



# AHB HOLDINGS BERHAD

274909-A

INTERIM FINANCIAL STATEMENTS  
for the quarter ended 31 March 2012

**AHB Holdings Berhad 274909-A  
And Its Subsidiary Companies**

**CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME  
for the quarter ended 31 March 2012**

The figures have not been audited.

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
			CORRESPONDING		CORRESPONDING
		3 months ended	3 months ended	9 months ended	9 months ended
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	5,455,963	4,415,298	13,876,139	14,705,749
(b)	Other income	1,050	1,149	3,227	19,575
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	366,478	444,442	617,395	1,347,375
(b)	Finance cost	(284,245)	(344,982)	(851,734)	(1,050,123)
(c)	Depreciation and amortisation	(36,734)	(43,964)	(118,763)	(138,219)
3	(Loss)/Profit Before Taxation	45,499	55,496	(353,102)	159,033
4	Income tax	-	-	-	-
5	(Loss)/Profit for the Period	45,499	55,496	(353,102)	159,033
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	45,499	55,496	(353,102)	159,033
8	(Loss)/Profit Attributable to :				
a)	Equity holders of the parent	45,499	55,496	(353,102)	159,033
b)	Non-controlling interest	-	-	-	-
		45,499	55,496	(353,102)	159,033
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	45,499	55,496	(353,102)	159,033
b)	Non-controlling interest	-	-	-	-
		45,499	55,496	(353,102)	159,033
10	(Loss)/Earnings per share attributable to shareholders of the parent (sen) :				
a)	Basic	0.09	0.12	(0.73)	0.33
b)	Dilluted	NA	NA	NA	NA

The Condensed Consolidated Income Statement of Comprehensive Income should be read in conjunction with the audited Financial Statement Year Ended 30 June 2011.

**AHB Holdings Berhad 274909-A  
And Its Subsidiary Companies**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2012**

The figures have not been audited.

	(Unaudited) As At 31.03.2012 RM	(Audited) As At 30.06.2011 RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	372,878	480,846
Goodwill on Consolidation	1,935,486	1,935,486
Deferred tax asset	2,500,000	2,500,000
	<u>4,808,364</u>	<u>4,916,332</u>
<b>Current Assets</b>		
Inventories	9,601,143	9,942,492
Trade receivables	16,883,984	16,955,139
Other receivables, deposits & prepayments	8,198,414	8,108,772
Tax recoverable	147,618	147,618
Cash and bank balances	705,332	804,346
	<u>35,536,491</u>	<u>35,958,367</u>
<b>TOTAL ASSETS</b>	<b><u>40,344,855</u></b>	<b><u>40,874,699</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	48,131,398	48,131,398
Share premium	3,664,610	3,664,610
Accumulated Losses	(36,024,166)	(35,671,064)
<b>TOTAL EQUITY</b>	<u>15,771,842</u>	<u>16,124,944</u>
<b>Non Current Liabilities</b>		
Long-term borrowings	3,283,438	3,427,260
	<u>3,283,438</u>	<u>3,427,260</u>
<b>Current Liabilities</b>		
Trade payables	3,034,943	4,511,945
Other payables & accrued expenses	15,904,981	14,632,131
Amount owing to directors	513,311	341,058
Bank borrowings	1,836,340	1,837,361
	<u>21,289,575</u>	<u>21,322,495</u>
<b>TOTAL LIABILITIES</b>	<u>24,573,013</u>	<u>24,749,755</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>40,344,855</u></b>	<b><u>40,874,699</u></b>
<b>Net Asset per Share (RM)</b>	<u>0.328</u>	<u>0.335</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statement Year Ended 30 June 2011.

**AHB Holdings Berhad 274909-A  
And Its Subsidiary Companies**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
for the quarter ended 31 March 2012  
The figures have not been audited.**

	<b>9 months ended 31/03/2012 (Unaudited) RM</b>	<b>9 months ended 31/03/2011 (Audited) RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(353,102)	159,033
<b>Adjustment for:</b>		
Depreciation and amortisation	118,763	138,219
Finance costs	851,734	1,050,123
Unrealised (profit)/loss on foreign exchange	(326,770)	319,202
Operating Profit before working capital changes	<u>290,625</u>	<u>1,666,577</u>
<b>Changes in Working Capital</b>		
Inventories	341,349	114,149
Receivables	308,283	(256,679)
Payables	(728,057)	(389,230)
Directors	172,253	389,566
<b>Net cash generated from operating activities</b>	<u>384,453</u>	<u>1,524,383</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(10,795)	(15,507)
Net cash used in investing activities	<u>(10,795)</u>	<u>(15,507)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance costs paid	(143,822)	(1,413,084)
Repayment of borrowings	(328,850)	-
Net cash used in financing activities	<u>(472,672)</u>	<u>(1,413,084)</u>
<b>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	(99,014)	95,792
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	804,346	405,441
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>705,332</u></u>	<u><u>501,233</u></u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Financial Statement Year Ended 30 June 2011.

