



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 30 June 2013.

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 year ended 31 March 2013.

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)
(Formerly known as Hing Yiap Group Bhd)
(Incorporated in Malaysia)
Condensed Consolidated Statements of Financial Position
as at 30 June 2013

	Unaudited 30.6.2013 RM'000	Audited 31.3.2013 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	20,238	19,826
Intangible assets	138,238	138,238
Goodwill on consolidation	33,284	33,284
Deferred tax assets	318	731
	192,078	192,079
Current assets		
Inventories	158,726	142,899
Trade receivables	57,145	57,151
Other receivables	28,443	17,347
Tax recoverable	4,990	3,947
Cash and bank balances	53,474	40,539
	302,778	261,883
Non-current assets classified as held for sale	-	5,235
	302,778	267,118
TOTAL ASSETS	494,856	459,197
 <u>EQUITY AND LIABILITIES</u>		
Share capital	79,117	71,925
Share premium	51,314	35,494
Reserves	95,676	84,342
Shareholders' Equity	226,107	191,761
 Non-Current Liabilities		
Long Term Borrowing	144,000	158,000
Hire purchase payables	61	66
Deferred tax liabilities	30	168
	144,091	158,234
 Current Liabilities		
Trade payables	40,003	18,084
Other payables	15,159	16,715
Hire purchase payables	19	19
Short term borrowings	69,477	74,144
	124,658	108,962
Liabilities directly associated with assets classified as held for sale	-	240
	124,658	109,202
TOTAL LIABILITIES	268,749	267,436
 TOTAL EQUITY AND LIABILITIES	 494,856	 459,197
 Net assets per share (RM)	 2.86	 2.67

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2013 (Unaudited)

	3 months ended 30.6.2013	3 months ended 30.6.2012	Year-to-date ended 30.6.2013	Year-to-date ended 30.6.2012
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Revenue	69,993	21,191	69,993	21,191
Cost of sales	<u>(34,898)</u>	<u>(11,805)</u>	<u>(34,898)</u>	<u>(11,805)</u>
Gross profit	35,095	9,386	35,095	9,386
Other operating income	8,144	223	8,144	223
Selling and distribution expenses	(25,146)	(7,617)	(25,146)	(7,617)
Administrative and other operation expenses	(2,186)	(1,143)	(2,186)	(1,143)
Finance costs	(2,169)	(76)	(2,169)	(76)
Profit before taxation	<u>13,738</u>	<u>773</u>	<u>13,738</u>	<u>773</u>
Taxation	(2,404)	(460)	(2,404)	(460)
Profit/(Loss) from continuing operations, net of tax	<u>11,334</u>	<u>313</u>	<u>11,334</u>	<u>313</u>
<u>Discontinued Operation</u>				
Profit/(Loss) from Discontinued operation, net of tax	-	(31)	-	(31)
Profit after taxation	<u><u>11,334</u></u>	<u><u>282</u></u>	<u><u>11,334</u></u>	<u><u>282</u></u>

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2013 (Unaudited) (cont'd)

	3 months ended 30.6.2013	3 months ended 30.6.2012	Year-to-date ended 30.6.2013	Year-to-date ended 30.6.2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	11,334	282	11,324	282
Other comprehensive income:				
Available for sale (AFS) Investments fair value movement	-	-	-	-
Total comprehensive income	<u>11,334</u>	<u>282</u>	<u>11,334</u>	<u>282</u>
Total comprehensive income attributable to:				
Equity holders	<u>11,334</u>	<u>282</u>	<u>11,334</u>	<u>282</u>
	Sen	Sen	Sen	Sen
Earnings / (loss) per share	<u>15.55</u>	<u>0.67</u>	<u>15.55</u>	<u>0.67</u>

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**Condensed Statements of Changes in Equity
For the period ended 30 June 2013 (Unaudited)**

	← Non-distributable →				Distributable	Total RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value adjustment reserve RM'000	Retained profits RM'000	
At 1.4.2012						
Total comprehensive income	41,787	1,356	-	-	68,709	111,852
Transaction with owners - Dividend	-	-	-	-	282	282
At as 30.6.2012	<u>41,787</u>	<u>1,356</u>	<u>-</u>	<u>-</u>	<u>68,991</u>	<u>112,134</u>
At 1.4.2013	71,925	35,494	-	-	84,342	191,761
Issuance of ordinary share capital	7,192	16,543	-	-	-	23,735
Share issuance expenses	-	(723)	-	-	-	(723)
Total comprehensive income	-	-	-	-	11,334	11,334
Transaction with Owners - Dividend	-	-	-	-	-	-
At as 30.6.2013	<u>79,117</u>	<u>51,314</u>	<u>-</u>	<u>-</u>	<u>95,676</u>	<u>226,107</u>

