



Asia Brands Berhad (197501000740(22414-V))
(Incorporated in Malaysia)
Lot 10449, Jalan Nenas, Batu 4 ½, Kampung Jawa, 41000 Klang,
Selangor Darul Ehsan.
Telephone: 03-51618822 / Fax: 03-51612728
Email: info@asiabrands.com.my

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 30 June 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 2022.

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))
(Incorporated in Malaysia)
Condensed Consolidated Statements of Financial Position
as at 30 June 2022

	Unaudited 30.6.2022 RM'000	Unaudited 30.6.2021 RM'000	Audited 31.3.2022 RM'000
ASSETS			
Non-current assets			
Plant and equipment	10,708	11,478	10,802
Right of use assets	13,466	12,643	10,286
Intangible assets	131,000	131,000	131,000
Goodwill on consolidation	26,705	26,705	26,705
Deferred tax assets	5,070	9,401	6,347
	<u>186,949</u>	<u>191,227</u>	<u>185,140</u>
Current assets			
Inventories	54,166	66,516	53,398
Trade receivables	30,095	22,418	25,768
Other receivables	5,096	4,853	4,241
Tax recoverable	233	236	10
Deposits in Money Market	26,178	13,214	540
Cash and bank balances	1,989	766	15,811
	<u>117,757</u>	<u>108,003</u>	<u>99,768</u>
TOTAL ASSETS	<u>304,706</u>	<u>299,230</u>	<u>284,908</u>
EQUITY AND LIABILITIES			
Share capital	198,279	198,279	198,279
Reserves	33,623	19,180	29,222
Minority Interest	32	-	19
	<u>231,934</u>	<u>217,459</u>	<u>227,520</u>
Shareholders' Equity			
Non-Current Liabilities			
Hire purchase payables	254	289	210
Lease liabilities	9,091	7,930	5,802
Deferred tax liabilities	30	-	30
Borrowing	10,000	20,000	10,000
	<u>19,375</u>	<u>28,219</u>	<u>16,042</u>
Current Liabilities			
Trade payables	16,583	18,746	15,225
Other payables	10,473	10,886	7,724
Amount owing to related party	-	-	-
Hire purchase payables	137	102	106
Lease liabilities	4,858	5,141	4,946
Short term borrowings	21,346	18,677	13,345
	<u>53,397</u>	<u>53,552</u>	<u>41,346</u>
TOTAL LIABILITIES	<u>72,772</u>	<u>81,771</u>	<u>57,388</u>
TOTAL EQUITY AND LIABILITIES	<u>304,706</u>	<u>299,230</u>	<u>284,908</u>
Net assets per share (RM)	<u>1.00</u>	<u>0.93</u>	<u>0.98</u>

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

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2022 (Unaudited)

	3 months ended 30.6.2022 RM'000	3 months ended 30.6.2021 RM'000	Year-to-date ended 30.6.2022 RM'000	Year-to-date ended 30.6.2021 RM'000
Revenue	56,993	39,420	56,993	39,420
Cost of sales	<u>(24,262)</u>	<u>(17,812)</u>	<u>(24,262)</u>	<u>(17,812)</u>
Gross profit	32,731	21,608	32,731	21,608
Other operating income	227	184	227	184
Selling and distribution expenses	(22,207)	(15,872)	(22,207)	(15,872)
Administrative and other operation expenses	(1,153)	(802)	(1,153)	(802)
Finance costs	(624)	(733)	(624)	(733)
Profit before taxation	<u>8,974</u>	<u>4,385</u>	<u>8,974</u>	<u>4,385</u>
Taxation	(2,234)	(1,150)	(2,234)	(1,150)
Profit after taxation	<u><u>6,740</u></u>	<u><u>3,235</u></u>	<u><u>6,740</u></u>	<u><u>3,235</u></u>

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

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2022 (Unaudited) (cont'd)

	3 months ended 30.6.2022	3 months ended 30.6.2021	Year-to-date ended 30.6.2022	Year-to-date ended 30.6.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period	6,740	3,235	6,740	3,235
Other comprehensive income:				
Available for sale (AFS) Investments fair value movement	-	-	-	-
Total comprehensive income	<u>6,740</u>	<u>3,235</u>	<u>6,740</u>	<u>3,235</u>
Total comprehensive income attributable to:				
Equity holders	6,727	3,235	6,727	3,235
Non-controlling Interest	<u>13</u>	<u>-</u>	<u>13</u>	<u>-</u>
	Sen	Sen	Sen	Sen
Earnings per share	<u>2.90</u>	<u>1.39</u>	<u>2.90</u>	<u>1.39</u>

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

**Condensed Statements of Changes in Equity
For the period ended 30 June 2022 (Unaudited)**

	Non- distributable	Distributable		Total RM'000
	Share Capital RM'000	Retained profits/ (Accumulated losses) RM'000	Non- Controlling Interest RM'000	
At 1.4.2022	198,279	29,222	19	227,520
Profit after taxation/ Total comprehensive expenses	-	6,727	13	6,740
Transaction with owners - Dividend	-	(2,326)	-	(2,326)
At as 30.6.2022	<u>198,279</u>	<u>33,623</u>	<u>32</u>	<u>231,934</u>
At 1.4.2021	198,279	15,945	-	214,224
Profit after taxation/ Total comprehensive income	-	3,235	-	3,235
Transaction with owners - Dividend	-	-	-	-
At as 30.6.2021	<u>198,279</u>	<u>19,180</u>	<u>-</u>	<u>217,459</u>

