



AHB HOLDINGS BERHAD

274909-A

INTERIM FINANCIAL STATEMENTS
for the quarter ended 31 December 2014

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

**CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME
for the quarter ended 31 December 2014**

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	6 months ended	6 months ended
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	4,005,235	3,850,083	8,365,140	7,951,316
(b)	Other income	51,840	-	56,196	-
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	386,300	466,129	855,853	922,187
(b)	Finance cost	-	(228,029)	(24,688)	(428,480)
(c)	Depreciation and amortisation	(9,037)	(28,050)	(18,074)	(57,127)
3	Profit (Loss) Before Taxation	377,263	210,050	813,091	436,580
4	Income tax	-	-	-	-
5	Profit (Loss) for the Period	377,263	210,050	813,091	436,580
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	377,263	210,050	813,091	436,580
8	Profit (Loss) Attributable to :				
	a) Equity holders of the parent	377,263	210,050	813,091	436,580
	b) Non-controlling interest	-	-	-	-
		377,263	210,050	813,091	436,580
9	Total Comprehensive Income Attributable to :				
	a) Equity holders of the parent	377,263	210,050	813,091	436,580
	b) Non-controlling interest	-	-	-	-
		377,263	210,050	813,091	436,580
10	Profit (Loss) per share attributable to shareholders of the parent (sen) :				
	a) Basic	0.24	0.44	0.51	0.72
	b) Dilluted	0.16	NA	0.35	0.71

(i) 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 B 2014/20;

The Condensed Consolidated Income Statement of Comprehensive Income should be read in conjunction with the audited Financial Statement Year Ended 30 June 2014.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 DECEMBER 2014

The figures have not been audited.

	(Unaudited) As At 31.12.2014 RM	(Audited) As At 30.06.2014 RM
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	314,912	332,986
Goodwill on Consolidation	1,935,486	1,935,486
Deferred tax asset	2,500,000	2,500,000
	4,750,398	4,768,472
Current Assets		
Inventories	6,580,336	6,626,156
Trade receivables	10,950,669	11,108,511
Other receivables, deposits & prepayments	3,885,230	3,968,075
Cash and bank balances	2,926,430	961,795
	24,342,665	22,664,537
TOTAL ASSETS	29,093,063	27,433,009
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	32,007,239	10,669,080
Share premium	2,900,110	3,664,610
Capital Reserves	21,305,406	21,305,406
Accumulated Losses	(29,001,309)	(29,814,400)
TOTAL EQUITY	27,211,446	5,824,696
Non Current Liabilities		
Long-term borrowings	-	60,790
	-	60,790
Current Liabilities		
Trade payables	779,380	3,090,142
Other payables & accrued expenses	285,350	9,547,242
Amount owing to directors	60,788	3,301,797
Bank borrowings	-	4,843,243
Tax Liabilities	756,099	765,099
	1,881,617	21,547,523
TOTAL LIABILITIES	1,881,617	21,608,313
TOTAL EQUITY AND LIABILITIES	29,093,063	27,433,009
Net Asset per Share (RM)	0.170	0.109

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statement Year Ended 30 June 2014.

**AHB Holdings Berhad 274909-A
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the quarter ended 31 December 2014
The figures have not been audited.**

	6 months ended 31/12/2014 (Unaudited) RM	6 months ended 31/12/2013 (Unaudited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before tax	813,091	436,580
Adjustment for:		
Depreciation and amortisation	18,074	57,127
Finance costs	24,688	428,480
Unrealised loss/(profit) on foreign exchange	-	58,652
Operating Profit/(Loss) before working capital changes	855,853	980,839
Changes in Working Capital:-		
Inventories	45,820	(189,267)
Receivables	240,687	(158,178)
Payables	(11,572,654)	(649,211)
Directors	(3,241,009)	49,181
Cash used in operating activities	(13,671,303)	33,364
Tax paid	(9,000)	
Net cash used in operating activities	(13,680,303)	33,364
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from issuance of ordinary shares	20,573,659	
Finance costs paid	(24,688)	(79,439)
Repayment of borrowings	(4,904,033)	
Purchase of property, plant & equipment	-	-
Net cash used in investing activities	15,644,938	(79,439)
NET CHANGES IN CASH & CASH EQUIVALENTS	1,964,635	(46,075)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	961,795	380,229
CASH & CASH EQUIVALENTS AT END OF THE YEAR	2,926,430	334,154

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Financial Statement Year Ended 3

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

for the quarter ended 30 SEPTEMBER 2014

The figures have not been audited.

GROUP	← Attributable to Equity Holders of the Company →				
	← Non-distributable →				
	Issue Capital RM	Share Premium RM	Capital Reserve RM	Accumulated Loss RM	Total RM
At 1 July 2012	48,131,398	3,664,610	-	(38,543,526)	13,252,482
Total comprehensive loss for the financial year	-	-	-	(9,200,147)	(9,200,147)
Transactions with owners :					
Capital reduction	(38,505,118)	-	21,305,406	17,199,712	-
Balance at 31 June 2013	9,626,280	3,664,610	21,305,406	(30,543,961)	4,052,335
Total comprehensive income for the financial year	-	-	-	729,561	729,561
Transactions with owners :					
Issue of ordinary shares from the conversion of warrants	1,042,800	-	-	-	1,042,800
Balance at 31 June 2014	10,669,080	3,664,610	21,305,406	(29,814,400)	5,824,696
Total comprehensive income for the period	-	-	-	813,091	813,091
Transactions with owners :					
Issue of ordinary shares from the rights issue	21,338,159	-	-	-	21,338,159
Share issuance expenses	-	(764,500)	-	-	(764,500)
Balance at 31 December 2014	32,007,239	2,900,110	21,305,406	(29,001,309)	27,211,446

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Financial Statement Year Ended 30 June 2014

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

The figures have not been audited

Part A – Explanatory Notes Pursuant to MFRS134

A 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 30 June 2014.