**AHB Holdings Berhad 274909-A  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

for the quarter ended 31 March 2012

The figures have not been audited.

	← Attributable to Equity Holders of the Company →					
	Non-distributable Reserve		Non-controlling Interest		Total Equity	
	Issue Capital RM	Share Premium RM	Accumulated Loss RM	Total RM	Interest RM	RM
<b>At 1 July 2011</b>	48,131,398	3,664,610	(35,671,064)	16,124,944	-	16,124,944
Total comprehensive income for the period	-	-	(353,102)	(353,102)	-	(353,102)
<b>At 31 March 2012</b>	48,131,398	3,664,610	(36,024,166)	15,771,842	-	15,771,842
<b>At 1 July 2010</b>	48,131,398	3,664,610	(36,463,564)	15,332,444	-	15,332,444
Total comprehensive income for the period	-	-	159,033	159,033	-	159,033
<b>At 31 March 2011</b>	48,131,398	3,664,610	(36,304,531)	15,491,477	-	15,491,477

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Financial Statement Year Ended 30 June 2011.

**AHB HOLDINGS BERHAD 274909-A  
AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

**Part A – Explanatory Notes Pursuant to FRS134**

**A 1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ('FRS') 134: Interim Financial Reporting and Paragraph 9-22 of the Bursa Malaysia Securities Berhad ("BMSB")'s Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2011.

The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2011.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those of the audited financial statements for the year ended 30 June 2011 except for the adoption of the following new/revised FRSs, IC Interpretations and Amendments to FRSs issued by the MASB as follows:-

Effective for the Group's financial statements commencing on or after 1 July 2011:-

- |  |   |   |
|--|---|---|
| (1) Amendments to IC Interpretation 14 | - | Prepayments of a Minimum Funding Requirement                |
| (2) IC Interpretation 19               | - | Extinguishing Financial Liabilities with Equity Instruments |

Effective for the Group's financial statements commencing on or after 1 January 2012:-

- |                          |   |  |
|--------------------------|---|--|
| (1) FRS 124              | - | Related Party Disclosures (Revised)            |
| (2) IC Interpretation 15 | - | Agreements for the Construction of Real Estate |

IC Interpretation 14, 15 and 19 are not applicable to the Group's operation. The adoption of these standards and interpretations will have no material impact on the financial statements of the Group in the period of initial application except for the following:

**FRS 124 Related Party Disclosures (Revised)**

The revised standard modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in the standard do not affect the Group because the Group are not a government-related entity. However, disclosures regarding related party transactions and balances in this financial statements may be affected when the revised standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

**A3. Auditors' Report on Preceding Audited Financial Statement**

There were no audit qualifications on audited report of the preceding financial statements.

**A4. Seasonality or cyclicity**

The operations of the business are not seasonal or cyclical in nature.

**A5. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of Group during the current quarter.

**A6. Material changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter.

**AHB HOLDINGS BERHAD 274909-A  
AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

**A7. Debt and Equity Securities**

There are no activities in the period under review.

**A8. Dividend Paid**

No dividend was paid for the period under review.

**A9. Segmental Reporting**

**Business segment**

Information relating to business segment is not presented as the Group has identified the business of office interior products, office furniture and specialised computer furniture as its sole operating segment.

**Geographical segment**

i) Revenue of the Group by geographical location of the customers are as follows:

	Revenue	
	9 months period ended	
	31 March 2012	31 March 2011
	RM	RM
South – Eastern Asia	1,869,424	2,519,652
Middle East	8,016,845	6,466,443
South – Central Asia	3,913,100	5,559,064
America	76,770	160,590
	<u>13,876,139</u>	<u>14,705,749</u>

ii) Non-current assets

Non-current assets information are not presented by geographical location as all the non-current assets are located in Malaysia.

**A10. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 30 June 2011.

**A11. Subsequent Materials Events**

There were no material events subsequent to the end of the quarter under review.

**A12. Changes in Composition of the Group**

There were no changes in the composition of the Group during the period under review.

**A13. Contingent Liabilities**

There were no material claims for and against the Group as at 31 March 2012, except that in 2005, a subsidiary company which had a pioneer status received an additional tax assessment of RM756,271 for the year of assessment 1998 due to reinvestment allowances and certain expenses claimed that were disallowed by the tax authorities. The Company has appealed against the disallowance of these allowances and expenses and pending the outcome of the appeal, the additional tax assessment has not been provided for in the financial statements.

