



**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 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)  
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**Condensed Consolidated Statements of Financial Position  
as at 31 December 2013**

	<b>Unaudited 31.12.2013 RM'000</b>	<b>Audited 31.3.2013 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	22,388	19,826
Intangible assets	138,238	138,238
Goodwill on consolidation	33,284	33,284
Deferred tax assets	255	731
	194,165	192,079
<b>Current assets</b>		
Inventories	173,714	142,899
Trade receivables	59,165	57,151
Other receivables	21,106	17,347
Tax recoverable	2,145	3,947
Cash and bank balances	17,131	40,539
	273,261	261,883
Non-current assets classified as held for sale	-	5,235
	273,261	267,118
<b>TOTAL ASSETS</b>	<b>467,426</b>	<b>459,197</b>
 <b><u>EQUITY AND LIABILITIES</u></b>		
Share capital	79,117	71,925
Share premium	51,313	35,494
Reserves	104,498	84,342
<b>Shareholders' Equity</b>	234,928	191,761
<b>Non-Current Liabilities</b>		
Long Term Borrowing	104,000	158,000
Hire purchase payables	51	66
Deferred tax liabilities	216	168
	104,267	158,234
<b>Current Liabilities</b>		
Trade payables	31,908	18,084
Other payables	15,475	16,715
Hire purchase payables	20	19
Short term borrowings	80,828	74,144
	128,231	108,962
Liabilities directly associated with assets classified as held for sale	-	240
	128,231	109,202
<b>TOTAL LIABILITIES</b>	<b>232,498</b>	<b>267,436</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>467,426</b>	<b>459,197</b>
Net assets per share (RM)	<b>2.97</b>	<b>2.67</b>

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2013 (Unaudited)**

	3 months ended 31.12.2013	3 months ended 31.12.2012	Year-to-date ended 31.12.2013	Year-to-date ended 31.12.2012
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Revenue	83,692	48,279	243,799	107,010
Cost of sales	<u>(37,803)</u>	<u>(25,614)</u>	<u>(117,870)</u>	<u>(58,214)</u>
Gross profit	45,889	22,665	125,929	48,796
Other operating income	356	90	8,912	448
Selling and distribution expenses	(30,091)	(16,776)	(87,757)	(31,774)
Administrative and other operation expenses	(1,978)	(3,711)	(6,239)	(7,213)
Finance costs	(2,101)	(268)	(7,112)	(587)
Profit before taxation	<u>12,075</u>	<u>2,000</u>	<u>33,733</u>	<u>9,670</u>
Taxation	(5,269)	(246)	(10,610)	(2,928)
Profit/(Loss) from continuing operations, net of tax	<u>6,806</u>	<u>1,754</u>	<u>23,123</u>	<u>6,742</u>
<u>Discontinued Operation</u>				
Profit/(Loss) from Discontinued operation, net of tax	-	50	-	114
Profit after taxation	<u><u>6,806</u></u>	<u><u>1,804</u></u>	<u><u>23,123</u></u>	<u><u>6,856</u></u>

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2013 (Unaudited) (cont'd)**

	3 months ended 31.12.2013	3 months ended 31.12.2012	Year-to-date ended 31.12.2013	Year-to-date ended 31.12.2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	6,806	1,804	23,123	6,856
<b>Other comprehensive income:</b>				
Available for sale (AFS) Investments fair value movement	-	-	-	-
<b>Total comprehensive income</b>	<u>6,806</u>	<u>1,804</u>	<u>23,123</u>	<u>6,856</u>
<b>Total comprehensive income attributable to:</b>				
<b>Equity holders</b>	<u>6,806</u>	<u>1,804</u>	<u>23,123</u>	<u>6,856</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings / (loss) per share	<u>8.83</u>	<u>3.98</u>	<u>30.01</u>	<u>15.14</u>

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**Condensed Statements of Changes in Equity**  
**For the period ended 31 December 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
Issuance of ordinary share capital	30,138	35,563	-	-	-	65,701
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>
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	-	-	-	-	23,123	23,123
Transaction with owners - Dividend	-	-	-	-	(2,967)	(2,967)
At as 31.12.2013	<u>79,117</u>	<u>51,313</u>	<u>-</u>	<u>-</u>	<u>104,498</u>	<u>234,928</u>

