



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 June 2024.

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 2024.

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

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**Condensed Consolidated Statements of Financial Position
as at 30 June 2024**

	Unaudited 30.6.2024 RM'000	Unaudited 30.6.2023 RM'000	Audited 31.3.2024 RM'000
ASSETS			
Non-current assets			
Plant and equipment	15,258	12,916	15,729
Right of use assets	17,513	15,603	17,979
Intangible assets	131,000	131,000	131,000
Goodwill on consolidation	26,705	26,705	26,705
Deferred tax assets	2,700	3,533	2,700
	<u>193,176</u>	<u>189,757</u>	<u>194,113</u>
Current assets			
Inventories	75,825	77,343	82,047
Trade receivables	27,638	29,350	29,464
Other receivables	9,539	5,906	8,876
Tax recoverable	312	234	307
Deposits in Money Market	3,830	3,187	-
Cash and bank balances	7,133	7,672	12,147
	<u>124,277</u>	<u>123,692</u>	<u>132,841</u>
TOTAL ASSETS	<u>317,453</u>	<u>313,449</u>	<u>326,954</u>
EQUITY AND LIABILITIES			
Share capital	198,279	198,279	198,279
Reserves	40,117	37,983	40,492
Minority Interest	94	61	87
	<u>238,490</u>	<u>236,323</u>	<u>238,858</u>
Shareholders' Equity			
Non-Current Liabilities			
Hire purchase payables	2	112	23
Lease liabilities	14,891	10,785	15,383
Deferred tax liabilities	90	69	90
Term Loan	2,500	7,500	3,750
	<u>17,483</u>	<u>18,466</u>	<u>19,246</u>
Current Liabilities			
Trade payables	10,067	20,258	14,620
Other payables	8,782	11,512	8,780
Hire purchase payables	110	142	126
Lease liabilities	6,139	5,351	6,159
Term Loan	5,000	2,500	5,000
Short term borrowings	31,382	18,897	34,165
	<u>61,480</u>	<u>58,660</u>	<u>68,850</u>
TOTAL LIABILITIES	<u>78,963</u>	<u>77,126</u>	<u>88,096</u>
TOTAL EQUITY AND LIABILITIES	<u>317,453</u>	<u>313,449</u>	<u>326,954</u>
Net assets per share (RM)	<u>1.03</u>	<u>1.02</u>	<u>1.03</u>

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Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2024 (Unaudited)

	3 months ended 30.6.2024 RM'000	3 months ended 30.6.2023 RM'000	Year-to-date ended 30.6.2024 RM'000	Year-to-date ended 30.06.2023 RM'000
Revenue	44,899	50,845	44,899	50,845
Cost of sales	<u>(19,571)</u>	<u>(20,904)</u>	<u>(19,571)</u>	<u>(20,904)</u>
Gross profit	25,328	29,941	25,328	29,941
Other operating income	454	269	454	269
Selling and distribution expenses	(23,155)	(23,988)	(23,155)	(23,988)
Administrative and other operation expenses	(1,061)	(1,015)	(1,061)	(1,015)
Finance costs	<u>(616)</u>	<u>(584)</u>	<u>(616)</u>	<u>(584)</u>
Profit before taxation	950	4,623	950	4,623
Taxation	<u>(156)</u>	<u>(973)</u>	<u>(156)</u>	<u>(973)</u>
Profit after taxation	794	3,650	794	3,650
Other comprehensive income:				
Available for sale (AFS) Investments fair value movement	-	-	-	-
Total comprehensive income	<u><u>794</u></u>	<u><u>3,650</u></u>	<u><u>794</u></u>	<u><u>3,650</u></u>
Total comprehensive income attributable to:				
Equity holders	788	3,641	788	3,641
Non-controlling Interest	<u>6</u>	<u>9</u>	<u>6</u>	<u>9</u>
	Sen	Sen	Sen	Sen
Earnings per share	<u>0.34</u>	<u>1.57</u>	<u>0.34</u>	<u>1.57</u>

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**Condensed Statements of Changes in Equity
for the period ended 30 June 2024 (Unaudited)**

	Non- distributable	Distributable		Total RM'000
	Share Capital RM'000	Retained Profits RM'000	Non- Controlling Interest RM'000	
At 1.4.2024	198,279	40,492	88	238,859
Profit after taxation/ Total comprehensive expenses	-	788	6	794
Transaction with owners - Dividend	-	(1,163)	-	(1,163)
At as 30.6.2024	<u>198,279</u>	<u>40,117</u>	<u>94</u>	<u>238,490</u>
At 1.4.2023	198,279	36,668	52	234,999
Profit after taxation/ Total comprehensive income	-	3,641	9	3,650
Transaction with owners - Dividend	-	(2,326)	-	(2,326)
At as 30.6.2023	<u>198,279</u>	<u>37,983</u>	<u>61</u>	<u>236,323</u>

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**Condensed Consolidated Statements of Cash Flow
for the period ended 30 June 2024 (Unaudited)**