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**AHB HOLDINGS BERHAD 274909-A  
AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

**Part B –Explanatory Notes Pursuant to Appendix 9B  
of the Listing Requirements of Bursa Securities**

**B1. Review of Performance of the Company and its Principal Subsidiaries for the Group**

For the 3 months period ended 31 March 2012, the Group registered RM 5,455,963 revenue and net profit of RM 45,499 compared to RM 4,415,298 revenue and net profit of RM 55,496 in preceding year corresponding quarter due to lower gross profit margin in the current reporting quarter.

For the 9 months period ended 31 March 2012, the Group registered RM 13,876,139 revenue and net loss of RM 353,102 compared to RM 14,705,749 revenue and net profit of RM 159,033 respectively in the corresponding 9 months period ended 31 March 2011. As more than 85% of the Group's revenue are exported globally, and hence are being affected by the continuing global economic uncertainties.

**B2. Material Changes in Profit/(Loss) Before Taxation in Comparison to the Previous Quarter**

The Group recorded a Profit before Taxation of RM 45,499 as compared to a Loss before Taxation of RM 201,283 in the previous quarter.

**B3. Prospects**

AHB is guarded about its financial performance for the financial year ending 30 June 2012. While the continuing global financial crisis affects the office furniture purchase decisions, AHB's business model is proven to be competitive in the industry. The management and the board is actively considering ways to mitigate the uncertainties of the Group's revenue. The management is working hard to explore these initiatives.

**B4. Profit Forecast or Profit Guarantee**

(a) Profit Forecast : Not applicable

(b) Profit Guarantee

Pursuant to the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 21 May 1996 and the subsequent revision of the profit guarantee agreement approved by the shareholders in an extraordinary general meeting on 29 September 1998, the guarantors, namely Yong Yoke Keong, Yong Chew Keat and Iskandar Holdings Sdn. Bhd., (collectively, referred to as the Guarantors), had provided a guarantee that the consolidated profits before tax of the Company of RM15,960,600 shall be achieved over a period of five (5) years commencing from the financial year ended 30 June 1998 to 2002. As at 30 June 2002, the shortfall in the profit guarantee amounted to RM15,960,000.

In this connection, the guarantors acknowledged their liabilities in relation to the above profit guarantee have crystallised and intend to fully discharge their obligations. Accordingly, on November 3, 2003, the Company announced a proposed compensation by the Guarantors for the abovementioned shortfall in profit guarantee involving the following proposals:

- (i) Proposed restricted issue of up to 19.670 million five (5) year warrants (Warrants) on a non-renounceable basis to the shareholders of the Company other than the Guarantors and/or person connected to the Guarantors (Entitled Shareholders) at a date to be determined later; and
- (ii) Proposed offer by the Guarantors to purchase the Warrants from the Entitled Shareholders after the listing of the Warrants on Bursa Malaysia Securities Berhad (Collectively, referred to as the Proposed Settlement)

On 21 January 2004, the Company submitted the applications on the Proposed Settlement to the relevant authorities which have given their conditional approval to the Proposed Settlement vide their letter dated 9 December 2005.



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AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

**B4. Profit Forecast or Profit Guarantee (Cont'd)**

The Securities Commission (referred to as the SC) vide its letter dated 20 December 2005 approved the Company's application for an extension of time until 7 June 2006 to complete the Proposed Settlement. Subsequently, an application was made on 6 June 2006 for an extension of time for a further six (6) months to 7 December 2006.

The SC vide its letter dated 13 August 2006 did not approve the application for the extension of time. The directors are continuing to deliberating on the next course of action in relation to the Proposed Settlement, and understand that the Guarantors are exploring various options to arrive at a solution to the Proposed Settlement, and will keep the SC abreast accordingly.

Subsequently, the Board of Directors has been in active discussion within the Board, and with the Management and also with third parties to arrive at a resolution of this matter.

The Board and Management are working on a proposal to forward as soon as possible to SC to resolve this matter in the best way achievable.

**B5. Taxation**

There is no income taxation for the current quarter as there are accumulated tax losses brought forward available to set off the profits.