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

**Condensed Consolidated Statements of Cash Flow
for the period ended 30 June 2022 (Unaudited)**

	3 months ended 30.6.2022 RM'000	3 months ended 30.6.2021 RM'000
Cash flow from operating activities		
Profit before tax	8,975	4,384
Adjustments for:		
Interest income	(8)	(58)
Interest expenses	623	733
Non-cash items	2,339	2,008
Operating profit before working capital changes	11,929	7,067
Net change in current assets	(6,347)	(6,058)
Net change in current liabilities	2,938	8,269
Cash generated from operations	8,520	9,278
Interest paid	(623)	(733)
Tax paid	(11)	(70)
Net cash generated from operating activities	7,886	8,475
Cash flow from investing activities		
Purchase of plant and equipment	(449)	(343)
Interest income	8	57
Net cash used in investing activities	(441)	(286)
Cash flow from financing activities		
Net increase/(decrease) in bank borrowings and hire purchase obligations	8,076	(4,190)
Repayment to related parties	-	(2,720)
Payment of Lease Liabilities	(1,380)	(1,450)
Dividends Paid	(2,326)	-
Net cash generated from/(used in) financing activities	4,370	(8,360)
Net increase/(decrease) in cash and cash equivalents	11,815	(171)
Cash and cash equivalents at beginning of period	16,352	14,151
Cash and cash equivalents at end of period	28,167	13,980
	3 months ended 30.6.2022 RM'000	3 months ended 30.6.2021 RM'000
<u>Cash and cash equivalents at end of period</u>		
Deposits in Money Market Fund	26,178	13,214
Cash and bank balance	1,989	766
Less: Bank Balance Pledge-Al Rajhi	(0)	(0)
Cash and cash equivalents at end of period	28,167	13,980

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 2022.

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 2022 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 116 <i>Property, Plant and Equipment</i>	Property, Plant and Equipment —Proceeds before Intended Use
Annual Improvements to MFRS Standards 2018–2020	
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Onerous Contracts—Cost of Fulfilling a Contract
Amendments to MFRS 3 <i>Business Combinations</i>	Reference to the Conceptual Framework

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 2022 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)

For the current reporting quarter, a final dividend of RM 0.01 per share for every share issued for the financial year ended 31 March 2022 was paid on 28 June 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.

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 30 June 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 30 June 2022 amounted to RM36,000,000 (30 June 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 30 June 2022 amounted to RM57.0 million, which was RM17.6 million or 44.6% higher than RM39.4 million for the same quarter last year. The Group recorded a pre-tax profit of RM9.0 million as compared to a pre-tax profit of RM4.4 million for the same period of the preceding year. This is due to a stronger festive sales performance compare to the same period last year when the nation experienced various stages of MCO (Movement Control Order).

14. Comparison with preceding quarter's results

The Group recorded an increase in revenue of RM12.8 million for the current quarter ended 30 June 2022 to RM57.0 million as compared to RM44.2 million in the preceding quarter ended 31 March 2022. This is mainly due to the strong festival sales achieved during the current period.

Consequently, the Group recorded a higher pre-tax profit of RM9.0 million for the current quarter ended 30 June 2022 as compared to the pre-tax profit of RM5.0 million recorded for the quarter ended 31 March 2022.

15. Current year prospects

The Group overall performance is picking up momentum and is anticipated to recover throughout 2022 as the country transitions to an endemic phase. Furthermore, the relaxation of restrictions and reopening of borders announced on 1st April 2022, would encourage social engagement activities and expected to lead better impact on the economy despite of challenging environment especially inflation.

Our business remained resilient and we are cautiously optimistic to be in line with Bank Negara Malaysia (BNM)'s projection that the economy would grow between 5.3 % to 6.3 % in 2022.

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 30.6.2022 RM'000	3 months ended 30.6.2021 RM'000	Year-to-date ended 30.6.2022 RM'000	Year-to-date ended 30.6.2021 RM'000
Income tax	(957)	(123)	(957)	(123)
Over/(Under)provision - Prior year	-	-	-	-
Deferred tax	(1,277)	(1,027)	(1,277)	(1,027)
Effect on opening deferred tax resulting from a reduction in income tax rate	-	-	-	-
	----- (2,234) =====	----- (1,150) =====	----- (2,234) =====	----- (1,150) =====

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:

	As at 30.6.2022
	RM'000
Long term borrowing	
Secured	
Islamic Medium Term Note	<u>10,000</u>
Short term borrowings	
Secured	
Islamic Medium Term Note	10,000
Unsecured	
Bankers' acceptances	11,346
Bank overdrafts	-
	<u>21,346</u>
	<u>31,346</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. 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 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

	3 months ended 30.6.2022 RM'000	3 months ended 30.6.2021 RM'000	Year-to-date ended 30.6.2022 RM'000	Year-to-date ended 30.6.2021 RM'000
Profit for the period is arrived at after crediting:				
Interest income	8	58	8	58
and after charging:				
Interest expense	449	560	449	560
Interest expense on lease liability	174	173	174	173
Amortisation and Depreciation	543	501	543	501
Depreciation for right of use asset	1,403	1,483	1,403	1,483
Inventories written-down /off	396	24	396	24
(Gain)Loss on short term investment	(111)	1	(111)	1

There were no gain nor loss on derivatives or exceptional items for current quarter and financial period to-date 30 June 2022 (30 June 2021: N/A)

By order of the Board
Mak Chooi Peng
Company Secretary
Petaling Jaya
29 August 2022