



**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 30 September 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 2023.

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 30 September 2023**

	Unaudited 30.9.2023 RM'000	Unaudited 30.9.2022 RM'000	Audited 31.3.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	14,221	10,438	10,961
Right of use assets	20,533	13,215	15,524
Intangible assets	131,000	131,000	131,000
Goodwill on consolidation	26,705	26,705	26,705
Deferred tax assets	3,139	4,658	4,227
	195,598	186,016	188,417
<b>Current assets</b>			
Inventories	75,355	57,173	74,513
Trade receivables	29,291	26,431	26,725
Other receivables	6,296	5,026	4,703
Tax recoverable	234	234	12
Deposits in Money Market	1,775	17,737	-
Cash and bank balances	7,421	3,804	13,887
	120,372	110,405	119,840
<b>TOTAL ASSETS</b>	<b>315,970</b>	<b>296,421</b>	<b>308,257</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	198,279	198,279	198,279
Reserves	39,956	35,570	36,668
Minority Interest	69	37	52
	238,304	233,886	234,999
<b>Shareholders' Equity</b>	<b>238,304</b>	<b>233,886</b>	<b>234,999</b>
<b>Non-Current Liabilities</b>			
Hire purchase payables	76	219	148
Lease liabilities	14,755	9,033	10,396
Deferred tax liabilities	69	30	69
Term Loan	6,250	10,000	8,750
	21,150	19,282	19,363
<b>Current Liabilities</b>			
Trade payables	12,702	17,195	22,626
Other payables	10,877	9,643	7,829
Amount owing to related party	-	-	2,516
Hire purchase payables	143	138	141
Lease liabilities	6,354	4,681	5,338
Term Loan	3,750	-	1,250
Short term borrowings	21,780	11,596	14,195
Bank Overdraft	910	-	-
	56,516	43,253	53,895
<b>TOTAL LIABILITIES</b>	<b>77,666</b>	<b>62,535</b>	<b>73,258</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>315,970</b>	<b>296,421</b>	<b>308,257</b>
Net assets per share (RM)	<b>1.02</b>	<b>1.01</b>	<b>1.01</b>

**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 30 September 2023 (Unaudited)**

	<b>3 months ended 30.9.2023 RM'000</b>	<b><u>Restated</u> 3 months ended 30.9.2022 RM'000</b>	<b>Year-to-date ended 30.9.2023 RM'000</b>	<b><u>Restated</u> Year-to-date ended 30.9.2022 RM'000</b>
Revenue	44,846	40,450	95,691	94,142
Cost of sales	<u>(19,103)</u>	<u>(17,046)</u>	<u>(40,007)</u>	<u>(38,008)</u>
Gross profit	25,743	23,404	55,684	56,134
Other operating income	681	342	950	569
Selling and distribution expenses	(22,341)	(19,436)	(46,329)	(41,642)
Administrative and other operation expenses	(1,115)	(1,115)	(2,130)	(2,268)
Finance costs	<u>(475)</u>	<u>(474)</u>	<u>(1,059)</u>	<u>(1,098)</u>
Profit before taxation	2,493	2,721	7,116	11,695
Taxation	<u>(512)</u>	<u>(769)</u>	<u>(1,485)</u>	<u>(3,003)</u>
Profit after taxation	1,981	1,952	5,631	8,692
<b>Other comprehensive income:</b>				
Available for sale (AFS) Investments fair value movement	-	-	-	-
<b>Total comprehensive income</b>	<u>1,981</u>	<u>1,952</u>	<u>5,631</u>	<u>8,692</u>
<b>Total comprehensive income attributable to:</b>				
<b>Equity holders</b>	1,973	1,947	5,614	8,674
<b>Non-controlling Interest</b>	<u>8</u>	<u>5</u>	<u>17</u>	<u>18</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share	<u>0.85</u>	<u>0.84</u>	<u>2.42</u>	<u>3.74</u>

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**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 September 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 30 September 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	99,747	(10,412)	-	89,335
Cost of Sales	(43,612)	5,604	-	(38,008)
Commission income	-	-	4,808	4,808

**For 3 months ended 30 September 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	42,754	(4,222)	-	38,532
Cost of Sales	(19,350)	2,304	-	(17,046)
Commission income	-	-	1,918	1,918

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**Condensed Statements of Changes in Equity  
for the period ended 30 September 2023 (Unaudited)**

	Non- distributable	Distributable		Total RM'000
	Share Capital RM'000	Retained Profits RM'000	Non- Controlling Interest RM'000	
At 1.4.2023	198,279	36,668	52	234,999
Profit after taxation/ Total comprehensive expenses	-	5,614	17	5,631
Transaction with owners - Dividend	-	(2,326)	-	(2,326)
At as 30.9.2023	<u>198,279</u>	<u>39,956</u>	<u>69</u>	<u>238,304</u>
At 1.4.2022	198,279	29,222	19	227,520
Profit after taxation/ Total comprehensive income	-	8,674	18	8,692
Transaction with owners - Dividend	-	(2,326)	-	(2,326)
At as 30.9.2022	<u>198,279</u>	<u>35,570</u>	<u>37</u>	<u>233,886</u>

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**Condensed Consolidated Statements of Cash Flow  
for the period ended 30 September 2023 (Unaudited)**