The explanatory notes attached 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 2014.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 30 June 2014 were prepared in accordance with MFRS. The accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2014 except as mentioned below:

The adoption of the applicable MFRSs, Amendments to MFRSs and IC interpretations do not have any material impact on the interim financial statements of the Group

Meanwhile, the Group has not adopted the following MFRSs and Amendments to MFRSs that have been issued but not yet effective.

	<u>Effective for financial periods beginning on or after</u>
MFRS 9 - Financial Instruments	1 January 2015

A3. Auditors’ Report on Preceding Audited Financial Statement

The auditors’ report on the audited financial statements for the financial year ended 30 June 2014 contained a disclaimer of opinion on the financial statements as set out on Note 12, and basis of this disclaimer opinion is mainly due to the uncertainties of the material effects of the deconsolidation of a subsidiary, AHB Technology Sdn Bhd (“AHBT”), of the Group in the Group’s financial statements. However, the accounts of the AHBT continued to be consolidated into the group’s financial statements as the Directors are confident to obtain a court order for a stay of the winding up against AHBT (“Stay Order”). AHB had obtained a favourable legal opinion on the likelihood of obtaining a Stay Order. On 25 November 2014, AHB has made full payment towards the settlement of the Malayan Banking Berhad’s suit to resolve the winding up status of AHBT. AHBT had applied to the court for the Stay Order on 26 November 2014. This Stay Order will have the same effect of disposing off the winding up order. This process is expected to be completed within two months, barring any unforeseen circumstances.

A4. Seasonality or cyclicity

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

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AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

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.

A7. Debt and Equity Securities

There are no activities during the quarter 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	
	6 months period ended	
	31 Dec 2014	31 Dec 2013
	RM	RM
South – Eastern Asia	1,980,681	1,936,938
Middle East	5,686,756	3,730,782
South – Central Asia	567,241	1,860,601
America	130,462	422,995
	<u>8,365,140</u>	<u>7,951,316</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 2014.

A11. Subsequent Materials Events

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

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The figures have not been audited

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 contingent material claims for and against the Group as at 31 December 2014.

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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 6 months period ended 31 December 2014, the Group registered RM4,005,235 revenue and net profit of RM377,263 compared to RM3,850,083 revenue and net profit of RM210,050 in preceding year corresponding quarter.

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

The Group recorded a Profit before Taxation of RM RM377,263 as compared with Profit before Taxation of RM 210,050 in the previous quarter.

B3. Prospects

AHB is optimistic about its financial performance for the current financial year. AHB had introduced new furniture programs and new products to improve financial performance. AHB is also diversifying its market base, including improving the local market share of the office furniture market. The board is confident that financial performance will improve because of these positive actions, barring any unforeseen circumstances.

B4. Profit Forecast or Profit Guarantee

- (a) Profit Forecast : Not applicable
- (b) Profit Guarantee Not applicable.

B5. Taxation

There are no taxation matters in the quarter under review.

B6. Status of Corporate Proposals

There are no outstanding corporate proposals.

B7. Group Borrowings and Debt Securities

		RM'000
		As at 31 December 2014
The Group's borrowings are as follows:		
Secured loan		
Long Term Borrowings		
(i) Termed Out Loan		0
(ii) Term Loan		0
Short Term Borrowings		
(i) Termed Out Loan		0
(ii) Term Loan		0
Total		-

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The figures have not been audited

B8. Material Litigation

On 27 June 2014 the Company announced that AHB Technology Sdn Bhd (“AHBT”), a wholly-owned major subsidiary which is currently dormant, has on 21 August 2013 been served with a winding up petition for claims of a sum of RM1,139,016.57 from AHBT being the amount owing by AHBT as at 3 March 2013 under the Term Loan Facilities granted by Maybank Berhad, plus interest thereon.

AHBT has made full payment on 26 November 2014 towards the settlement of the Malayan Banking Berhad’s suit. AHBT’s solicitor had applied to the court for a stay of winding up order. This process is expected to be completed within 6 months, barring any unforeseen circumstances.

There were no material litigations other than the announcement made above.

B9. Dividend

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

B10. Earnings Per Share

	3 months period ended		6 months period ended	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Basic Earnings Per Share				
Net profit/(loss)	377,263	210,050	813,091	436,580
Weighted average number of ordinary shares in issue	160,036,195	49,431,400	160,036,195	49,431,400
Basic profit/(loss) per share (sen)	0.24	0.42	0.51	0.88
Fully Diluted Earnings Per Share (sen)	0.16	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 2014/2019;

B11. Profit/(Loss) Before Tax

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

	6 months period ended 31 Dec 2014 RM	6 months period ended 31 Dec 2013 RM
Other income	56,196	-
Interest expenses	(24,688)	(428,480)
Depreciation and amortization	(18,074)	(57,127)
Impairment loss on receivables	-	-
Foreign exchange loss	-	(152,029)

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

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

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

	As at 31 Dec 2014 RM	As at 30 June 2014 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,258,865)	(41,042,013)
- Unrealised gain / (loss)	2,416,473	2,386,531
	<hr/>	
	(37,842,392)	(38,655,842)
Add: Consolidation adjustments	8,841,083	8,841,083
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Total Group accumulated losses as per consolidated accounts	(29,001,309)	(29,814,400)
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- END OF REPORT -