</u>
Non-current			
<u>Secured bank loans:</u>			
- Domestic		-	11,526
- Foreign		-	-
<u>Hire purchase creditor:</u>			
- Domestic		-	1,854
- Foreign		22	71
		<u>22</u>	<u>13,451</u>
Total borrowings		<u>37</u>	<u>24,090</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	
	31/03/2023	31/03/2022
i) Basic Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	10,815	6,514
Weighted average number of ordinary shares in issue ('000)	<u>141,083</u>	<u>140,900</u>
	<u>7.67</u>	<u>4.62</u>
ii) Diluted Earnings Per Share		
Profit attributable to owners of the Company (RM'000)	10,815	6,514
Weighted average number of ordinary shares in issue ('000)	141,083	140,900
Effect of dilution-Share options ('000)	<u>457</u>	<u>79</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>141,540</u>	<u>140,979</u>
Diluted Earnings Per Share (sen)	<u>7.64</u>	<u>4.62</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.