



**AHB HOLDINGS BERHAD**

274909-A

**INTERIM FINANCIAL STATEMENTS**  
for the second quarter ended 30 Sept 2016

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

**CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME**

for the quarter ended 30 September 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 | 6 months ended    | 6 months ended |
|       |  | 30/09/2016        | 30/09/2015     | 30/09/2016        | 30/09/2015     |
|       |  | (unaudited)       | (unaudited)    | (unaudited)       | (unaudited)    |
|       |  | RM                | RM             | RM                | RM             |
| 1 (a) | Revenue  | 3,203,545         | 4,386,253      | 6,502,894         | 7,648,671      |
| (b)   | Other income   | 8,588             | 27,541         | 20,688            | 27,541         |
| 2 (a) | Profit/(Loss) before<br>finance cost, depreciation<br>and amortisation, exceptional items,<br>income tax, minority interests | 506,161           | 434,015        | 1,015,807         | 787,048        |
| (b)   | Finance cost   | (8,525)           | (2,279)        | (8,525)           | (4,532)        |
| (c)   | Depreciation and amortisation  | (148,727)         | (5,437)        | (295,837)         | (19,417)       |
|       |  |                   |                | -                 | -              |
| 3     | Profit/(Loss) Before Taxation  | 348,909           | 426,299        | 711,445           | 763,099        |
|       |  |                   |                | -                 | -              |
| 4     | Income tax   | -                 | -              | -                 | -              |
| 5     | Profit/(Loss) for the Period   | 348,909           | 426,299        | 711,445           | 763,099        |
| 6     | Other Comprehensive Income   | -                 | -              | -                 | -              |
| 7     | Total comprehensive income for the period  | 348,909           | 426,299        | 711,445           | 763,099        |
| 8     | Profit/(Loss) Attributable to :  |                   |                |                   |                |
| a)    | Equity holders of the parent   | 348,909           | 426,299        | 711,445           | 763,099        |
| b)    | Non-controlling interest   | -                 | -              | -                 | -              |
|       |  | 348,909           | 426,299        | 711,445           | 763,099        |
| 9     | Total Comprehensive Income Attributable to :   |                   |                |                   |                |
| a)    | Equity holders of the parent   | 348,909           | 426,299        | 711,445           | 763,099        |
| b)    | Non-controlling interest   | -                 | -              | -                 | -              |
|       |  | 348,909           | 426,299        | 711,445           | 763,099        |
| 10    | Loss per share attributable to<br>shareholders of the parent (sen) :   |                   |                |                   |                |
| a)    | Basic  | 0.22              | 0.27           | 0.44              | 0.48           |
| 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 September 2016

*The figures have not been audited.*

|   | (Unaudited)<br>As At<br>30.09.2016<br>RM | (Audited)<br>As At<br>31.03.2016<br>RM |
|---|--|--|
| <b>ASSETS</b>                             |  |  |
| <b>Non-Current Assets</b>                 |  |  |
| Property, Plant and Equipment             | 6,385,154                                | 6,533,881                              |
| Goodwill on Consolidation                 | 1,935,486                                | 1,935,486                              |
| Deferred tax asset                        | 2,500,000                                | 2,500,000                              |
|   | <u>10,820,640</u>                        | <u>10,969,367</u>                      |
| <b>Current Assets</b>                     |  |  |
| Inventories                               | 7,349,755                                | 6,152,247                              |
| Trade receivables                         | 7,950,535                                | 7,166,878                              |
| Other receivables, deposits & prepayments | 3,955,780                                | 3,704,838                              |
| Tax recoverable                           | 137,340                                  | 137,340                                |
| Cash and bank balances                    | 1,357,962                                | 3,458,231                              |
|   | <u>20,751,372</u>                        | <u>20,619,534</u>                      |
| <b>TOTAL ASSETS</b>                       | <b><u>31,572,012</u></b>                 | <b><u>31,588,901</u></b>               |
| <b>EQUITY AND LIABILITIES</b>             |  |  |
| <b>Capital and Reserves</b>               |  |  |
| Share capital                             | 32,007,239                               | 32,007,239                             |
| Reserves                                  | (2,111,870)                              | (2,823,315)                            |
| <b>TOTAL EQUITY</b>                       | <u>29,895,369</u>                        | <u>29,183,924</u>                      |
| <b>Non Current Liabilities</b>            |  |  |
| Long-term borrowings                      | -  | -                                      |
| Defered Tax Liabilities                   | -  | -                                      |
|   | <u>-</u>                                 | <u>-</u>                               |
| <b>Current Liabilities</b>                |  |  |
| Trade payables                            | 1,027,451                                | 1,699,321                              |
| Other payables & accrued expenses         | 507,092                                  | 611,556                                |
| Amount owing to directors                 | 140,800                                  | 92,800                                 |
| Bank borrowings                           | -  | -                                      |
| Tax Payables                              | 1,300                                    | 1,300                                  |
|   | <u>1,676,643</u>                         | <u>2,404,977</u>                       |
| <b>TOTAL LIABILITIES</b>                  | <u>1,676,643</u>                         | <u>2,404,977</u>                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>       | <b><u>31,572,012</u></b>                 | <b><u>31,588,901</u></b>               |
| <b>Net Asset per Share (RM)</b>           | <u>0.187</u>                             | <u>0.182</u>                           |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statement Year E