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**Condensed Consolidated Statements of Cash Flow
for the period ended 30 June 2013 (Unaudited)**

	3 months ended 30.6.2013 RM'000	3 months ended 30.6.2012 RM'000
Cash flow from operating activities		
Profit before tax from continuing operations	13,738	773
Profit before tax from discontinued operation	-	(31)
	<u>13,738</u>	<u>742</u>
Adjustments for:		
Interest expenses		
- Continuing operations	2,169	76
Non-cash items	(7,557)	1,083
	<u>8,350</u>	<u>1,901</u>
Operating profit before working capital changes	8,350	1,901
Net change in current assets	(24,779)	(26,102)
Net change in current liabilities	18,639	34,127
Cash generated/(used in) from operations	<u>2,210</u>	<u>9,926</u>
Interest paid		
- Continuing operations	(2,169)	(76)
Tax paid	(2,099)	(1,001)
Net cash generated/(used in) operating activities	<u>(2,058)</u>	<u>8,849</u>
Cash flow from investing activities		
Purchase of property, plant and equipment		
- Continuing operations	(2,090)	(1,257)
Acquisition of subsidiary	632	-
(Advance to)/Repayment from related parties	169	-
Interest income	195	-
Proceeds from disposal of property, plant and equipment and investment property		
- Continuing operations	12,095	3
Proceeds from disposal of other investment		
- Continuing operations	44	2,140
Net cash generated investing activities	<u>11,045</u>	<u>886</u>

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**Condensed Consolidated Statements of Cash Flow
for the period ended 30 June 2013 (Unaudited) (cont'd)**

	3 months ended 30.6.2013 RM'000	3 months ended 30.6.2012 RM'000
Cash flow from financing activities		
Net proceeds from issuance of ordinary shares	23,012	-
(Repayment to)/Advance from related parties	(391)	-
Net increase/(decrease) in bank borrowings and hire purchase obligations	(18,672)	(3,827)
Net cash generated/(used in) financing activities	<u>3,949</u>	<u>(3,827)</u>
Net increase in cash and cash equivalents	12,936	5,908
Cash and cash equivalents at beginning of period	40,538	22,796
Cash and cash equivalents at end of period	<u><u>53,474</u></u>	<u><u>28,704</u></u>
<u>Cash and cash equivalents at end of period</u>	3 months ended 30.6.2013 RM'000	3 months ended 30.6.2012 RM'000
Continuing operations:-		
Cash and bank balance	53,474	28,193
Discontinued operation:-		
Cash and bank balance	-	511
	<u><u>53,474</u></u>	<u><u>28,704</u></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.

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 year ended 31 March 2013, except for the adoption of the following new MFRS, Amendments to MFRSs and Interpretation with effect from 1 April 2013 where applicable:-

MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurements	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures-Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12 : Transition Guidance	1 January 2013
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

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 year ended 31 March 2013 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 27 May 2013, the Company had announced the proposed private placement of up to ten percent (10%) of the issued and paid-up capital to third party investor(s). The entire exercise was completed on 19 June 2013. Total shares issued was 7,192,400 at an issue price of RM3.30 per share.

The total issued and paid up shares subsequent to the private placement is 79,117,214 ordinary shares of RM1.00 each.

Our announcement dated 27 May 2013, 28 May 2013, 3 June 2013, 12 June 2013, 18 June 2013 and 20 June 2013 pertaining to the private placement can be viewed at the Bursa Malaysia website.

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

There were no dividends paid by the Company during the quarter ended 30 June 2013.

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

To align with current business structure, segmental reporting has been changed to group all apparels into a single segment.

9. Status of valuation of property, plant and equipment

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 material 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

Anakku Sdn. Bhd. and B.U.M. Marketing (Malaysia) Sdn. Bhd., both wholly-owned subsidiaries of the Company, had on 1 April 2013 each, acquired two(2) ordinary shares of RM1.00 each fully paid-up for RM2.00, representing 100% equity interest in Baby Palace Sdn. Bhd. and Generasi Cerdas Sdn. Bd. (formerly known as MUFC Lifestlye Sdn. Bhd.) respectively.

Our announcements dated 2 April 2013 pertaining to 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 30 June 2013 amounted to RM101,910,000 (31 March 2013 : RM104,410,000).