**B6. Status of Corporate Proposals**

- a) On 10 March 2006, the Board of Directors of AHB announced that AHB and its wholly-owned subsidiary, AHB Technology Sdn Bhd (collectively "the Company") had engaged KPMG Financial Services Sdn Bhd ("KPMG") as financial advisors to propose a voluntary debt restructuring scheme ("VDR") to all termed-out lenders for acceptance in relation to the Supplementary Debt Restructuring Agreement dated 17 August 2001 ("SDRA"). In relation to the VDR, the Company is negotiating with various banks to reschedule the loans, and would be completing this exercise in the near future. As at the date of this quarterly report, all termed-out lenders have re-scheduled the loans with AHB.
- b) The Securities Commission ("SC") has vide its letter dated 26 October 2005 approved under Section 32(5) of the Securities Commission Act, 1993 the waiver from complying with approval conditions as set out in the SC's letter dated 28 January 2002, as follows:
  - (i) AHB should ensure full compliance with paragraph 11.12 of the Policies and Guidelines on Issue/Offer of Securities ("SC Issues Guidelines") with regard to the listing of a trading/retailing company on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") or operate a core business for which listing on the Second Board of Bursa Securities is allowed, within 2 years from the date of the decision letter; and
  - (ii) AHB should eliminate its accumulated losses within 2 1/2 years from the date of the decision letter.

The SC's approval is subject to the condition that the Company or its advisers, Affin Merchant Bank Berhad should submit a detailed proposal to the SC on the Company's plan to eliminate the accumulated losses and the said proposal should also be announced to Bursa Securities. The Board of Directors of the Company has taken note of the condition imposed by the SC and is actively deliberating on the same and/or the next course of action to be taken by the Company.

The SC has also, vide the same letter, approved the extension of time up to 30 June 2006 for compliance of the Bumiputera equity condition, which was imposed under the Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests, vide the SC's letters dated 9 December 2004 and 25 February 2005. The equity condition was imposed on the requirement to increase the Bumiputera equity up to 30% (equivalent to 6,955,000 shares) of the enlarged issued and paid-up share capital of AHB.

AHB had on 21.5.2012 announced a par value reduction exercise to set off its accumulated losses against the credit arising from the par value reduction exercise and the exercise is expected to be completed in the 4th quarter of calendar year 2012.

**AHB HOLDINGS BERHAD 274909-A  
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The figures have not been audited

**B7. Group Borrowings and Debt Securities**

	RM'000
	As at 31 March 2012
The Group's borrowings are as follows:	
Secured loan	
<b>Long Term Borrowings</b>	
(i) Termed Out Loan	659
(ii) Term Loan	2,625
<b>Short Term Borrowings</b>	
(i) Termed Out Loan	639
(ii) Term Loan	1,197
<b>Total</b>	<b>5,120</b>

**B8. Material Litigation**

There were no material litigations other than the announcements made on 5 January 2010 and 13 January 2010.

**B9. Dividend**

No dividend is recommended for the current quarter and period under review.

**B10. Earnings Per Share**

	3 months period ended		9 months period ended	
	31 Mar 2012	31 Mar 2011	31 Mar 2012	31 Mar 2011
<b>Basic Earnings Per Share</b>				
Net profit/(loss)	45,499	55,496	(353,102)	159,033
Weighted average number of ordinary shares in issue	48,131,398	48,131,398	48,131,398	48,131,398
Basic earnings/(loss) per share (sen)	0.09	0.12	(0.73)	0.33
<b>Diluted Earnings Per Share</b>	N/A	N/A	N/A	N/A

Fully diluted earnings per ordinary share is calculated by dividing the adjusted net profit for the year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The Company has a category of potentially dilutive ordinary shares as follows :  
Warrants 2005/2014;

The effect of this would be anti-dilutive to earnings per ordinary share.

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**AHB HOLDINGS BERHAD 274909-A  
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The figures have not been audited

**B11. Loss Before Tax**

Loss before tax is arrived at after crediting/(charging) the following:

	<b>3 months period ended 31 March 2012 RM</b>	<b>9 months period ended 31 March 2012 RM</b>
Other income	1,050	3,227
Interest expenses	(284,245)	(851,734)
Depreciation and amortization	(36,734)	(118,763)
Foreign exchange (loss)/gain	(53,273)	326,770
	<hr/>	<hr/>

The following items are not applicable for the quarter/period:

- i) Provision for and write off of receivables
- ii) Provision for and write off of inventories
- iii) Gain/(Loss) on disposal of quoted or unquoted investment or properties
- iv) Impairment of assets
- v) Gain/(Loss) on derivatives
- vi) Exceptional items

**B12. Disclosure of realised and unrealised profits**

The following analysis of realised and unrealised accumulated losses at the legal entity level is prepared in accordance with Guidance on Special matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

**Realised and Unrealised Losses**

	<b>As at 31 March 2012 RM</b>	<b>As at 31 December 2011 RM</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(35,486,523)	(35,585,295)
- Unrealised gain / (loss)	2,826,771	2,880,044
	<hr/>	<hr/>
	(32,659,752)	(32,705,251)
Add: Consolidation adjustments	(3,364,414)	(3,364,414)
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	(36,024,166)	(36,069,665)
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