



**Asia Brands Berhad** (197501000740(22414-V))  
(Incorporated in Malaysia)  
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## Introduction

The Board of Directors of Asia Brands Berhad is pleased to announce the unaudited financial results of the Group for the financial period ended 31 March 2022.

This interim financial statements is prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, “Interim Financial Reporting” issued by Malaysian Accounting Standards Boards (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial statements is intended to provide an update on the last annual audited financial statements, for financial year ended 31 March 2021.

This report comprises the following:

- Condensed consolidated statements of financial position
- Condensed consolidated statements of profit or loss and other comprehensive income
- Condensed statements of changes in equity
- Condensed consolidated statements of cash flow
- Explanatory notes

**Asia Brands Berhad** (197501000740(22414-V))  
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**Condensed Consolidated Statements of Financial Position**  
**as at 31 March 2022**

	Unaudited 31.3.2022 RM'000	Audited 31.3.2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	10,802	11,636
Right of use assets	10,286	12,228
Intangible assets	131,000	131,000
Goodwill on consolidation	26,705	26,705
Deferred tax assets	6,347	10,428
	<u>185,140</u>	<u>191,997</u>
<b>Current assets</b>		
Inventories	53,398	58,729
Trade receivables	25,769	24,242
Other receivables	4,994	4,781
Tax recoverable	233	12
Deposits in Money Market	540	11,911
Cash and bank balances	15,811	2,241
	<u>100,745</u>	<u>101,916</u>
<b>TOTAL ASSETS</b>	<b><u>285,885</u></b>	<b><u>293,913</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	198,279	198,279
Reserves	29,223	15,945
Minority Interest	18	-
	<u>227,520</u>	<u>214,224</u>
<b>Shareholders' Equity</b>	<b><u>227,520</u></b>	<b><u>214,224</u></b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	210	315
Lease liabilities	5,802	7,935
Deferred tax liabilities	30	-
Borrowing	10,000	20,000
	<u>16,042</u>	<u>28,250</u>
<b>Current Liabilities</b>		
Trade payables	15,225	11,970
Other payables	8,701	9,117
Amount owing to related party	-	2,720
Hire purchase payables	106	101
Lease liabilities	4,946	4,688
Short term borrowings	13,345	22,843
	<u>42,323</u>	<u>51,439</u>
<b>TOTAL LIABILITIES</b>	<b><u>58,365</u></b>	<b><u>79,689</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>285,885</u></b>	<b><u>293,913</u></b>
Net assets per share (RM)	<u><u>0.98</u></u>	<u><u>0.92</u></u>

**Asia Brands Berhad** (197501000740(22414-V))  
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**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2022 (Unaudited)**

	<b>3 months ended 31.3.2022 RM'000</b>	<b>3 months ended 31.3.2021 RM'000</b>	<b>Year-to-date ended 31.3.2022 RM'000</b>	<b>Year-to-date ended 31.3.2021 RM'000</b>
Revenue	44,170	44,105	170,127	170,217
Cost of sales	<u>(19,706)</u>	<u>(19,941)</u>	<u>(75,517)</u>	<u>(77,867)</u>
Gross profit	24,464	24,164	94,610	92,350
Other operating income	264	360	1,164	1,365
Selling and distribution expenses	(18,058)	(18,914)	(68,911)	(69,690)
Administrative and other operation expenses	(1,135)	(530)	(3,615)	(2,150)
Finance costs	(460)	(694)	(2,460)	(3,459)
Profit before taxation	<u>5,075</u>	<u>4,386</u>	<u>20,788</u>	<u>18,416</u>
Taxation	(1,156)	(1,602)	(5,166)	(2,198)
Profit after taxation	<u><u>3,919</u></u>	<u><u>2,784</u></u>	<u><u>15,622</u></u>	<u><u>16,218</u></u>

**Asia Brands Berhad** (197501000740(22414-V))  
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**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2022 (Unaudited) (cont'd)**

	3 months ended 31.12.2022	3 months ended 31.3.2021	Year-to-date ended 31.3.2022	Year-to-date ended 31.3.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,919	2,784	15,622	16,218
<b>Other comprehensive income:</b>				
Available for sale (AFS) Investments fair value movement	-	-	-	-
<b>Total comprehensive income</b>	<u>3,919</u>	<u>2,784</u>	<u>15,622</u>	<u>16,218</u>
<b>Total comprehensive income attributable to:</b>				
<b>Equity holders</b>	3,900	2,784	15,603	16,218
<b>Non-controlling interest</b>	<u>19</u>	<u>-</u>	<u>19</u>	<u>-</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share	<u>1.68</u>	<u>1.20</u>	<u>6.71</u>	<u>6.97</u>

