



**Asia Brands Berhad** (22414-V)  
(Formerly known as Hing Yiap Group Berhad)  
(Incorporated in Malaysia)  
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## **Introduction**

The Board of Directors of Asia Brands Berhad (formerly known as Hing Yiap Group Berhad) is pleased to announce the un-audited financial results of the Group for the financial period ended 31 December 2012.

This interim financial report is prepared in accordance with Financial Reporting Standard 134, "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report is intended to provide an update on the last annual audited financial statements, for financial period ended 31 March 2012.

This report comprises the following:

- Condensed consolidated statements of financial position
- Condensed consolidated statements of comprehensive income
- Condensed statements of changes in equity
- Condensed consolidated statements of cash flow
- Explanatory notes

**Asia Brands Berhad** (22414-V)  
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**Condensed Consolidated Statements of Financial Position  
as at 31 December 2012**

	Unaudited 31.12.2012 RM'000	Audited 31.3.2012 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,085	11,167
Intangible assets	138,238	7,238
Goodwill on consolidation	33,335	-
Deferred tax assets	286	848
Available-for-sale investment	-	-
	194,944	19,253
<b>Current assets</b>		
Inventories	162,716	52,953
Held-to-maturity investment	-	2,140
Trade receivables	80,941	19,468
Other receivables	14,249	9,766
Tax recoverable	2,202	1,149
Cash and bank balances	21,113	24,559
	281,221	110,035
Non-current assets classified as held for sale	1,074	514
	282,295	110,549
<b>TOTAL ASSETS</b>	<b>477,239</b>	<b>129,802</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	71,925	41,787
Share premium	36,919	1,356
Reserves	73,998	68,709
<b>Shareholders' Equity</b>	182,842	111,852
<b>Non-Current Liabilities</b>		
Long Term Borrowing	162,000	-
Hire purchase payables	71	-
Deferred tax liabilities	605	-
	162,676	-
<b>Current Liabilities</b>		
Trade payables	48,574	2,815
Other payables	18,367	4,556
Hire purchase payables	18	10
Short term borrowings	64,313	10,202
	131,272	17,583
Liabilities directly associated with assets classified as held for sale	449	367
	131,721	17,950
<b>TOTAL LIABILITIES</b>	<b>294,397</b>	<b>17,950</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>477,239</b>	<b>129,802</b>
Net assets per share (RM)	<b>2.54</b>	<b>2.67</b>

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**Condensed Consolidated Statement of Comprehensive Income  
For the period ended 31 December 2012 (Unaudited)**

	3 months ended 31.12.2012	3 months ended 31.12.2011	Year-to-date ended 31.12.2012	Year-to-date ended 31.12.2011
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Revenue	48,279	N/A	107,010	N/A
Other operating income	90	N/A	448	N/A
Operating expenses	(46,101)	N/A	(97,201)	N/A
Profit/(Loss) from Operations	2,268	N/A	10,257	N/A
Finance costs	(268)	N/A	(587)	N/A
Profit/(Loss) before taxation	2,000	N/A	9,670	N/A
Taxation	(246)	N/A	(2,928)	N/A
Profit/(Loss) from continuing operations, net of tax	1,754	N/A	6,742	N/A
<u>Discontinued Operation</u>				
Profit/(Loss) from Discontinued operation, net of tax	50	N/A	114	N/A
Profit/(Loss) after Taxation	1,804	N/A	6,856	N/A

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**Condensed Consolidated Statement of Comprehensive Income  
For the period ended 31 December 2012 (Unaudited) (cont'd)**

	3 months ended 31.12.2012	3 months ended 31.12.2011	Year-to-date ended 31.12.2012	Year-to-date ended 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	1,804	N/A	6,856	N/A
<b>Other comprehensive income:</b>				
Available for sale (AFS) Investments fair value movement	-	N/A	-	N/A
<b>Total comprehensive income</b>	<u>1,804</u>	<u>N/A</u>	<u>6,856</u>	<u>N/A</u>
<b>Total comprehensive income attributable to:</b>				
<b>Equity holders</b>	<u>1,804</u>	<u>N/A</u>	<u>6,856</u>	<u>N/A</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings / (loss) per share	<u>2.50</u>	<u>N/A</u>	<u>9.53</u>	<u>N/A</u>

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**Condensed Statements of Changes in Equity  
For the period ended 31 December 2012 (Unaudited)**

