



**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 2023.

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 March 2023**

	Unaudited 31.3.2023 RM'000	Audited 31.3.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	11,274	10,802
Right of use assets	15,211	10,286
Intangible assets	131,000	131,000
Goodwill on consolidation	26,705	26,705
Deferred tax assets	4,227	6,347
	<u>188,417</u>	<u>185,140</u>
<b>Current assets</b>		
Inventories	74,513	53,398
Trade receivables	26,725	25,768
Other receivables	6,029	4,241
Tax recoverable	234	10
Deposits in Money Market	-	540
Cash and bank balances	13,887	15,811
	<u>121,388</u>	<u>99,768</u>
<b>TOTAL ASSETS</b>	<b><u>309,805</u></b>	<b><u>284,908</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	198,279	198,279
Reserves	36,668	29,222
Minority Interest	52	19
	<u>234,999</u>	<u>227,520</u>
<b>Shareholders' Equity</b>	<b><u>234,999</u></b>	<b><u>227,520</u></b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	148	210
Lease liabilities	10,396	5,802
Deferred tax liabilities	69	30
Borrowing	10,000	10,000
	<u>20,613</u>	<u>16,042</u>
<b>Current Liabilities</b>		
Trade payables	22,626	15,225
Other payables	9,377	7,724
Amount owing to related party	2,516	-
Hire purchase payables	141	106
Lease liabilities	5,338	4,946
Short term borrowings	14,195	13,345
	<u>54,193</u>	<u>41,346</u>
<b>TOTAL LIABILITIES</b>	<b><u>74,806</u></b>	<b><u>57,388</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>309,805</u></b>	<b><u>284,908</u></b>
Net assets per share (RM)	<u>1.01</u>	<u>0.98</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 2023 (Unaudited)**

	<b>3 months ended 31.3.2023 RM'000</b>	<b><u>Restated</u> 3 months ended 31.3.2022 RM'000</b>	<b>Year-to-date ended 31.3.2023 RM'000</b>	<b><u>Restated</u> Year-to-date ended 31.3.2022 RM'000</b>
Revenue	43,430	41,573	184,554	161,449
Cost of sales	<u>(18,170)</u>	<u>(17,109)</u>	<u>(75,686)</u>	<u>(66,839)</u>
Gross profit	25,260	24,464	108,868	94,610
Other operating income	193	264	1,023	1,164
Selling and distribution expenses	(22,161)	(18,058)	(86,909)	(68,911)
Administrative and other operation expenses	(1,094)	(1,135)	(4,612)	(3,615)
Finance costs	<u>(534)</u>	<u>(460)</u>	<u>(2,143)</u>	<u>(2,460)</u>
Profit before taxation	1,664	5,075	16,227	20,788
Taxation	<u>(320)</u>	<u>(1,156)</u>	<u>(4,095)</u>	<u>(5,166)</u>
Profit after taxation	1,344	3,919	12,132	15,622
<b>Other comprehensive income:</b>				
Available for sale (AFS) Investments fair value movement	-	-	-	-
<b>Total comprehensive income</b>	<u>1,344</u>	<u>3,919</u>	<u>12,132</u>	<u>15,622</u>
<b>Total comprehensive income attributable to:</b>				
<b>Equity holders</b>	1,336	3,900	12,099	15,603
<b>Non-controlling Interest</b>	<u>8</u>	<u>19</u>	<u>33</u>	<u>19</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share	<u>0.58</u>	<u>1.68</u>	<u>5.21</u>	<u>6.71</u>

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**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2023 (Unaudited) (cont'd)**

**Overstatement of Revenue and Cost of Sales**

The financial statements for prior period have been retrospectively restated to adjust for the overstatement of revenue and cost of sales due to commission income from third party concessionaire sales which was accounted for as revenue and purchases. The effects of the adjustments are disclosed below:

**For year to date ended 31 March 2022  
Statement of profit or loss and other comprehensive income**

	<b>As previously stated RM</b>	<b>Prior year adjustments RM</b>	<b>Reclassification RM</b>	<b>Restated RM</b>
Revenue	170,127	(13,134)	-	156,993
Cost of Sales	(75,517)	8,678	-	(66,839)
Commission income	-	-	4,456	4,456

**For 3 months ended 31 March 2022  
Statement of profit or loss and other comprehensive income**

	<b>As previously stated RM</b>	<b>Prior year adjustments RM</b>	<b>Reclassification RM</b>	<b>Restated RM</b>
Revenue	44,170	(3,904)	-	40,266
Cost of Sales	(19,706)	2,597	-	(17,109)
Commission income	-	-	1,307	1,307

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**Condensed Statements of Changes in Equity  
for the period ended 31 March 2023 (Unaudited)**

	Non- distributable	Distributable		Total RM'000
	Share Capital RM'000	Retained Profits RM'000	Non- Controlling Interest RM'000	
At 1.4.2021	198,279	15,945	-	214,224
Profit after taxation/ Total comprehensive expenses	-	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>
At 1.4.2022	198,279	29,222	19	227,520
Profit after taxation/ Total comprehensive income	-	12,099	33	12,132
Transaction with owners - Dividend	-	(4,653)	-	(4,653)
At as 31.3.2023	<u>198,279</u>	<u>36,668</u>	<u>52</u>	<u>234,999</u>

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**Condensed Consolidated Statements of Cash Flow  
for the period ended 31 March 2023 (Unaudited)**