	<b>6 months ended 30.9.2023 RM'000</b>	<b>6 months ended 30.9.2022 RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before tax	7,116	11,695
Adjustments for:		
Interest income	(40)	(23)
Interest expenses	1,059	1,098
Non-cash items	5,023	4,548
Operating profit before working capital changes	13,158	17,318
Net change in current assets	(7,957)	(5,940)
Net change in current liabilities	( 6,910)	2,591
Cash generated from operations	(1,709)	13,969
Interest paid	(1,059)	(1,098)
Tax paid	(585)	(241)
Net cash generated from operating activities	(3,353)	12,630
<b>Cash flow from investing activities</b>		
Purchase of plant and equipment	(4,249)	(751)
Proceeds from disposal of plant and equipment	4	100
Interest Income	40	23
Net cash used in investing activities	(4,205)	(628)
<b>Cash flow from financing activities</b>		
Net increase/(decrease) in bank borrowings and hire purchase obligations	7,515	8,293
Repayment of Sukuk	-	(10,050)
Payment of Lease Liabilities	(3,232)	(2,780)
Dividends Paid	(2,326)	(2,326)
Net cash (used in)/generated from financing activities	1,957	(6,863)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(5,601)	5,139
<b>Cash and cash equivalents at beginning of period</b>	12,512	16,352
<b>Cash and cash equivalents at end of period</b>	6,911	21,491
	<b>6 months ended 30.9.2023 RM'000</b>	<b>6 months ended 30.9.2022 RM'000</b>
<b>Cash and cash equivalents at end of period</b>		
Cash and bank balance	7,421	3,804
Deposit in Money Market Fund	1,775	17,737
Less: Bank Balance Pledge-FSRA	(1,375)	(50)
Less: Bank Overdraft	(910)	-
<b>Cash and cash equivalents at end of period</b>	6,911	21,491

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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 2023.

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 2023 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.

MFRS 17	Insurance Contracts
Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	Disclosure of Accounting Policies
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	Definition of Accounting Estimates
Amendments to MFRS 112 <i>Income Taxes</i>	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendment to MFRS 17 <i>Insurance Contracts</i>	Initial Application of MFRS 17 and MFRS 9—Comparative Information
Amendments to MFRS 112 <i>Income Taxes</i>	International Tax Reform—Pillar Two Model Rules

#### 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 2023 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 30 September 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**

A director's resolution was approved on 30 August 2023 where Simple Plan Ventures Sdn Bhd (formerly known as Generasi Dinasti Sdn Bhd), a 100% own subsidiary of Asia Brands Berhad, subscribe to 50% interest in Baby Borong Sdn Bhd for RM1 of which principal business is e-commerce.

**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 September 2023 amounted to RM41,000,000 (30 September 2022 : RM26,000,000).

**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 30 September 2023 amounted to RM44.8 million, which was RM4.4 million or 10.9% higher than RM40.4 million for the same quarter last year. However, the Group recorded a pre-tax profit of RM2.5 million as compared to a pre-tax profit of RM2.7 million for the same period of the preceding year. This is due to an increase in sales related operating costs and minimum wages compare to the same quarter last year.

The revenue for the 6 months period ended 30 September 2023 amounted to RM95.6 million, which was RM1.5 million or 1.6% higher than RM94.1 million for the corresponding 6



months period last year. For the current 6 months period, the Group recorded a pre-tax profit amounting to RM7.1 million as compared to a pre-tax profit of RM11.7 million for the corresponding 6 months period last year. This was due to the same reason as above.

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

The Group experienced a drop in revenue of RM6.0 million for the current quarter ended 30 September 2023 to RM44.8 million as compared to RM50.8 million in the preceding quarter ended 30 June 2023. The previous quarter was aided by festival sales.

Consequently, the Group recorded a lower pre-tax profit of RM2.5 million for the current quarter ended 30 September 2023 as compared to the pre-tax profit of RM4.6 million recorded for the quarter ended 30 June 2023.

#### 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 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 Value.

#### 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 30.9.2023 RM'000</b>	<b>3 months ended 30.9.2022 RM'000</b>	<b>Year-to-date ended 30.9.2023 RM'000</b>	<b>Year-to-date ended 30.9.2022 RM'000</b>
Income tax	(117)	(357)	(397)	(1,314)
Over/(Under)provision - Prior year	-	-	-	-
Deferred tax	(394)	(412)	(1,088)	(1,689)
Effect on opening deferred tax resulting from a reduction in income tax rate	-	-	-	-
	----- (511) =====	----- (769) =====	----- (1,485) =====	----- (3,003) =====

**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 30.9.2023 RM'000</b>
<b>Long term borrowing</b>	
<b>Unsecured</b>	
Murabahah Term Financing-i	<u>6,250</u>
<b>Short term borrowings</b>	
<b>Unsecured</b>	
Bankers' acceptances	21,780
Bank overdrafts	910
Murabahah Term Financing-i	3,750
	<u>26,440</u>
	<u><u>32,690</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**

The Group does not have any material litigation.

### 23. Dividends

The Board of Directors has on 15 November 2023 declared an interim dividend of 1 sen per share to be paid on 15 December 2023 to the shareholders of The Company whose names appear in the Register of Depositors of The Company on 30 November 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 30.9.2023 RM'000	3 months ended 30.9.2022 RM'000	Year-to-date ended 30.9.2023 RM'000	Year-to-date ended 30.9.2022 RM'000
<b>Profit for the period is arrived at after crediting:</b>				
Interest income	22	15	40	23
<b>and after charging:</b>				
Interest expense	244	305	635	754
Interest expense on lease liability	231	170	424	344
Amortisation and Depreciation	662	531	1,298	1,074
Depreciation for right of use asset	1,691	1,415	3,318	2,818
Inventories written-down /off	21	321	152	717
Impairment of inventories	33	-	288	-
Gain on short term investment	(42)	(161)	(128)	(272)
Gain on disposal of plant and equipment	-	(59)	-	(59)

There were no gain nor loss on derivatives or exceptional items for current quarter and financial period to-date 30 September 2023 (30 September 2022: N/A)

By order of the Board  
Mak Chooi Peng  
Company Secretary  
Petaling Jaya  
15 November 2023