	← Non-distributable →				Distributable	
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value adjustment reserve RM'000	Retained profits RM'000	Total RM'000
At 1.4.2011	N/A	N/A	N/A	N/A	N/A	N/A
Total comprehensive income	N/A	N/A	N/A	N/A	N/A	N/A
Transaction with owners - Dividend	N/A	N/A	N/A	N/A	N/A	N/A
At as 31.12.2011	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
At 1.4.2012	41,787	1,356	-	-	68,709	111,852
Issuance of ordinary share capital	30,138	-	-	-	-	30,138
Proceeds of share premium	-	35,563	-	-	-	35,563
Total comprehensive income	-	-	-	-	6,856	6,856
Transaction with Owners - Dividend	-	-	-	-	(1,567)	(1,567)
At as 31.12.2012	<u>71,925</u>	<u>36,919</u>	<u>-</u>	<u>-</u>	<u>73,998</u>	<u>182,842</u>

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**Condensed Consolidated Statements of Cash Flow  
for the period ended 31 December 2012 (Unaudited)**

	9 months ended 31.12.2012 RM'000	9 months ended 31.12.2011 RM'000
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	9,670	N/A
Profit / (Loss) before tax from discontinued operation	114	N/A
	9,784	N/A
Adjustments for:		
Interest expenses		
- Continuing operations	587	N/A
Depreciation of property, plant and equipment		
- Continuing operations	2,227	N/A
- Discontinued operation	26	N/A
Allowance for impairment losses on receivable		
- Continuing operations	76	N/A
Gain on disposal of property, plant and equipment		
- Continuing operations	(111)	N/A
Loss on disposal of property, plant and equipment		
- Continuing operations	139	N/A
- Discontinued operation	10	N/A
Property, plant and equipment written-off		
- Continuing operations	286	N/A
- Discontinued operation	119	N/A
Reversal of impairment losses of property, plant and equipment		
- Continuing operations	(149)	N/A
- Discontinued operation	(116)	N/A
Reversal of impairment for deposit written-off		
- Discontinued operation	(80)	N/A
Reversal of impairment for Inventories written-down		
- Continuing operations	(2,962)	N/A
Allowance for impairment for Inventories discrepancies		
- Continuing operations	245	
Inventories written-off		
- Continuing operations	29	N/A
- Discontinued operation	8	
	10,118	N/A
Operating profit before working capital changes	(42,440)	N/A
Net change in current assets	31,873	N/A
Net change in current liabilities		
	(449)	N/A
Cash generated/(used in) from operations		
Interest paid		
- Continuing operations	(587)	
Tax paid	(3,359)	N/A
Net cash generated/(used in) operating activities	(4,395)	N/A

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**Condensed Consolidated Statements of Cash Flow  
for the period ended 31 December 2012 (Unaudited) (cont'd)**

	9 months ended 31.12.2012 RM'000	9 months ended 31.12.2011 RM'000
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment		
- Continuing operations	(4,861)	N/A
Acquisition of subsidiary	(238,855)	N/A
(Advance to)/Repayment from holding/related company on acquisition of subsidiary	49,708	
Proceeds from disposal of property, plant and equipment and investment property		
- Continuing operations	50	N/A
Proceeds from disposal of other investment		
- Continuing operations	2,140	N/A
Net cash generated/(used in) investing activities	<u>(191,818)</u>	<u>N/A</u>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of ordinary shares	30,138	N/A
Proceeds from share premium	35,563	N/A
Dividend paid	(1,567)	N/A
(Repayment to)/Advance from holding/related company on acquisition of subsidiary	(52,335)	
Net increase in bank borrowings and hire purchase obligations	180,182	N/A
Net cash generated/(used in) financing activities	<u>191,981</u>	<u>N/A</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(4,232)	N/A
<b>Cash and cash equivalents at beginning of period</b>	22,796	N/A
<b>Cash and cash equivalents at end of period</b>	<u>18,564</u>	<u>N/A</u>
	9 months ended 31.12.2012 RM'000	9 months ended 31.12.2011 RM'000
<b>Cash and cash equivalents at end of period</b>		
Continuing operations:-		
Cash and bank balance	21,113	N/A
Bank overdraft	(3,054)	N/A
	<u>18,059</u>	<u>N/A</u>
Discontinued operation:-		
Cash and bank balance	505	N/A
	<u>18,564</u>	<u>N/A</u>