	3 months ended 30.6.2024 RM'000	3 months ended 30.6.2023 RM'000
Cash flow from operating activities		
Profit before tax	950	4,624
Adjustments for:		
Interest income	(26)	(18)
Interest expenses	616	584
Non-cash items	2,375	2,639
Operating profit before working capital changes	3,915	7,829
Net change in current assets	7,380	(7,046)
Net change in current liabilities	(4,599)	1,048
Cash generated from operations	6,696	1,831
Interest paid	(616)	(584)
Tax paid	(114)	(234)
Net cash generated from operating activities	5,966	1,013
Cash flow from investing activities		
Purchase of plant and equipment	(256)	(2,278)
Proceeds from disposal of plant and equipment	6	-
Interest Income	26	18
Net cash used in investing activities	(224)	(2,260)
Cash flow from financing activities		
Net (decrease)/increase in bank borrowings and hire purchase obligations	(2,820)	4,667
Repayment to related parties	-	(2,516)
Repayment of term loan	(1,250)	-
Payment of Lease Liabilities	(1,693)	(1,606)
Dividends Paid	(1,163)	(2,326)
Net cash used in financing activities	(6,926)	(1,781)
Net decrease in cash and cash equivalents	(1,184)	(3,028)
Cash and cash equivalents at beginning of period	10,772	12,512
Cash and cash equivalents at end of period	9,588	9,484
	3 months ended 30.6.2024 RM'000	3 months ended 30.6.2023 RM'000
<u>Cash and cash equivalents at end of period</u>		
Cash and bank balance	7,133	7,672
Deposit in Money Market Fund	3,830	3,187
Less: Bank Balance Pledge-FSRA	(1,375)	(1,375)
Cash and cash equivalents at end of period	9,588	9,484

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 2024.

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 2024 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 2024 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 0.005 for every share issued for the financial year ending 31 March 2024 was paid on 28 June 2024.

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 2024.

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 2024 amounted to RM67,700,000 (30 June 2023 : RM41,000,000).

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 June 2024 amounted to RM44.9 million, which was RM5.9 million or 11.7% lower than RM50.8 million for the same quarter last year. Consequently, the Group recorded a pre-tax profit of RM0.9 million as compared to a pre-tax profit of RM4.6 million for the same period of the preceding year. This decline is attributed to a weakening market across all business channels and the impact of higher costs of goods.

14. Comparison with preceding quarter's results

The Group experienced a drop in revenue of RM2.8 million for the current quarter ended 30 June 2024 to RM44.9 million as compared to RM47.7 million in the preceding quarter ended 31 March 2024. Consequently, the Group recorded a lower pre-tax profit of RM0.9 million for the current quarter ended 30 June 2024 as compared to the pre-tax profit of RM1.5 million recorded for the quarter ended 31 March 2024. This was due to lower revenue.

15. Current year prospects

While the first half of 2024 presented challenges due to rising product and logistic costs, the Group has navigated these pressures with determination. Although consumer spending has been affected by reduced household incomes and a higher cost of living, the Group remains focused on delivering quality and value.

Looking ahead, while we expect ongoing economic challenges such as inflation and potential minimum wage hikes, there are positive factors that can help mitigate these pressures. The impending increase in civil servants' salary and the permitted EPF Account 3 withdrawal will augur well for the Group going forward.

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 30.6.2024 RM'000	3 months ended 30.6.2023 RM'000	Year-to-date ended 30.6.2024 RM'000	Year-to-date ended 30.6.2023 RM'000
Income tax	(156)	(279)	(156)	(279)
Over/(Under)provision - Prior year	-	-	-	-
Deferred tax	-	(694)	-	(694)
Effect on opening deferred tax resulting from a reduction in income tax rate	-	-	-	-
	----- (156) =====	----- (973) =====	----- (156) =====	----- (973) =====

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 30.6.2024 RM'000
Long term borrowing	
Unsecured	
Murabahah Term Financing-i	<u>2,500</u>
Short term borrowings	
Unsecured	
Bankers' acceptances	31,382
Murabahah Term Financing-i	5,000
	<u>36,382</u>
	<u>38,882</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 (2023 : 232,647,600) during the period.

25. Profit for the Period/Year

	3 months ended 30.6.2024 RM'000	3 months ended 30.6.2023 RM'000	Year-to-date ended 30.6.2024 RM'000	Year-to-date ended 30.6.2023 RM'000
Profit for the period is arrived at after crediting:				
Interest income	27	18	27	18
and after charging:				
Interest expense	351	391	351	391
Interest expense on lease liability	265	193	265	193
Amortisation and Depreciation	722	636	722	636
Depreciation for right of use asset	1,685	1,627	1,685	1,627
Inventories written-down /off	4	131	4	131
Impairment of inventories	-	255	-	255
Gain on short term investment	(52)	(86)	(52)	(86)

There were no gain nor loss on derivatives or exceptional items for current quarter and financial period to-date 30 June 2024 (30 June 2023: N/A)

By order of the Board
Mak Chooi Peng
Company Secretary
Petaling Jaya
30 August 2024