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

for the quarter ended 30 September 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        |
| <b>At 31 June 2014</b>                         | 10,669,080  | 3,664,610          | 21,305,406           | (29,814,400)          | 5,824,696         |
| year   | -   | -                  | -                    | 964,657               | 964,657           |
| <b>Transactions with owners :</b>              |   |                    |                      |                       |                   |
| Issue of ordinary shares from the rights issue | 21,338,159  | -                  | -                    | -                     | 21,338,159        |
| Share issuance expenses                        | -   | (772,667)          | -                    | -                     | (772,667)         |
| <b>At 31 March 2015</b>                        | <b>32,007,239</b>                                 | <b>2,891,943</b>   | <b>21,305,406</b>    | <b>(28,849,743)</b>   | <b>27,354,845</b> |
| year   | -   | -                  | -                    | 1,829,079             | 1,829,079         |
| <b>Transactions with owners :</b>              |   |                    |                      |                       |                   |
| Issue of ordinary shares from the rights issue | -   | -                  | -                    | -                     | -                 |
| Share issuance expenses                        | -   | -                  | -                    | -                     | -                 |
| <b>At 31 March 2016</b>                        | <b>32,007,239</b>                                 | <b>2,891,943</b>   | <b>21,305,406</b>    | <b>(27,020,664)</b>   | <b>29,183,924</b> |
| Total comprehensive income for the period      | -   | -                  | -                    | 711,445               | 711,445           |
| <b>Transactions with owners :</b>              |   |                    |                      |                       |                   |
| Issue of ordinary shares from the rights issue | -   | -                  | -                    | -                     | -                 |
| Share issuance expenses                        | -   | -                  | -                    | -                     | -                 |
| <b>At 30 September 2016</b>                    | <b>32,007,239</b>                                 | <b>2,891,943</b>   | <b>21,305,406</b>    | <b>(26,309,219)</b>   | <b>29,895,369</b> |

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  
And Its Subsidiary Companies**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the quarter ended 30 September 2016

*The figures have not been audited.*

|  | 6 months ended<br>30/9/2016<br>(Unaudited)<br>RM | 12 months ended<br>31/03/2016<br>(Audited)<br>RM |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |  |  |
| Profit/ (Loss) before tax  | 711,445  | 1,826,276  |
| <b>Adjustment for:</b>   |  |  |
| Bad debt written off on receivable                                       |  |  |
| - Trade  | -  | 86,959   |
| - Other  | -  | 75,702   |
| Depreciation on property, plant and equipment                            | 295,837  | 458,252  |
| Other Receivables Written off  | -  | -  |
| Trade Receivables Written off  | -  | -  |
| Finance costs  | 8,525  | 24   |
| Impairment loss on trade receivables                                     | -  | 101,455  |
| Impairment loss on other receivables                                     | -  | 29,389   |
| Interest Income  | (20,688)   | (13,453)   |
| Inventory write-down   | -  | 130,000  |
| Unrealised gain on foreign exchange                                      | (49,245)   | (762,528)  |
| Waiver of debts  | -  | (31,400)   |
|  | <hr/>  | <hr/>  |
| Operating Profit/(Loss) before working capital changes                   | 945,874  | 1,900,676  |
| <b>Changes in Working Capital:-</b>                                      |  |  |
| Inventories  | (1,197,508)                                      | 94,959   |
| Trade Receivables  | (783,657)  | 5,233,584  |
| Other Receivables  | (250,942)  | 289,649  |
| Trade Payables   | (671,870)  | 65,302   |
| Other Payables   | (104,464)  | (162,713)  |
| Directors  | 48,000   | 7,610  |
|  | <hr/>  | <hr/>  |
| Cash (used in)/generated from operations                                 | (2,014,567)                                      | 7,429,067  |
| Interest Received  | 20,688   | 13,453   |
| Tax Paid   | -  | (24)   |
|  | <hr/>  | <hr/>  |
| <b>Net cash from/(used in) operating activities</b>                      | <b>(1,993,879)</b>                               | <b>7,442,496</b>                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |  |  |
| Purchase of property, plant & equipment                                  | -  | (6,403,757)                                      |
| Net cash used in investing activities                                    | <hr/>  | <hr/>  |
|  | -  | (6,403,757)                                      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                              |  |  |
| Finance costs paid   | (8,525)  | -  |
| Proceeds from issuance of ordinary shares                                | -  | -  |
| Repayment of borrowings  | -  | -  |
| Share Issuance expenses  | -  | -  |
| Net cash used in financing activities                                    | <hr/>  | <hr/>  |
|  | (8,525)  | -  |
| <b>NET INCREASE/(DECREASE) IN<br/>CASH &amp; CASH EQUIVALENTS</b>        | <hr/>  | <hr/>  |
|  | (2,002,404)                                      | 1,038,739  |
| <b>CASH &amp; CASH EQUIVALENTS AT<br/>BEGINNING OF YEAR</b>              | <hr/>  | <hr/>  |
|  | 3,458,231  | 2,477,814  |
| Effect of exchange translation difference on<br>cash and cash equivalent | (97,865)   | (58,322)   |
|  | <hr/>  | <hr/>  |
| <b>CASH &amp; CASH EQUIVALENTS AT<br/>END OF THE PERIOD</b>              | <hr/> <b>1,357,962</b> <hr/>                     | <hr/> <b>3,458,231</b> <hr/>                     |

