



AHB HOLDINGS BERHAD

274909-A

INTERIM FINANCIAL STATEMENTS
for the first quarter ended 30 June 2016

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

CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME

for the quarter ended 30 June 2016

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	3 months ended	3 months ended
		30/06/2016	30/06/2015	30/06/2016	30/06/2015
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	3,311,449	3,262,418	3,311,449	3,262,418
(b)	Other income	12,100	-	12,100	-
2 (a)	Profit/(Loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	509,646	353,033	509,646	353,033
(b)	Finance cost	-	(2,253)	-	(2,253)
(c)	Depreciation and amortisation	(147,110)	(13,980)	(147,110)	(13,980)
				-	-
3	Profit/(Loss) Before Taxation	362,536	336,800	362,536	336,800
				-	-
4	Income tax	-	-	-	-
5	Profit/(Loss) for the Period	362,536	336,800	362,536	336,800
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	362,536	336,800	362,536	336,800
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	362,536	336,800	362,536	336,800
b)	Non-controlling interest	-	-	-	-
		362,536	336,800	362,536	336,800
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	362,536	336,800	362,536	336,800
b)	Non-controlling interest	-	-	-	-
		362,536	336,800	362,536	336,800
10	Loss per share attributable to shareholders of the parent (sen) :				
a)	Basic	0.23	0.21	0.23	0.21
b)	Dilluted	NA	NA	NA	NA

The Condensed Consolidated Income Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for financial year ended 31 March 2016

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

The figures have not been audited.

	(Unaudited) As At 30.06.2016 RM	(Audited) As At 31.03.2016 RM	(Audited) As At 31.03.2015 RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6,386,771	6,533,881	277,066
Goodwill on Consolidation	1,935,486	1,935,486	1,935,486
Deferred tax asset	2,500,000	2,500,000	2,500,000
	<u>10,822,257</u>	<u>10,969,367</u>	<u>4,712,552</u>
Current Assets			
Inventories	6,633,780	6,152,247	6,688,516
Trade receivables	7,663,343	7,166,878	11,769,364
Other receivables, deposits & prepayments	3,984,286	3,704,838	4,099,578
Tax recoverable	137,340	137,340	137,340
Cash and bank balances	2,277,335	3,458,231	2,477,814
	<u>20,696,084</u>	<u>20,619,534</u>	<u>25,172,612</u>
TOTAL ASSETS	<u>31,518,341</u>	<u>31,588,901</u>	<u>29,885,164</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	32,007,239	32,007,239	32,007,239
Reserves	(2,460,779)	(2,823,315)	(4,289,858)
TOTAL EQUITY	<u>29,546,460</u>	<u>29,183,924</u>	<u>27,717,381</u>
Non Current Liabilities			
Long-term borrowings	-	-	-
Defered Tax Liabilities	-	-	3,800
	<u>-</u>	<u>-</u>	<u>3,800</u>
Current Liabilities			
Trade payables	1,323,581	1,699,321	1,634,019
Other payables & accrued expenses	530,200	611,556	807,007
Amount owing to directors	116,800	92,800	85,190
Bank borrowings	-	-	-
Tax Payables	1,300	1,300	303
	<u>1,971,881</u>	<u>2,404,977</u>	<u>2,526,519</u>
TOTAL LIABILITIES	<u>1,971,881</u>	<u>2,404,977</u>	<u>2,530,319</u>
TOTAL EQUITY AND LIABILITIES	<u>31,518,341</u>	<u>31,588,901</u>	<u>30,247,700</u>
Net Asset per Share (RM)	<u>0.185</u>	<u>0.182</u>	<u>0.173</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statement Year Ended 31 March 2016

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

for the quarter ended 30 June 2016

The figures have not been audited.

GROUP	← Attributable to Equity Holders of the Company →				
	← Issue Capital RM	← Share Premium RM	← Capital Reserve RM	← Accumulated Loss RM	→ Total RM
At 31 June 2014	10,669,080	3,664,610	21,305,406	(29,814,400)	5,824,696
year	-	-	-	964,657	964,657
Transactions with owners :					
Issue of ordinary shares from the rights issue	21,338,159	-	-	-	21,338,159
Share issuance expenses	-	(772,667)	-	-	(772,667)
At 31 March 2015	32,007,239	2,891,943	21,305,406	(28,849,743)	27,354,845
year	-	-	-	1,829,079	1,829,079
Transactions with owners :					
Issue of ordinary shares from the rights issue	-	-	-	-	-
Share issuance expenses	-	-	-	-	-
At 31 March 2016	32,007,239	2,891,943	21,305,406	(27,020,664)	29,183,924
Total comprehensive income for the period	-	-	-	362,536	362,536
Transactions with owners :					
Issue of ordinary shares from the rights issue	-	-	-	-	-
Share issuance expenses	-	-	-	-	-
At 30 June 2016	32,007,239	2,891,943	21,305,406	(26,658,128)	29,546,460

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Financial Statement Year Ended 31 March 2016

AHB Holdings Berhad 274909-A
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the quarter ended 30 JUNE 2016

The figures have not been audited.