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## Explanatory Notes

### Explanatory notes pursuant to MFRS 134 , “Interim Financial Reporting”

#### 1. Basis of preparation

This interim financial report is prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

These are the first set of financial statements prepared in accordance with MFRS, which is in line with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards (“FRS”). There were no impacts on transition from FRS to MFRS during the current financial year under review.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the financial period ended 31 March 2012, except for the adoption of the following new MFRS, Amendments to MFRSs and Interpretation with effect from 1 January 2012 where applicable:-

MFRS 124	Related Party Disclosures (Revised)
Amendments to MFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Revised)
Amendments to MFRS 7	Disclosures – Transfers of Financial Assets
Amendments to MFRS 112	Recovery of Underlying Assets

The adoption of the new MFRS, Amendments to MFRSs and Interpretation does not have significant impact on the interim financial report of the Group.



**2. Audit qualification in respect of the audit report of the Group and Company for the preceding financial statements and current status of the matter(s) giving rise to the qualification**

The audit report in respect of the financial statements of the Group and the Company for the financial period ended 31 March 2012 was not qualified.

**3. Explanatory comments about the seasonality or cyclicity of interim operations**

The Group's products cater to the consumer market and business is influenced by the state of the Malaysian economy, consumer confidence and the seasonality and cyclicity of promotional sales and festive seasons.

**4. The nature and amount of items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their nature, size or incidence**

Save for the information disclosed in this interim financial report, there are no other unusual items affecting assets, liabilities, equity, net income or cash flow.

**5. The nature and amount of material changes in estimates of amounts reported in prior interim periods of the current financial year or material changes in estimates of amounts reported in prior financial year**

There was no material changes in estimates of amounts reported in prior financial year.

**6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

On 30/11/2012 the Company announced an issuance of 30,137,615 units of shares at issue price of RM2.18 per share (this is in relation to the disclosure in Note 11)  
Issued and paid up share capital subsequent to the issuance of the said shares are as follows:-

Unit	71,924,814
Value	RM 71,924,841
Listing Date	30/11/2012

## 7. The amount of dividends paid (aggregate or per share)

There were dividends paid by the Company during the quarter ended 31 December 2012 As follows:-

1. Final dividend of 5% less income tax amounted to RM1,567,020 in October 2012 for financial year ended 31 March 2012
2. Final dividend of 5% less income tax amounted to RM1,567,020 in January 2012 for financial year ended 30 June 2011.

## 8. Segmental reporting for business segment, being the Group's basis of segment reporting

	Apparels RM'000	Food and Beverage RM'000	Group RM'000
<b>9 months period ended 31.12.2012</b>			
<b>Segment revenue</b>			
External revenue	107,010	2,880	109,890
Intersegment revenue		-	-
Total revenue	<u>107,010</u>	<u>2,880</u>	<u>109,890</u>
<b>Segment result</b>			
	9,809	(92)	9,717
Other income	448	206	654
Finance cost	(587)	-	(587)
Profit before taxation	<u>9,670</u>	<u>114</u>	<u>9,784</u>

To align with current business structure subsequent to the acquisition of new business segments, the segmental reporting has been changed to group all apparels into a single segment.

**8. Segmental reporting for business segment, being the Group's basis of segment reporting (cont'd)**

	<b>Apparel</b>	<b>Food and Beverage</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>9 months period ended 31.12.2011</b>			
<b>Segment revenue</b>			
External revenue	N/A	N/A	N/A
Intersegment revenue	N/A	N/A	N/A
Total revenue	N/A	N/A	N/A
<b>Segment result</b>			
Other income	N/A	N/A	N/A
Finance cost	N/A	N/A	N/A
Profit before taxation	N/A	N/A	N/A

Pursuant to the Company's announcement on 26 May 2011, the financial year end of the Company has been changed from 30 June 2011 to 31 March 2012. Due to the change of financial year end, there are no comparative figures given for preceding year corresponding quarter and cumulative quarter in the current report.

**9. Status of valuation of property, plant and equipment**

The Group and Company adopted the transitional provision of FRS 116 (formerly MASB 15), "Property, Plant and Equipment" by virtue of which these properties continue to be stated at their revalue amounts, save for depreciation charge determined since the financial period ended 31 March 2012.

There was no valuation of property, plant and equipment carried out during the current financial quarter.