**AHB HOLDINGS BERHAD 274909-A  
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 31 March 2016.

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 31 March 2016.

**A2. Changes in Accounting Policies**

The audited financial statements of the Group for the financial year ended 31 March 2016 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 31 March 2016 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 any new MFRSs and Amendments to MFRSs that have been issued but not yet effective.

**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.

(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.

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

The figures have not been audited

### **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 cyclical**

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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**AHB HOLDINGS BERHAD 274909-A  
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:

|                      | <b>Revenue</b>               |                     |
|----------------------|------------------------------|---------------------|
|                      | <b>6 months period ended</b> |                     |
|                      | <b>30 Sept 2016</b>          | <b>30 Sept 2015</b> |
|                      | <b>RM</b>                    | <b>RM</b>           |
| South – Eastern Asia | 3,075,601                    | 1,882,842           |
| Middle East          | 2,898,034                    | 5,514,153           |
| South – Central Asia | 529,259                      | 251,675             |
| America              | -                            | -                   |
|                      | <b>6,502,894</b>             | <b>7,648,671</b>    |

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 had experienced a slower demand from the Middle East due to the weak oil price, coupled by the facts that the local and international business community are cautious to invest into office furniture. As a direct result from the international market slowdown, the Group's net profit after tax for the 3 months period ended 30 September 2016 is recorded as RM348,909 compared to RM426,299 in preceding year corresponding quarter. The Group's recorded a revenue of RM3,203,545 compared to RM4,386,253 in the same respective comparative quarters.

The previous mentioned of the management's intention to increase the local market share is reflected in this quarter performance review. The Group has secured prestigious local contracts will would lead to further increased reference sales. The Group's cost controlled is in good order leading to continued profits.

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

The Group recorded a slightly lower Profit before Taxation of RM348,909 as compared with Profit before Taxation of RM 362,536 in the previous quarter owing to reduced revenue but positive cost control.

**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.

On a positive note, before the end of 2016, the Group is expected to enter into a contract with a major local corporation to refurbish the office interiors over the next 2 to 3 years, commencing early 2017 with an estimated work value of RM35 million. In addition, there are several large projects in the Group's sales pipeline that were delayed but are expected soon.

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.

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

The figures have not been audited

**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.

**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**

| <b>Basic Earnings Per Share</b>                     | <b>3 months period ended</b> |                     | <b>6 months period ended</b> |                     |
|---|------------------------------|---------------------|------------------------------|---------------------|
|   | <b>30 June 2016</b>          | <b>30 June 2015</b> | <b>30 Sept 2016</b>          | <b>30 Sept 2015</b> |
| Net profit/(loss)                                   | 348,909                      | 426,299             | 711,445                      | 763,099             |
| 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)                 | 0.22                         | 0.27                | 0.44                         | 0.48                |
| <b>Fully Diluted Earnings Per Share (sen)</b>       | 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.

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

**B11. Profit/(Loss) Before Tax**

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

|                               | <b>Current Period<br/>3 months<br/>period<br/>ended<br/>30 Sept-16<br/>RM</b> | <b>Cumulative Period<br/>6 months<br/>period<br/>ended<br/>30 Sept-16<br/>RM</b> |
|-------------------------------|---|--|
| Other income                  | 8,588   | 20,688   |
| Interest expenses             | -   | -  |
| Depreciation and amortization | (148,727)   | (295,837)  |
| Foreign exchange loss (gain)  | 49,245  | 49,245   |

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**

|   | <b>As at<br/>30 Sept 2016<br/>RM</b> | <b>As at<br/>31 Mar 2016<br/>RM</b> |
|---|--------------------------------------|-------------------------------------|
| Total accumulated losses of the Company and its subsidiaries: |                                      |                                     |
| - Realised  | (40,447,257)                         | (40,447,257)                        |
| - Unrealised gain / (loss)                                    | 5,296,956                            | 4,585,511                           |
|   | <u>(35,150,301)</u>                  | <u>(35,861,746)</u>                 |
| Add: Consolidation adjustments                                | 8,841,082                            | 8,841,082                           |
| Total Group accumulated losses as per consolidated accounts   | <u>(26,309,219)</u>                  | <u>(27,020,664)</u>                 |

- END OF REPORT -