



**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](mailto: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 31 December 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 31 December 2022**

	Unaudited 31.12.2022 RM'000	Unaudited 31.12.2021 RM'000	Audited 31.3.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	10,734	10,819	10,802
Right of use assets	14,910	10,440	10,286
Intangible assets	131,000	131,000	131,000
Goodwill on consolidation	26,705	26,705	26,705
Deferred tax assets	4,210	7,264	6,347
	<u>187,559</u>	<u>186,228</u>	<u>185,140</u>
<b>Current assets</b>			
Inventories	66,325	54,307	53,398
Trade receivables	30,944	29,040	25,768
Other receivables	5,847	5,451	4,241
Tax recoverable	234	233	10
Deposits in Money Market	3,915	18,977	540
Cash and bank balances	6,543	1,354	15,811
	<u>113,808</u>	<u>109,362</u>	<u>99,768</u>
<b>TOTAL ASSETS</b>	<b><u>301,367</u></b>	<b><u>295,590</u></b>	<b><u>284,908</u></b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	198,279	198,279	198,279
Reserves	35,332	25,322	29,222
Minority Interest	44	-	19
	<u>233,655</u>	<u>223,601</u>	<u>227,520</u>
<b>Shareholders' Equity</b>			
<b>Non-Current Liabilities</b>			
Hire purchase payables	184	237	210
Lease liabilities	10,310	5,982	5,802
Deferred tax liabilities	30	-	30
Borrowing	10,000	20,000	10,000
	<u>20,524</u>	<u>26,219</u>	<u>16,042</u>
<b>Current Liabilities</b>			
Trade payables	18,922	16,675	15,225
Other payables	11,186	11,159	7,724
Amount owing to related party	-	-	-
Hire purchase payables	139	104	106
Lease liabilities	5,104	4,923	4,946
Short term borrowings	11,837	12,909	13,345
	<u>47,188</u>	<u>45,770</u>	<u>41,346</u>
<b>TOTAL LIABILITIES</b>	<b><u>67,712</u></b>	<b><u>71,989</u></b>	<b><u>57,388</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>301,367</u></b>	<b><u>295,590</u></b>	<b><u>284,908</u></b>
Net assets per share (RM)	<u>1.00</u>	<u>0.96</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 31 December 2022 (Unaudited)**

	<b>3 months ended 31.12.2022 RM'000</b>	<b>3 months ended 31.12.2021 RM'000</b>	<b>Year-to-date ended 31.12.2022 RM'000</b>	<b>Year-to-date ended 31.12.2021 RM'000</b>
Revenue	49,904	55,822	149,651	125,957
Cost of sales	<u>(22,431)</u>	<u>(23,901)</u>	<u>(66,043)</u>	<u>(55,811)</u>
Gross profit	27,473	31,921	83,608	70,146
Other operating income	261	252	830	900
Selling and distribution expenses	(23,105)	(21,938)	(64,748)	(50,853)
Administrative and other operation expenses	(1,250)	(961)	(3,518)	(2,480)
Finance costs	(511)	(570)	(1,609)	(2,000)
Profit before taxation	<u>2,868</u>	<u>8,704</u>	<u>14,563</u>	<u>15,713</u>
Taxation	(772)	(2,265)	(3,775)	(4,010)
Profit after taxation	<u><u>2,096</u></u>	<u><u>6,439</u></u>	<u><u>10,788</u></u>	<u><u>11,703</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 31 December 2022 (Unaudited) (cont'd)**

	3 months ended 31.12.2022	3 months ended 31.12.2021	Year-to-date ended 31.12.2022	Year-to-date ended 31.12.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,096	6,439	10,788	11,703
<b>Other comprehensive income:</b>				
Available for sale (AFS) Investments fair value movement	-	-	-	-
<b>Total comprehensive income</b>	<u>2,096</u>	<u>6,439</u>	<u>10,788</u>	<u>11,703</u>
<b>Total comprehensive income attributable to:</b>				
<b>Equity holders</b>	2,089	6,439	10,763	11,703
<b>Non-controlling Interest</b>	<u>7</u>	<u>-</u>	<u>25</u>	<u>-</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share	<u>0.90</u>	<u>2.77</u>	<u>4.64</u>	<u>5.03</u>

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

**Condensed Statements of Changes in Equity  
for the period ended 31 December 2022 (Unaudited)**

	Non- distributable	Distributable		Total RM'000
	Share Capital RM'000	Retained profits/ (Accumulated losses) RM'000	Non- Controlling Interest RM'000	
At 1.4.2021	198,279	15,945	-	214,224
Profit after taxation/ Total comprehensive expenses	-	11,703	-	11,703
Transaction with owners - Dividend	-	(2,326)	-	(2,326)
At as 31.12.2021	<u>198,279</u>	<u>25,322</u>	<u>-</u>	<u>223,601</u>
At 1.4.2022	198,279	29,222	19	227,520
Profit after taxation/ Total comprehensive income	-	10,763	25	10,788
Transaction with owners - Dividend	-	(4,653)	-	(4,653)
At as 31.12.2022	<u>198,279</u>	<u>35,332</u>	<u>44</u>	<u>233,655</u>