	3 months ended 30/6/2015 (Unaudited) RM	12 months ended 31/03/2016 (Audited) RM	9 months ended 31/3/2015 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax	362,536	1,826,276	916,762
Adjustment for:			
Bad debt written off on receivable			
- Trade	-	86,959	167,111
- Other	-	75,702	-
Depreciation on property, plant and equipment	147,110	458,252	61,240
Other Receivables Written off	-	-	-
Trade Receivables Written off	-	-	-
Finance costs	-	24	58,579
Impairment loss on trade receivables	-	101,455	377,000
Impairment loss on other receivables	-	29,389	-
Interest Income	(12,100)	(13,453)	(70,837)
Inventory write-down	-	130,000	-
Unrealised gain on foreign exchange	-	(762,528)	(260,232)
Waiver of debts	-	(31,400)	-
Operating Profit/(Loss) before working capital changes	497,546	1,900,676	1,249,623
Changes in Working Capital:-			
Inventories	(481,533)	94,959	(62,360)
Trade Receivables	(496,465)	5,233,584	(777,621)
Other Receivables	(279,448)	289,649	(298,614)
Trade Payables	(375,740)	65,302	(1,456,123)
Other Payables	(81,356)	(162,713)	(8,740,235)
Directors	24,000	7,610	(3,216,607)
	(1,690,542)	5,528,391	(14,551,560)
Cash (used in)/generated from operations	(1,192,996)	7,429,067	(13,301,937)
Interest Received	12,100	13,453	70,837
Tax Paid	-	(24)	(911,231)
	12,100	13,429	(840,394)
Net cash from/(used in) operating activities	(1,180,896)	7,442,496	(14,142,331)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment	-	(6,403,757)	(5,320)
Net cash used in investing activities	-	(6,403,757)	(5,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid	-	-	(58,579)
Proceeds from issuance of ordinary shares	-	-	21,338,159
Repayment of borrowings	-	-	(4,843,243)
Share Issuance expenses	-	-	(772,667)
Net cash used in financing activities	-	-	15,663,670
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(1,180,896)	1,038,739	1,516,019
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	3,458,231	2,477,814	961,795
Effect of exchange translation difference on cash and cash equivalent		(58,322)	
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	2,277,335	3,458,231	2,477,814

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Financial Statement Year Ended 31 March 2016

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AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

Part A – Explanatory Notes Pursuant to MFRS134

A1. 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 and 31 March 2015.

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 and 31 March 2015.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 30 June 2014 and 31 March 2015 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 and 31 March 2015 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 Company’s auditors opined as follows:

“In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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(b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on in Note 31 on page 65 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report."

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.

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 interior products and furniture as its sole operating segment.

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AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

Geographical segment

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

	Revenue	
	3 months period ended	
	30 June 2016	30 June 2015
	RM	RM
South – Eastern Asia	2,312,745	1,822,744
Middle East	998,704	1,188,098
South – Central Asia	-	251,576
America	-	-
	<u>3,311,449</u>	<u>3,262,418</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 31 March 2016.

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 contingent material claims for and against the Group as at 30 June 2016.

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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

In general, the Group is experiencing the local and international business community to be cautious to invest into office furniture. Nevertheless, the Group registered an improved performance of approximately 6 percent net profit after tax for the 3 months period ended 30 June 2016 to RM362,536 compared to RM336,800 in preceding year corresponding quarter. The Group registered an improved revenue of RM3,311,449 compared to RM3,262,418 in the same respective comparative quarters. The improvement in performance is also contributed by an improved gross profit margin arising from investments into R&D.

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

The Group recorded a Profit before Taxation of RM362,536 as compared with Profit before Taxation of RM 508,025 in the previous quarter.

B3. Prospects

AHB is optimistic about its financial performance in the foreseeable future. AHB has increased its R&D resources and plans to introduce more new dynamic 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.

Malaysia is a competitive producer of furniture, with markets worldwide. The potential of our furniture industry is evidenced by the global production volume of approximately USD400 billion per year.

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

There were no outstanding borrowings and debt securities as at 30 June 2016.

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The figures have not been audited

B8. Material Litigation

There were no material litigations as at the date of this report.

B9. Dividend

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

B10. Earnings Per Share

Basic Earnings Per Share	3 months period ended		3 months period ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Net profit/(loss)	362,536	336,800	362,536	336,800
Weighted average number of ordinary shares in issue	160,036,196	160,036,196	160,036,196	160,036,196
Basic profit/(loss) per share (sen)	0.23	0.21	0.23	0.21
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	NA

The Company has a category of potentially dilutive ordinary shares as follows:
Warrants 2014/2019.

Fully diluted earnings per ordinary share is calculated by dividing the adjusted profit for the year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year. The diluted earnings per share of the Group have not been presented as the average fair value of the shares of the Company is lower than the exercise price for the exercise of warrants 2014/2019 to ordinary shares.

B11. Profit/(Loss) Before Tax

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

	Current Period 3 months period ended 30 June-16 RM	Cumulative Period 3 months period ended 30 June-16 RM
Other income	12,100	-
Interest expenses	-	-
Depreciation and amortization	(147,110)	(147,110)
Foreign exchange loss (gain)	36,020	36,020
	36,020	36,020

**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) Allowance for impairment loss on receivables
- 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

	As at 30 June 2016 RM	As at 31 Mar 2016 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,447,257)	(40,447,257)
- Unrealised gain / (loss)	4,948,047	4,585,511
	<hr/>	<hr/>
	(35,499,210)	(35,861,746)
Add: Consolidation adjustments	8,841,082	8,841,082
Total Group accumulated losses as per consolidated accounts	<hr/> <u>(26,658,128)</u>	<hr/> <u>(27,020,664)</u>

- END OF REPORT -