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**Condensed Consolidated Statements of Cash Flow  
for the period ended 31 December 2013 (Unaudited)**

	9 months ended 31.12.2013 RM'000	9 months ended 31.12.2012 RM'000
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	33,733	9,670
Profit before tax from discontinued operation	-	114
	<u>33,733</u>	<u>9,784</u>
Adjustments for:		
Interest expenses		
- Continuing operations	7,112	587
Non-cash items	(3,119)	(253)
	<u>37,726</u>	<u>10,118</u>
Operating profit before working capital changes	37,726	10,118
Net change in current assets	(35,098)	(42,440)
Net change in current liabilities	12,114	31,565
Cash generated/(used in) from operations	14,742	(757)
Interest paid		
- Continuing operations	(2,014)	(587)
Tax paid	(8,465)	(3,359)
Net cash generated/(used in) operating activities	<u>4,263</u>	<u>(4,703)</u>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment		
- Continuing operations	(8,484)	(4,861)
Acquisition of subsidiary	632	(238,855)
(Advance to)/Repayment from related parties	223	50
(Advance to)/Repayment from holding / related company on acquisition of subsidiaries	-	49,658
Interest income	507	308
Proceeds from disposal of property, plant and equipment and investment property		
- Continuing operations	12,227	50
Proceeds from disposal of other investment		
- Continuing operations	-	2,140
Net cash generated / (used in) investing activities	<u>5,105</u>	<u>(191,510)</u>

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**Condensed Consolidated Statements of Cash Flow  
for the period ended 31 December 2013 (Unaudited) (cont'd)**

	<b>9 months ended 31.12.2013 RM'000</b>	<b>9 months ended 31.12.2012 RM'000</b>
<b>Cash flow from financing activities</b>		
Net proceeds from issuance of ordinary shares	23,011	65,701
(Repayment to)/Advance from holding / related companies on subsidiaries acquired	( 391)	(52,335)
Net increase/(decrease) in bank borrowings and hire purchase obligations	(47,330)	180,182
Interest paid	(5,098)	-
Dividends paid	(2,967)	(1,567)
Net cash generated/(used in) financing activities	(32,775)	191,981
<b>Net decrease in cash and cash equivalents</b>	(23,407)	(4,232)
<b>Cash and cash equivalents at beginning of period</b>	40,538	22,796
<b>Cash and cash equivalents at end of period</b>	17,131	18,564
<b><u>Cash and cash equivalents at end of period</u></b>		
	<b>9 months ended 31.12.2013 RM'000</b>	<b>9 months ended 31.12.2012 RM'000</b>
Continuing operations:-		
Cash and bank balance	17,131	21,113
Bank overdraft	-	(3,054)
	17,131	18,059
Discontinued operation:-		
Cash and bank balance	-	505
	17,131	18,564

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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 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 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)**

A final dividend of 5% less income tax amounted to RM2,966,895.64 was paid in October 2013 for financial year ended 31 March 2013 (31 March 2012 : 5% less income tax amounted to RM1,567,020.00).

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

Segmental reporting by business segment is not presented in a single product company.

**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.

On 27/11/2013, B.U.M. Marketing (Malaysia) Sdn. Bhd., had acquired two(2) Ordinary Share of RM1.00 each, representing 100% equity interest in Generasi Fesyen Aktif Sdn. Bhd. (GFASB). With this, GFASB becomes a wholly-owned subsidiary of B.U.M. Marketing (Malaysia) Sdn Bhd.

**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 2013 amounted to RM 101,910,000 (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 31 December 2013 amounted to RM83.7 million, which was RM35.4 million or 73.3% higher than RM48.3 million for the same quarter last year.

For the current quarter, the Group recorded a pre-tax profit of RM12.1 million, as compared to a pre-tax profit of RM2 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 9 months period ended 31 December 2013 amounted to RM243.8 million, which was RM136.8 million or 127.8% higher, compared to RM107.0 million for the corresponding 9 months period last year.

For the current 9 months period, the Group recorded a pre-tax profit amounting of RM33.7 million, 248.8% higher, compared to RM9.7 million for the corresponding 9 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. The result was also aided by a one-off gain from disposal of properties reported under other income.