**Asia Brands Berhad** (197501000740(22414-V))  
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**Condensed Statements of Changes in Equity  
For the period ended 31 March 2022 (Unaudited)**

	Non- distributable	Distributable		Total RM'000
	Share Capital RM'000	Retained profits/ (Accumulated losses) RM'000	Non- Controlling Interest RM'000	
At 1.4.2020	198,279	(273)	-	198,006
Profit after taxation/ Total comprehensive expenses	-	16,218	-	16,218
Transaction with owners - Dividend	-	-	-	-
At as 31.3.2021	<u>198,279</u>	<u>15,945</u>	<u>-</u>	<u>214,224</u>
At 1.4.2021	198,279	15,945	-	214,224
Profit after taxation/ Total comprehensive income	-	15,603	19	15,622
Transaction with owners - Dividend	-	(2,326)	-	(2,326)
At as 31.3.2022	<u>198,279</u>	<u>29,222</u>	<u>19</u>	<u>227,520</u>

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**Condensed Consolidated Statements of Cash Flow  
for the period ended 31 March 2022 (Unaudited)**

	12 months ended 31.3.2022 RM'000	12 months ended 31.3.2021 RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	20,788	18,416
Adjustments for:		
Interest income	(217)	(307)
Interest expenses	2,460	3,459
Non-cash items	11,924	10,302
Operating profit before working capital changes	34,955	31,870
Net change in current assets	(190)	876
Net change in current liabilities	2,433	(4,696)
Cash generated from operations	37,198	28,050
Interest paid	(2,460)	(3,459)
Tax paid	(870)	(375)
Net cash generated from operating activities	33,868	24,216
<b>Cash flow from investing activities</b>		
Purchase of plant and equipment	(1,277)	(1,297)
Proceeds from disposal of plant and equipment	-	1
Interest income	217	307
Net cash (used in)/generated from investing activities	(1,060)	(989)
<b>Cash flow from financing activities</b>		
Net (decrease)/increase in bank borrowings and hire purchase obligations	(9,599)	(1,902)
(Repayment to)/Advances from related parties	(2,720)	1,220
Repayment of Sukuk IMTN	(10,000)	(10,000)
Payment of Lease Liabilities	(5,963)	(5,264)
Dividends Paid	(2,326)	-
Net cash (used in)/generated from financing activities	(30,608)	(15,946)
<b>Net increase in cash and cash equivalents</b>	2,200	7,281
<b>Cash and cash equivalents at beginning of period</b>	14,151	6,870
<b>Cash and cash equivalents at end of period</b>	16,351	14,151
	12 months ended 31.3.2022 RM'000	12 months ended 31.3.2021 RM'000
<b><u>Cash and cash equivalents at end of period</u></b>		
Cash and bank balance	15,811	2,241
Deposit in Money Market Fund	540	11,911
Less: Bank Balance Pledge-Al Rajhi	(0)	(1)
<b>Cash and cash equivalents at end of period</b>	16,351	14,151

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## **Explanatory Notes**

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

#### **1. Basis of Preparation**

The unaudited quarterly report has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2021 except for the adoption of the following MFRSs and Amendments to MFRSs during the financial year which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Amendments to MFRS 9,  
MFRS 139 and MFRS 7  
Amendments to MFRS 16

Interest Rate Benchmark Reform – Phase 2  
Covid-19 Related Rent Concessions  
beyond 30 June 2021

#### **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 2021 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 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**

The Group did not issue, cancel, repurchase, resell or repay any debt or equity securities during the reporting quarter.

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

There were no dividends paid by the Company during the quarter ended 31 March 2022.

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

Segmental reporting is not presented as we are operating in a single business segment.

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

There was no valuation of 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. This is barring any further MCO measures imposed by the government to control the pandemic which may result in losses in revenue & profit.

**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**

There were no changes to the composition of the Group during the financial period ended 31 March 2022.

**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 March 2022 amounted to RM36,000,000 (31 March 2021 : RM46,000,000).

**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**

The current quarter revenue period ended 31 March 2022 amounted to RM44.1 million, which was comparable to the same quarter last year. However, the Group recorded a pre-tax profit of RM5.1 million as compared to a pre-tax profit of RM4.4 million for the same period of the preceding year. The higher pre-tax profit was due to lower finance cost following repayment of borrowings.

