



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 September 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 period 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)
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Condensed Consolidated Statements of Financial Position
as at 30 September 2013

	Unaudited 30.9.2013 RM'000	Audited 31.3.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,614	19,826
Intangible assets	138,238	138,238
Goodwill on consolidation	33,284	33,284
Deferred tax assets	525	731
	193,661	192,079
Current assets		
Inventories	168,187	142,899
Trade receivables	63,334	57,151
Other receivables	21,664	17,347
Tax recoverable	4,697	3,947
Cash and bank balances	24,420	40,539
	282,302	261,883
Non-current assets classified as held for sale	-	5,235
	282,302	267,118
TOTAL ASSETS	475,963	459,197
EQUITY AND LIABILITIES		
Share capital	79,117	71,925
Share premium	51,313	35,494
Reserves	100,658	84,342
Shareholders' Equity	231,088	191,761
Non-Current Liabilities		
Long Term Borrowing	108,000	158,000
Hire purchase payables	56	66
Deferred tax liabilities	28	168
	108,084	158,234
Current Liabilities		
Trade payables	35,871	18,084
Other payables	18,319	16,715
Hire purchase payables	19	19
Short term borrowings	82,582	74,144
	136,791	108,962
Liabilities directly associated with assets classified as held for sale	-	240
	136,791	109,202
TOTAL LIABILITIES	244,875	267,436
TOTAL EQUITY AND LIABILITIES	475,963	459,197
Net assets per share (RM)	2.92	2.67

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

	3 months ended 30.9.2013	3 months ended 30.9.2012	Year-to-date ended 30.9.2013	Year-to-date ended 30.9.2012
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Revenue	90,114	37,540	160,107	58,731
Cost of sales	<u>(45,169)</u>	<u>(20,795)</u>	<u>(80,067)</u>	<u>(32,600)</u>
Gross profit	44,945	16,745	80,040	26,131
Other operating income	412	135	8,556	358
Selling and distribution expenses	(32,521)	(7,380)	(57,667)	(14,998)
Administrative and other operation expenses	(2,075)	(2,359)	(4,261)	(3,501)
Finance costs	(2,841)	(243)	(5,011)	(319)
Profit before taxation	<u>7,920</u>	<u>6,898</u>	<u>21,657</u>	<u>7,671</u>
Taxation	(2,937)	(2,222)	(5,341)	(2,682)
Profit/(Loss) from continuing operations, net of tax	<u>4,983</u>	<u>4,676</u>	<u>16,316</u>	<u>4,989</u>
<u>Discontinued Operation</u>				
Profit/(Loss) from Discontinued operation, net of tax	-	95	-	64
Profit after taxation	<u><u>4,983</u></u>	<u><u>4,771</u></u>	<u><u>16,316</u></u>	<u><u>5,053</u></u>

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

	3 months ended 30.9.2013	3 months ended 30.9.2012	Year-to-date ended 30.9.2013	Year-to-date ended 30.9.2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	4,983	4,771	16,316	5,053
Other comprehensive income:				
Available for sale (AFS) Investments fair value movement	-	-	-	-
Total comprehensive income	<u>4,983</u>	<u>4,771</u>	<u>16,316</u>	<u>5,053</u>
Total comprehensive income attributable to:				
Equity holders	<u>4,983</u>	<u>4,771</u>	<u>16,316</u>	<u>5,053</u>
	Sen	Sen	Sen	Sen
Earnings / (loss) per share	<u>6.56</u>	<u>11.42</u>	<u>21.46</u>	<u>12.09</u>

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Condensed Statements of Changes in Equity
For the period ended 30 September 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	-	-	-	-	5,053	5,053
At as 30.9.2012	<u>41,787</u>	<u>1,356</u>	<u>-</u>	<u>-</u>	<u>73,762</u>	<u>116,905</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	-	(724)	-	-	-	(724)
Total comprehensive income	-	-	-	-	16,316	16,316
At as 30.9.2013	<u>79,117</u>	<u>51,313</u>	<u>-</u>	<u>-</u>	<u>100,658</u>	<u>231,088</u>