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 financial year-to-date

Performance review for the financial year to date

Revenue for the current quarter period ended 30 June 2013 amounted to RM 70.0 million, which was RM 48.8 million or 230.2% higher than RM 21.2 million for the same quarter last year.

For the current quarter, the Group recorded a pre-tax profit of RM 13.7 million, as compared to a pre-tax profit of RM 0.7 million for the same period of the preceding year.

The Group's higher revenue and pre-tax profit benefitted from the acquisition of Asia Brands Corporation Berhad subsidiaries which were consolidated to the Group effective from December 2012 and aided by one off other incomes, mainly arising from gain from disposal of properties.

14. Comparison with preceding quarter's results

The Group recorded a decrease in revenue of RM 11.9 million for the current quarter ended 30 June 2013 to RM 70.0 million from RM81.9 million in the preceding quarter ended 31 March 2013.

The Group recorded a pre-tax profit of RM13.7 million for the current quarter ended 30 June 2013 as compared to the pre-tax profit of RM13.6 million recorded for the quarter ended 31 March 2013 respectively.

The lower revenue achieved in the current quarter as compared to preceding quarter due to Chinese New Year fall in the preceding quarter and consequently the pre-tax profit should be lower if its not aided one-off gain from other income.

15. Current year prospects

With the new businesses, 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 brand diversity and strong market positioning allows us to further expand into reaching customers via new counters, new retail outlets and new concept stores to attract new customers while providing fresh products offerings.

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 30.6.2013 RM'000	3 months ended 30.6.2012 RM'000	Year-to-date ended 30.6.2013 RM'000	Year-to-date ended 30.6.2012 RM'000
Income tax	(2,129)	(407)	(2,129)	(407)
Over/(Under)provision				
- Current quarter	-	-	-	-
- Prior year	-	-	-	-
Deferred tax	(275)	(53)	(275)	(53)
	----- (2,404) =====	----- (460) =====	----- (2,404) =====	----- (460) =====

The Group's effective tax rate is lower than the statutory tax rate of 25% was mainly due the capital gain which resulted from the disposal of property.

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 but not completed.

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:

	As at 30.6.2013 RM'000
Long term borrowings	
Secured	
Term loan	<u>144,000</u>
Short term borrowings	
Secured	
Term loan	13,000
Unsecured	
Bankers' acceptances	56,477
	<u><u>69,477</u></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

Subject to the approval of shareholders in the forthcoming Annual General Meeting, the Directors had recommended a payment of 5% dividend less Income tax for the financial year ended 31 March 2013 on 26 July 2013. The payment date for this dividend and the date of the Annual General Meeting will be announced at later date.

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

The basic earnings / (loss) per share is calculated by dividing the net profit attributable by the weighted average number of ordinary shares in issue of 72,873,262 (2013 : 41,787,199) during the period.

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 March 2013, into realised and unrealised profits, pursuant to the directive, is as follows:-

	As at 30.6.2013 RM'000
Total retained earnings of the Group	
- Realised	144,537
- Unrealised	288
	<hr/> 144,825
Consolidated adjustments	(49,149)
Total retained earnings as per condensed consolidated statement of changes in equity	<hr/> <hr/> 95,676

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

	3 months ended 30.6.2013 RM'000	3 months ended 30.6.2012 RM'000	Year-to-date ended 30.6.2013 RM'000	Year-to-date ended 30.6.2012 RM'000
Profit/(Loss) for the period is arrived at after crediting:				
Interest income	195	161	195	161
Gain on foreign exchange-realised	-	1	-	1
Gain on disposal of property, plant and equipment	6,617	-	6,617	-
Negative goodwill	1,172	-	1,172	-
and after charging:				
Interest expense	2,169	76	2,169	76
Amortisation and Depreciation	1,865	560	1,865	560
Inventories written-off	15	9	15	9
Allowance/(Reversal) of impairment:-				
- Property, plant and equipment	-	(51)	-	(51)
- Receivable	(1,717)	575	(1,717)	575
- Deposit	-	(80)	-	(80)
Loss on foreign exchange-unrealised	-	1	-	1
Loss on disposal of property, plant and equipment	580	2	580	2
Property, plant and equipment written-off	5	68	5	68

There were no gain or loss on derivatives or exceptional items for current quarter and financial period to-date 30 June 2013 (31 March 2013: N/A)

By order of the Board

Chua Siew Chuan
Company Secretary
Kuala Lumpur
14 August 2013