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

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

	9 months ended 31.12.2022 RM'000	9 months ended 31.12.2021 RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	14,564	15,713
Adjustments for:		
Interest income	(33)	(202)
Interest expenses	1,609	2,000
Non-cash items	7,343	9,636
Operating profit before working capital changes	23,483	27,147
Net change in current assets	(21,253)	(4,699)
Net change in current liabilities	6,378	6,207
Cash generated from operations	8,608	28,655
Interest paid	(1,482)	(2,000)
Tax paid	(1,082)	(527)
Net cash generated from operating activities	6,044	26,128
<b>Cash flow from investing activities</b>		
Purchase of plant and equipment	(1,603)	(770)
Proceeds from disposal of plant and equipment	100	-
Interest income	33	202
Net cash used in investing activities	(1,470)	(568)
<b>Cash flow from financing activities</b>		
Net decrease in bank borrowings and hire purchase obligations	(1,500)	(12,729)
Payment of Lease Liabilities	(4,187)	(4,326)
Interest paid on term loan	(128)	-
Dividends Paid	(4,653)	(2,326)
Net cash used in financing activities	(10,468)	(19,381)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(5,894)	6,179
<b>Cash and cash equivalents at beginning of period</b>	16,352	14,151
<b>Cash and cash equivalents at end of period</b>	10,458	20,330
	9 months ended 31.12.2022 RM'000	9 months ended 31.12.2021 RM'000
<b><u>Cash and cash equivalents at end of period</u></b>		
Deposits in Money Market Fund	3,915	18,977
Cash and bank balance	6,543	1,354
Less: Bank Balance Pledge-Al Rajhi	-	(1)
<b>Cash and cash equivalents at end of period</b>	10,458	20,330

## 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, an interim dividend of RM 0.01 for every share issued for the financial year ending 31 March 2023 was paid on 21 December 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 31 December 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 December 2022 amounted to RM16,000,000 (31 December 2021 : RM36,000,000).

**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 for period ended 31 December 2022 amounted to RM49.9 million, which was RM5.9 million or 10.6% lower than RM55.8 million for the same quarter last year. The Group recorded a pre-tax profit of RM2.9 million as compared to a pre-tax profit of RM8.7 million for the same period of the preceding year. This was due to restructuring of East Malaysia distribution channel and the preceding year was aided by revenue spending post MCO (Movement Control Order).

However, revenue for the 9 months period ended 31 December 2022 amounted to RM149.6 million, which was RM23.7 million or 18.8% higher than RM125.9 million for the



corresponding 9 months period last year. For the current 9 months period, the Group recorded a pre-tax profit amounting to RM14.6 million as compared to a pre-tax profit of RM15.7 million for the corresponding 9 months period last year.

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

The Group experienced an increase in revenue of RM7.2 million for the current quarter ended 31 December 2022 to RM49.9 million as compared to RM42.7 million in the preceding quarter ended 30 September 2022. The current quarter was aided by year end sales.

Consequently, the Group recorded a higher pre-tax profit of RM2.9 million for the current quarter ended 31 December 2022 as compared to the pre-tax profit of RM2.7 million recorded for the quarter ended 30 September 2022.

#### 15. Current year prospects

Our business remained essential to consumers. Coming off a strong performance in 2022, we are cautiously optimistic that the growth in 2023 is expected to be moderate but remain at elevated levels amid cost pressures such as product and logistic costs.

With agility and resilience, the Group can maintain its competitive advantage and remained the preferred brands for quality and pricing.

#### 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 31.12.2022 RM'000</b>	<b>3 months ended 31.12.2021 RM'000</b>	<b>Year-to-date ended 31.12.2022 RM'000</b>	<b>Year-to-date ended 31.12.2021 RM'000</b>
Income tax	(336)	(834)	(1,650)	(885)
Over/(Under)provision - Prior year	12	39	12	39
Deferred tax	(448)	(1,470)	(2,137)	(3,164)
Effect on opening deferred tax resulting from a reduction in income tax rate	-	-	-	-
	----- (772) =====	----- (2,265) =====	----- (3,775) =====	----- (4,010) =====

#### 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 31.12.2022</b>
	<b>RM'000</b>
<b>Long term borrowing</b>	
<i>Unsecured</i>	
Murabahah Term Financing-i	10,000
<b>Short term borrowings</b>	
<i>Unsecured</i>	
Bankers' acceptances	11,837
Bank overdrafts	-
	11,837
	21,837

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**

	<b>3 months ended 31.12.2022 RM'000</b>	<b>3 months ended 31.12.2021 RM'000</b>	<b>Year-to-date ended 31.12.2022 RM'000</b>	<b>Year-to-date ended 31.12.2021 RM'000</b>
<b>Profit for the period is arrived at after crediting:</b>				
Interest income	10	76	33	202
<b>and after charging:</b>				
Interest expense	343	416	1,097	1,519
Interest expense on lease liability	168	154	512	481
Amortisation and Depreciation	548	511	1,622	1,511
Depreciation for right of use asset	1,422	1,495	4,240	4,416
Inventories written-down /off	826	2,634	1,543	3,643
Bad debts written off	-	10	-	10
Plant & Equipment written off	8	-	8	76
Gain on short term investment	(102)	(28)	(374)	(32)
Gain on disposal of plant and equipment	-	-	(59)	-

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

By order of the Board  
Mak Chooi Peng  
Company Secretary  
Petaling Jaya  
23 February 2023