	12 months ended 31.3.2023 RM'000	12 months ended 31.3.2022 RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	16,227	20,788
Adjustments for:		
Interest income	(44)	(217)
Interest expenses	2,143	2,460
Non-cash items	10,130	11,188
Operating profit before working capital changes	28,456	34,219
Net change in current assets	(26,107)	564
Net change in current liabilities	9,014	1,679
Cash generated from operations	11,363	36,462
Interest paid	(1,870)	(2,460)
Tax paid	(2,121)	(870)
Net cash generated from operating activities	7,372	33,132
<b>Cash flow from investing activities</b>		
Purchase of plant and equipment	(2,718)	(1,277)
Proceeds from disposal of plant and equipment	100	-
Interest income	44	217
Net cash used in investing activities	(2,574)	(1,060)
<b>Cash flow from financing activities</b>		
Net increase/(decrease) in bank borrowings and hire purchase obligations	20,824	(9,598)
(Repayment to)/Advances from related parties	2,516	(2,720)
Repayment of Sukuk IMTN	(20,000)	(10,000)
Payment of Lease Liabilities	(5,676)	(5,228)
Interest paid on term loan	(273)	-
Dividends Paid	(4,653)	(2,326)
Net cash used in financing activities	(7,262)	(29,872)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(2,464)	2,200
<b>Cash and cash equivalents at beginning of period</b>	16,351	14,151
<b>Cash and cash equivalents at end of period</b>	13,887	16,351
	12 months ended 31.3.2023 RM'000	12 months ended 31.3.2022 RM'000
<b><u>Cash and cash equivalents at end of period</u></b>		
Cash and bank balance	13,887	15,811
Deposits in Money Market Fund	-	540
Less: Bank Balance Pledge-Al Rajhi	-	-
<b>Cash and cash equivalents at end of period</b>	13,887	16,351

## 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)**

There were no dividends paid by the Company during the quarter ended 31 March 2023.

**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 March 2023.

**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 2023 amounted to RM41,000,000 (31 March 2022 : 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 March 2023 amounted to RM43.4 million, which was RM1.9 million or 4.5% higher than RM41.5 million for the same quarter last year. The Group recorded a pre-tax profit of RM1.7 million as compared to a pre-tax profit of RM5.1 million for the same period of the preceding year. This was due to change of business model in East Malaysia.

However, revenue for the 12 months period ended 31 March 2023 amounted to RM184.5 million, which was RM23.1 million or 14.3% higher than RM161.4 million for the corresponding 12 months period last year. For the current 12 months period, the Group recorded a pre-tax profit amounting to RM16.2 million as compared to a pre-tax profit of RM20.8 million for the corresponding 12 months period last year.



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

The Group experienced a drop in revenue of RM6.5 million for the current quarter ended 31 March 2023 to RM43.4 million as compared to RM49.9 million in the preceding quarter ended 31 December 2022. The previous quarter was aided by year end sales.

Consequently, the Group recorded a lower pre-tax profit of RM1.7 million for the current quarter ended 31 March 2023 as compared to the pre-tax profit of RM2.9 million recorded for the quarter ended 31 December 2022.

#### 15. Current year prospects

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 costs, logistic costs and the increase in minimum wage.

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:

	3 months ended 31.3.2023 RM'000	3 months ended 31.3.2022 RM'000	Year-to-date ended 31.3.2023 RM'000	Year-to-date ended 31.3.2022 RM'000
Income tax	(298)	(210)	(1,948)	(1,095)
Over/(Under)provision - Prior year	-	-	12	39
Deferred tax	(22)	(946)	(2,159)	(4,110)
Effect on opening deferred tax resulting from a reduction in income tax rate	-	-	-	-
	----- (320) =====	----- (1,156) =====	----- (4,095) =====	----- (5,166) =====

#### 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 31.3.2023 RM'000</b>
<b>Long term borrowing</b>	
<b>Unsecured</b>	
Murabahah Term Financing-i	10,000
<b>Short term borrowings</b>	
<b>Unsecured</b>	
Bankers' acceptances	14,195
Bank overdrafts	-
	14,195
	24,195

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 Board of Directors has on 16 May 2023 declared a final dividend of 1 sen per share to be paid on 15 June 2023 to the shareholders of The Company whose names appear in the Register of Depositors of The Company on 31 May 2023.

**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 (2022 : 232,647,600) during the period.

## 25. Profit for the Period/Year

	3 months ended 31.3.2023 RM'000	3 months ended 31.3.2022 RM'000	Year-to-date ended 31.3.2023 RM'000	Year-to-date ended 31.3.2022 RM'000
<b>Profit for the period is arrived at after crediting:</b>				
Interest income	11	15	44	217
<b>and after charging:</b>				
Interest expense	352	288	1,449	1,807
Interest expense on lease liability	182	172	694	653
Amortisation and Depreciation	575	523	2,197	2,034
Depreciation for right of use asset	1,509	1,649	5,749	6,065
Inventories written-down /off	1,455	562	2,998	4,205
Impairment/(Reversal) of inventories	(752)	(39)	(752)	(39)
Bad debts written off	-	48	-	58
Reversal of impairment - Receivable	-	(441)	-	(441)
Plant & Equipment written off	-	-	8	76
Gain on short term investment	(98)	(65)	(472)	(97)
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 March 2023 (31 March 2022: N/A)

By order of the Board  
Mak Chooi Peng  
Company Secretary  
Petaling Jaya  
25 May 2023