The current year revenue period ended 31 March 2022 amounted to RM170.1 million, which was comparable to last year revenue. However, the Group recorded a pre-tax profit of RM20.8 million for the year as compared to a pre-tax profit of RM18.4 million in the preceding year. The higher pre-tax profit was due to lower cost of sales as a result better supply chain management and finance cost as stated above.



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

The Group recorded a drop in revenue of RM11.7 million for the current quarter ended 31 March 2022 to RM44.1 million as compared to RM55.8 million in the preceding quarter ended 31 December 2021. This is mainly due to the normalisation affect which occurred post festive period.

The Group recorded a pre-tax profit of RM5.1 million for the current quarter ended 31 March 2022 as compared to pre-tax profit of RM8.7 million recorded for the quarter ended 31 December 2021. This was a result of a lower turnover recorded as compared to the preceding quarter.

#### 15. Current year prospects

The Group continues its plans to keep its employees and customers safe as borders and businesses reopen following the lifting of coronavirus restrictions. Subsequent to the announcement made by the prime minister, the minimum wage for employees has been raised from RM1,200 to RM1,500 a month with effect from May 1, 2022. A higher wage structure will not only result in an increase in disposable income for the B40 group, but also help to boost the economy as well, as the increase in wages will result in higher consumer spending.

Our business had remained resilient despite the impact of COVID-19. Bank Negara Malaysia (BNM) had previously projected the economy would grow between 5.5 per cent to 6.5 per cent in 2022. We are cautiously optimistic to be in line with this growth.

#### 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 31.3.2022 RM'000</b>	<b>3 months ended 31.3.2021 RM'000</b>	<b>Year-to-date ended 31.3.2022 RM'000</b>	<b>Year-to-date ended 31.3.2021 RM'000</b>
Income tax	(210)	(115)	(1,095)	(761)
Over/(Under)provision - Prior year	-	-	39	50
Deferred tax	(946)	(1,487)	(4,110)	(1,487)
Effect on opening deferred tax resulting from a reduction in income tax rate	-	-	-	-
	<u>(1,156)</u>	<u>(1,602)</u>	<u>(5,166)</u>	<u>(2,198)</u>

**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 has no pending corporate proposals.

**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 31.3.2022</b>
	<b>RM'000</b>
<b>Long term borrowing</b>	
<b>Secured</b>	
Term loan	<u>10,000</u>
<b>Short term borrowings</b>	
<b>Secured</b>	
Term loan	10,000
<b>Unsecured</b>	
Bankers' acceptances	3,345
Bank overdrafts	-
	<u>13,345</u>
	<u>23,345</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**

The Group does not have any material litigation.

**23. Dividend Declared**

The Board of Directors has declared a final dividend in respect of the financial year ended 31 March 2022:

- (i) Amount per share : Single tier dividend of 1 sen per share

- (ii) Date payable : 28 June 2022  
 (iii) In respect of deposited securities, entitlement to dividends will be determined on the basis of record of depositors as at 13 June 2022.

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

The basic earnings per share is calculated by dividing the net profit attributable to shareholder by the number of ordinary shares in issue of 232,647,600 (2021 : 232,647,600) during the period.

#### 25. Profit for the Period/Year

	<b>3 months ended 31.3.2022 RM'000</b>	<b>3 months ended 31.3.2021 RM'000</b>	<b>Year-to-date ended 31.3.2022 RM'000</b>	<b>Year-to-date ended 31.3.2021 RM'000</b>
<b>Profit for the period is arrived at after crediting:</b>				
Interest income	15	71	217	307
Bad debts recovered	-	-	-	-
<b>and after charging:</b>				
Interest expense	288	528	1,807	2,774
Interest expense on lease liability	172	165	653	684
Amortisation and Depreciation	523	490	2,034	1,903
Depreciation for right of use asset	1,649	1,464	6,065	6,269
Inventories written-down /off	562	1,490	4,205	3,071
Impairment/(Reversal) of inventories	(39)	236	(39)	(27)
Bad Debts written-off	48	-	58	-
Reversal of impairment:-				
- Receivable	(441)	(52)	(441)	(52)
Loss/(Gain) on short term investment	(65)	5	(97)	40
Gain on disposal of plant and equipment	-	-	-	1

There were no gain nor loss on derivatives or exceptional items for current quarter and financial period to-date 31 March 2022 (31 March 2021: N/A)

By order of the Board  
 Mak Chooi Peng  
 Company Secretary  
 Petaling Jaya  
 18 May 2022