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

	6 months ended 30.9.2013 RM'000	6 months ended 30.9.2012 RM'000
Cash flow from operating activities		
Profit before tax from continuing operations	21,657	7,671
Profit before tax from discontinued operation	-	64
	<u>21,657</u>	<u>7,735</u>
Adjustments for:		
Interest expenses		
- Continuing operations	5,011	319
Non-cash items	(4,851)	(1,271)
	<u>21,817</u>	<u>6,783</u>
Operating profit before working capital changes	21,817	6,783
Net change in current assets	(34,555)	(49,645)
Net change in current liabilities	16,781	21,882
Cash generated/(used in) from operations	4,043	(20,980)
Interest paid		
- Continuing operations	(5,011)	(319)
Tax paid	(4,069)	(1,753)
Net cash generated/(used in) operating activities	<u>(5,037)</u>	<u>(23,052)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment		
- Continuing operations	(5,506)	(2,076)
Acquisition of subsidiary	632	-
(Advance to)/Repayment from related parties	223	-
Interest income	497	-
Proceeds from disposal of property, plant and equipment and investment property		
- Continuing operations	12,024	48
Proceeds from disposal of other investment		
- Continuing operations	-	2,140
Net cash generated investing activities	<u>7,870</u>	<u>112</u>

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

	6 months ended 30.9.2013 RM'000	6 months ended 30.9.2012 RM'000
Cash flow from financing activities		
Net proceeds from issuance of ordinary shares	23,011	-
(Repayment to)/Advance from related parties	(391)	-
Net increase/(decrease) in bank borrowings and hire purchase obligations	(41,571)	8,330
Net cash generated/(used in) financing activities	(18,951)	8,330
Net decrease in cash and cash equivalents	(16,118)	(14,610)
Cash and cash equivalents at beginning of period	40,538	22,796
Cash and cash equivalents at end of period	24,420	8,186
<u>Cash and cash equivalents at end of period</u>	6 months ended 30.9.2013 RM'000	6 months ended 30.9.2012 RM'000
Continuing operations:-		
Cash and bank balance	24,420	7,985
Discontinued operation:-		
Cash and bank balance	-	201
	24,420	8,186

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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 period 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 period ended 31 March 2013 was not qualified.

3. Explanatory comments about the seasonality or cyclical nature 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 cyclical nature 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 27/5/2013 the Company 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 19/6/2013 by issuance of 7,192,400 units of new shares at an issue price of RM3.30 per share.

Issued and paid up share capital subsequent to the issuance of the said shares is 79,117,214 of RM1.00 each.

Our announcement dated 27/5/2013, 28/5/2013, 8/6/2013 and 20/6/2013 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 September 2013. However, the Company were paid the Final dividend of 5% less income tax amounted to RM2,966,895.64 in October 2013 for financial year ended 31 March 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 are wholly-owned subsidiary of the Company, had on 1/4/2013, acquired two(2) Ordinary Share 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 2/4/2013 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 September 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 quarter

Revenue for the current quarter period ended 30 September 2013 amounted to RM90.1 million, which was RM 52.6 million or 140.3% higher than RM 37.5 million for the same quarter last year.

For the current quarter, the Group recorded a pre-tax profit of RM 7.9 million, as compared to a pre-tax profit of RM 6.9 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 from December 2012.

Performance review for the financial year to date

Revenue for the 6 months period ended 30 September 2013 amounted to RM160.1 million, which was RM101.4 million or 172.7% higher than RM58.7 million for the corresponding 6 months period last year.

For the current 6 months period, the Group recorded a pre-tax profit amounting of RM 21.7 million, 181.8% higher, compared to RM 7.7 million for the corresponding 6 months period last 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 an increase in revenue of RM 20.1 million for the current quarter ended 30 September 2013 to RM 90.1 million from RM70.0 million in the preceding quarter ended 30 June 2013.