**10. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period**

There are no events subsequent to the end of the interim period that have not been reflected in the financial statements for the current interim period.

**11. Effect of changes in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings, and discontinuing operations**

On 11 July 2012, the Company announced to entered into a conditional Share Sales Agreement with Asia Brands Corporation Bhd ("ABCB") for the proposed acquisition of the entire equity interest of ABCB's subsidiaries for a total purchase consideration of RM245 million to be satisfied by way of a cash consideration of RM179.3million and the balance of RM65.7 million to be satisfied via the issuance of 30,137,615 new ordinary shares of RM1 each at an issue price of RM2.18 per shares.

All the Conditions Precedents for the proposed acquisition were met on the 23 November 2012 follow by its completion on the 14 December 2012 in accordance with the Shares Sale Agreement dated 11 July 2012.

Announcements dated 11 July 2012, 7 November 2012 and 23 November 2012 pertaining to the proposed acquisition can be viewed at the Bursa Malaysia website.

**12. Changes in contingent liabilities or contingent assets since the last annual balance sheet date**

The Company's contingent liabilities in respect of corporate guarantees granted to subsidiaries for banking and financing facilities as at 31 December 2012 was RM26,660,000 (31 March 2012 : RM27,010.00).

## **Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements of Bursa Malaysia**

### **13. Review of performance of the Company and principal subsidiaries, setting-out material factors affecting earnings and/or revenue of the Company and Group for the current quarter and financial year-to-date**

#### **Performance review for the quarter**

Revenue for the 3 months period ended 31 December 2012 from continuing and discontinued operations amounting to RM 49.3 million.

During the quarter the Group recorded a pre-tax profit from continuing and discontinued operations of RM2.1million.

The injection of new business segments result into the Group from the recent acquisition only took place in the month of December 2012.

There were no comparisons made with the previous corresponding quarter due to the change of financial year end from 30 June to 31 March during the previous financial period.

#### **Performance review for the financial year to date**

Revenue for the 9 months period ended 31 December 2012 from continuing and discontinued operations amounting to RM 109.8million.

During the period the Group recorded a pre-tax profit from continuing and discontinued operations of RM9.8 million.

There were no comparisons made with the previous corresponding period due to the change of financial year end from 30 June to 31 March during the previous financial period.

### **14. Comparison with preceding quarter's results**

The Group recorded an increase in revenue of RM10.8 million from continuing and discontinued operations for the current quarter ended 31 December 2012 to RM 49.3 million from RM38.5 million in the preceding quarter ended 30 September 2012.

The Group recorded a pre-tax profit from continuing and discontinued operations of RM2.1 million for the current quarter ended 31 December 2012 as compared to the pre-tax profit of RM7.0million recorded for the quarter ended 30 September 2012 respectively.

The better revenue in the current quarter benefitted from the injection of new business segments into the Group. The lower pre-tax profit is a result of expenses incurred in anticipation of the coming festive promotion. The better pre-tax profits in the previous quarter benefitted from the Hari Raya festive season which fell in that quarter.

## 15. Current year prospects

With the current acquisition, the Group expects to benefit from the increased and larger market share in the apparel trading and retailing businesses, increase its customer and supplier base, enhance its product range to cater for diversified customer base and sustain competitive advantages in the apparel trading and retailing businesses.

The acquisitions will also complement and enhance the product variety of the Group with the babies' and children wear, care and related products as well as the intimate women apparel market segments.

## 16. Status of profit forecast or profit guarantee

This is not applicable to the Group.

## 17. Details of tax charge and an explanation of the variance between the effective and statutory tax rate for the current quarter and financial year-to-date

The tax charge comprised:

	3 months ended 31.12.2012 RM'000	3 months ended 31.12.2011 RM'000	Year-to-date ended 31.12.2012 RM'000	Year-to-date ended 31.12.2011 RM'000
Income tax	(944)	N/A	(2,890)	N/A
Over/(Under)provision				
- Current quarter	-	N/A	-	N/A
- Prior year	222	N/A	-	N/A
			222	
Deferred tax	476	N/A	(260)	N/A
	-----	-----	-----	-----
	(246)	N/A	(2,928)	N/A
	=====	=====	=====	=====

The Group's effective tax rate is higher than the statutory tax rate of 25% mainly due to non-deductible expenses with claw back of accelerated capital allowance.