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

The Group recorded a decrease in revenue of RM6.4 million for the current quarter ended 31 December 2013 to RM83.7 million as compared to RM90.1 million in the preceding quarter ended 30 September 2013.

The Group recorded a pre-tax profit of RM12.1 million for the current quarter ended 31 December 2013 as compared to the pre-tax profit of RM7.9 million recorded for the quarter ended 30 September 2013 respectively.

The lower revenue achieved in the current quarter as compared to preceding quarter due to the Hari Raya festive season which fell in the preceding quarter. The higher pre-tax profit in the current quarter as compared to preceding quarter due to better profit margin and lower expenses recorded in the current quarter.

#### **15. Current year prospects**

The new businesses had benefitted the Group from the increased market share, customer and supplier base. The enhanced product range has sustained competitive advantages in the overall businesses and had provided us a healthy portfolio of offerings to maintain resilient to recent economic challenges.

Retail Group Malaysia has revised downwards its growth forecast to 4.9% from 6.2% for the year 2013. Cost of living is expected to rise and will be more apparent in the year of 2014. Inflation has risen to 2.2% from 1.8% and with increase petrol prices and the abolishment of sugar subsidies, these have led to price increase of many goods and services which impacts costs in the supply chain. This will inevitably create business challenges moving forward. However, Visit Malaysia Year 2014 will bring more sales to retailers located in major cities. We will be ready to cater for this influx.

#### **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:

	<b>3 months ended 31.12.2013 RM'000</b>	<b>3 months ended 31.12.2012 RM'000</b>	<b>Year-to-date ended 31.12.2013 RM'000</b>	<b>Year-to-date ended 31.12.2012 RM'000</b>
Income tax	(3,672)	(944)	(8,947)	(2,890)
Over/(Under)provision - Prior year	(1,139)	222	(1,139)	222
Deferred tax	(458)	476	(524)	(260)
	----- (5,269) =====	----- (246) =====	----- (10,610) =====	----- (2,928) =====

The Group's effective tax rate is higher than the statutory tax rate of 25%, mainly due to non-deductible interest on Term Loan which off-set against the gain on 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 corporate proposals announced but not completed, which is 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:

	<b>As at 31.12.2013 RM'000</b>
<b>Long term borrowings</b>	
<b>Secured</b>	
Term loan	<u>104,000</u>
<b>Short term borrowings</b>	
<b>Secured</b>	
Term loan	16,000
<b>Unsecured</b>	
Bankers' acceptances	64,828
	<u><u>80,828</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 to shareholders by the weighted average number of ordinary shares in issue of 77,051,034 (2013 : 45,294,121) 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 31 December 2013, into realised and unrealised profits, pursuant to the directive, is as follows:-

	<b>As at 31.12.2013 RM'000</b>
Total retained earnings of the Group	
- Realised	154,333
- Unrealised	39
	<hr/> 154,372
Consolidated adjustments	(49,874)
Total retained earnings as per condensed consolidated statement of changes in equity	<hr/> <hr/> 104,498

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

	3 months ended 31.12.2013 RM'000	3 months ended 31.12.2012 RM'000	Year-to-date ended 31.12.2013 RM'000	Year-to-date ended 31.12.2012 RM'000
<b>Profit/(Loss) for the period is arrived at after crediting:</b>				
Interest income	90	41	507	308
Gain on foreign exchange-realised	1	-	4	1
Gain on disposal of property, plant and equipment	563	-	7,184	-
Negative goodwill	-	-	1,172	-
<b>and after charging:</b>				
Interest expense	2,101	268	7,112	587
Amortisation and Depreciation	1,997	1,089	5,902	2,253
Inventories written-off	33	1	196	37
Allowance/(Reversal) of impairment:-				
- Property, plant and equipment	-	(98)	-	(265)
- Receivable	(225)	(462)	(949)	76
- Deposit	-	-	-	(80)
- Inventories	-	-	-	(2,962)
Loss on foreign exchange-unrealised	-	-	1	1
Loss on disposal of property, plant and equipment	-	137	466	149
Property, plant and equipment written-off	102	218	107	405

There were no gain or loss on derivatives or exceptional items for current quarter and financial period to-date 31 December 2013 (31 December 2012: N/A)

By order of the Board

Chua Siew Chuan  
Company Secretary  
Kuala Lumpur  
18 February 2014