The Group recorded a pre-tax profit of RM7.9 million for the current quarter ended 30 September 2013 as compared to the pre-tax profit of RM13.7 million recorded for the quarter ended 30 June 2013 respectively.

The higher revenue achieved in the current quarter as compared to preceding quarter was due to the Hari Raya festive season. The lower pre-tax profit in the current quarter as compared to preceding quarter due to gain on disposal of property was recorded in preceding quarter.

15. Current year prospects

The new businesses had benefitted the Group from the increased market share, customer and supplier base. It had also served to enhance its product range to cater for diversified customers and sustained competitive advantages in the apparel trading and retailing businesses despite the challenges resulted from uncertain economic climate.

Based on the recent Malaysia Retail Industry Report (MRA) in August 2013, the growth rate of retailers fell short in expectation to 6.5% from 10.5% in the third quarter despite the Hari Raya Festivals. Recently, Bank Negara has revised its GDP growth rate downwards to 4.5%. However, the last quarter, the MRA has revised its estimated growth rate to 6.0% from 5.8% in anticipation of the slightly better retail sales during the school holiday, year-end sales and festivals. We expect to be in line with the industry estimates if not better.

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 30.9.2013 RM'000	3 months ended 30.9.2012 RM'000	Year-to-date ended 30.9.2013 RM'000	Year-to-date ended 30.9.2012 RM'000
Income tax	(3,146)	(1,539)	(5,275)	(1,946)
Over/(Under)provision				
- Current quarter	-	-	-	-
- Prior year	-	-	-	-
Deferred tax	209	(683)	(66)	(736)
	----- (2,937) =====	----- (2,222) =====	----- (5,341) =====	----- (2,682) =====

The Group's effective tax rate is remained at 25% this quarter.

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

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 30.9.2013 RM'000
Long term borrowings	
Secured	
Term loan	<u>108,000</u>
Short term borrowings	
Secured	
Term loan	14,500
Unsecured	
Bankers' acceptances	68,082
	<u><u>82,582</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

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

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 76,012,298 (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 unappropriated 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 30 September 2013, into realised and unrealised profits, pursuant to the directive, is as follows:-

	As at 30.9.2013 RM'000
Total retained earnings of the Group	
- Realised	149,598
- Unrealised	497
	<hr/> 150,095
Consolidated adjustments	(49,437)
Total retained earnings as per condensed consolidated statement of changes in equity	<hr/> <hr/> 100,658

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

	3 months ended 30.9.2013 RM'000	3 months ended 30.9.2012 RM'000	Year-to-date ended 30.9.2013 RM'000	Year-to-date ended 30.9.2012 RM'000
Profit/(Loss) for the period is arrived at after crediting:				
Interest income	222	106	417	267
Gain on foreign exchange-realised	3	-	3	1
Gain on disposal of property, plant and equipment	4	-	6,621	-
Negative goodwill	-	-	1,172	-
and after charging:				
Interest expense	2,842	243	5,011	319
Amortisation and Depreciation	2,040	604	3,905	1,164
Inventories written-off	148	27	163	36
Allowance/(Reversal) of impairment:-				
- Property, plant and equipment	-	(116)	-	(167)
- Receivable	993	(37)	(724)	538
- Deposit	-	-	-	(80)
- Inventories	-	(2,962)	-	(2,962)
Loss on foreign exchange-unrealised	1	-	1	1
Loss on disposal of property, plant and equipment	-	10	580	12
Property, plant and equipment written-off	-	119	5	187

There were no gain or loss on derivatives or exceptional items for current quarter and financial period to-date 30 September 2013 (30 September 2012: N/A)

By order of the Board

Chua Siew Chuan
Company Secretary
Kuala Lumpur
15 November 2013