## 18. Details of purchase or disposal of unquoted securities other than securities in existing subsidiary companies and associated companies

The Group did not purchase or dispose any unquoted securities during the current reporting period.

**19. Status, of not earlier than 7 days from the date of this report, of corporate proposals announced but not completed**

The Group does not have any corporate proposals announced within this period.

**20. Group borrowings and debt securities as at the end of the reporting period**

Details of borrowings and debt securities as at the end of the reporting period are as follows:

	<b>As at 31.12.2012 RM'000</b>
<b>Long term borrowings</b>	
<b>Secured</b>	
Term loan	<u>162,000</u>
<b>Short term borrowings</b>	
<b>Secured</b>	
Term loan	10,000
<b>Unsecured</b>	
Bank overdrafts	3,054
Bankers' acceptances	51,259
	<u>54,313</u>
	<u>64,313</u>

The Group does not have any borrowings that are denominated in foreign currency.

**21. Summary of off-balance sheet financial instruments, which is not earlier than 7 days from the date of this report**

The Group has not entered into any arrangements involving financial instruments.

**22. Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date, which is not earlier than 7 days from the date of this report**

Suit No. D2-22-58-2002 between Bontton Sdn Bhd and Diesel Marketing Sdn Bhd ("Plaintiffs") against Apcott PP (M) Sdn Bhd ("Apcott") and Diesel S.P.A. ("Defendants")

The Plaintiffs have filed their Reply and Defence to Counter-Claim of the Defendants. The matter is now pending the filing of the Reply to Defence to Counter-Claim by the Defendants. Thereafter pleadings will be deemed close and both parties will then proceed to discovery.

This is currently pending trial date set by the high court to complete the discovery.

## 23. Dividends

The Directors did not declare any dividend for the current reporting quarter.

## 24. Basis and methods of calculating earnings / (loss) per share

Basic earnings / (loss) per share:

The basic earnings / (loss) per share is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares in issue during the period.

	<b>3 months ended 31.12.2012</b>	<b>3 months ended 31.12.2011</b>	<b>Year-to-date ended 31.12.2012</b>	<b>Year-to-date ended 31.12.2011</b>
Profit / (loss) after taxation (RM'000)	1,804	N/A	6,856	N/A
Weighted average Number of ordinary shares In issue ('000)	71,925	N/A	71,925	N/A
Basic / (loss) earnings per share (sen)	2.50	NA	9.53	N/A

## 25. Disclosure of realised and unrealised profit

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing requirements. The directive required all listed issuers to disclose the breakdown of the inappropriate profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses. The breakdown of the retained profits of the group as at 31 December 2012, into realised and unrealised profits, pursuant to the directive, is as follows:-

	<b>As at 31.12.2012 RM'000</b>
Total retained earnings of the Group	
- Realised	124,578
- Unrealised	(319)
	<hr/>
	124,259
Consolidated adjustments	(50,261)
Total retained earnings as per condensed consolidated statement of changes in equity	<hr/>
	<u>73,998</u>



## 26. Profit/(Loss) for the Period/Year

	3 months ended 31.12.2012 RM'000	3 months ended 31.12.2011 RM'000	Year-to-date ended 31.12.2012 RM'000	Year-to-date ended 31.12.2011 RM'000
<b>Profit/(Loss) for the period is arrived at after crediting:</b>				
Interest income	41	N/A	308	N/A
Gain on foreign exchange-realised	-	N/A	1	N/A
<b>and after charging:</b>				
Interest expense	268	N/A	587	N/A
Amortisation and Depreciation	1,089	N/A	2,253	N/A
Inventories written-off	1	N/A	37	N/A
Allowance/(Reversal) of impairment:-				
- Property, plant and equipment	(98)	N/A	(265)	N/A
- Receivable	(462)	N/A	76	N/A
- Deposit	-	N/A	(80)	N/A
- Inventories written down	-	N/A	(2,962)	N/A
Loss on foreign exchange-unrealised	-	N/A	1	N/A
Loss on disposal of property, plant and equipment	137	N/A	149	N/A
Property, plant and equipment written-off	218	N/A	405	N/A

There were no gain or loss on derivatives or exceptional items for current quarter and financial period to-date 31 December 2012 (31 December 2011: N/A)

By order of the Board

Chua Siew Chuan  
Company Secretary  
Kuala Lumpur  
28 February 2013