



AHB HOLDINGS BERHAD

274909-A

INTERIM FINANCIAL STATEMENTS
for the final quarter ended 31 March 2017

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2017

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	12 months ended	12 months ended
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
		(unaudited)	(unaudited)	(unaudited)	(audited)
		RM	RM	RM	RM
1 (a)	Revenue	2,705,750	4,514,055	12,496,034	16,662,310
(b)	Other income	96,061	1,043,334	134,950	1,080,067
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(221,473)	933,191	1,295,254	2,284,551
(b)	Finance cost	4,701	6,890	(5,957)	(24)
(c)	Depreciation and amortisation	(280,847)	(428,960)	(725,413)	(458,251)
3	Profit/(Loss) Before Taxation	(497,619)	511,121	563,884	1,826,276
4	Income tax	(15,547)	2,803	(15,547)	2,803
5	Profit/(Loss) for the Period	(513,166)	513,924	548,337	1,829,079
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	(513,166)	513,924	548,337	1,829,079
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	(513,166)	513,924	548,337	1,829,079
b)	Non-controlling interest	-	-	-	-
		(513,166)	513,924	548,337	1,829,079
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	(513,166)	513,924	548,337	1,829,079
b)	Non-controlling interest	-	-	-	-
		(513,166)	513,924	548,337	1,829,079
10	Profit / Loss per share attributable to shareholders of the parent (sen) :				
a)	Basic	(0.32)	0.32	0.34	1.14
b)	Dilluted	NA	NA	NA	NA

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

The figures have not been audited.

	(Unaudited) As At 31.03.2017 RM	(Audited) As At 31.03.2016 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	6,026,676	6,533,881
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	2,500,000	2,500,000
	10,462,162	10,969,367
Current Assets		
Inventories	6,324,989	6,152,247
Trade receivables	10,163,394	7,166,878
Other receivables, deposits & prepayments	2,788,144	3,704,838
Tax recoverable	137,340	137,340
Cash and bank balances	1,847,984	3,458,231
	21,261,851	20,619,534
TOTAL ASSETS	31,724,013	31,588,901
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	32,007,239	32,007,239
Reserves	(2,274,978)	(2,823,315)
TOTAL EQUITY	29,732,261	29,183,924
Non-Current Liabilities		
Deferred tax liabilities	-	-
	-	-
Current Liabilities		
Trade payables	1,221,623	1,699,321
Other payables & accrued expenses	656,129	611,556
Amount owing to directors	114,000	92,800
Tax payables	-	1,300
	1,991,752	2,404,977
TOTAL LIABILITIES	1,991,752	2,404,977
TOTAL EQUITY AND LIABILITIES	31,724,013	31,588,901
Net Asset per Share (RM)	0.186	0.182

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2016.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2017

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company						Total RM
	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Loss RM	
At 01 July 2014	10,669,080	3,664,610	21,305,406	-	-	(29,814,400)	5,824,696
Total comprehensive income for the period	-	-	-	-	-	964,657	964,657
Transactions with owners :							
Issue of ordinary shares pursuant to rights issue	21,338,159	-	-	-	-	-	21,338,159
Right issue of warrant reserve	-	-	-	11,095,806	(11,095,806)	-	-
Share issuance expenses	-	(772,667)	-	-	-	-	(772,667)
Total transactions with owners	21,338,159	(772,667)	-	11,095,806	(11,095,806)	-	20,565,492
At 31 March 2015	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(28,849,743)	27,354,845
Total comprehensive income for the financial year	-	-	-	-	-	1,829,079	1,829,079
At 31 March 2016	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(27,020,664)	29,183,924
Total comprehensive income for the financial year	-	-	-	-	-	548,337	548,337
At 31 March 2017	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(26,472,327)	29,732,261

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2016.

**AHB Holdings Berhad 274909-A
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2017**

The figures have not been audited.

	12 months ended 31/03/2017 (Unaudited) RM	12 months ended 31/03/2016 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	563,884	1,826,276
Adjustments for:		
Bad debts written off on receivables		
- Trade	-	86,959
- Others	-	75,702
Depreciation and amortisation	725,413	458,252
Finance costs	5,957	24
Impairment loss on trade receivables	-	101,455
Impairment loss on other receivables	-	29,389
Interest income	(43,189)	(13,453)
Inventories written down	-	130,000
Unrealised gain on foreign exchange	-	(762,528)
Waiver of debts	-	(31,400)
Operating profit before working capital changes	<u>1,252,065</u>	<u>1,900,676</u>
Changes in working capital:-		
Inventories	(172,742)	94,959
Receivables	(2,079,822)	5,523,233
Payables	(433,125)	(97,411)
Directors	21,200	7,610
Cash (used in)/from operations	<u>(1,412,424)</u>	<u>7,429,067</u>
Interest received	43,189	13,453
Tax paid	(16,847)	(24)
Net cash (used in)/generated from operating activities	<u>(1,386,082)</u>	<u>7,442,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(218,208)	(6,403,757)
Net cash used in investing activity	<u>(218,208)</u>	<u>(6,403,757)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(5,957)	-
Net cash used in financing activities	<u>(5,957)</u>	<u>-</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	<u>(1,610,247)</u>	<u>1,038,739</u>
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,458,231</u>	<u>2,477,814</u>
Effect of exchange translation difference on cash and cash equivalent	-	(58,322)
CASH & CASH EQUIVALENTS AT END OF THE YEAR	<u><u>1,847,984</u></u>	<u><u>3,458,231</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2016.

**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” issued by the Malaysian Accounting Standards Board and Chapter 9 Paragraph 9.22 and Appendix 9B of the Main Market 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 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 and the requirements of the Companies Act, 1965. 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.

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 2018

A3. Auditors’ Report on Preceding Audited Financial Statement

The auditors' report on the financial statements for the financial year ended 31 March 2016 was unmodified.

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.

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The figures have not been audited

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	
	12 months period ended	
	31 March 2017	31 March 2016
	RM	RM
South – Eastern Asia	7,390,120	3,114,079
Middle East	4,891,558	12,307,354
South – Central Asia	1,399,033	1,007,022
America	1,184,677	233,855
	<u>12,496,034</u>	<u>16,662,310</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

There was no fair value adjustment to the property, plant and equipment since the last annual audited financial statements.

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 31 March 2017.

**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 2017, the Group registered revenue of RM 2,705,750 and net loss of (RM513,166) compared to revenue of RM4,514,055 and net profit of RM513,924 in preceding year corresponding quarter. In general, the Group had experienced a slower demand from its main market which is 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.

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

The Group recorded a Loss before Taxation of (RM497,619) as compared with Profit before Taxation of RM511,121 in the previous quarter. The loss main arises mainly from lower revenue while the fixed cost of operation remained relatively higher compared to the lower revenue.

B3. Prospects

Our Group looks forward to improved local performance. As previously noted, our Group managed to enter into a contract with a major corporation in Malaysia for substantial refurbishment works in the next 3 years, commencing during financial year ending 31 March 2018.

AHB has increased its R&D resources and plans to introduce newer 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.

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 31 March 2017.

B8. Material Litigation

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

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AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

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		12 months period ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Net profit (loss)	(513,166)	513,924	548,337	1,829,079
Weighted average number of ordinary shares in issue	160,036,194	160,036,194	160,036,194	160,036,194
Basic earnings per share (sen)	(0.32)	0.32	0.34	1.14
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 warrants of the Company is lower than the exercise price for the exercise of warrants 2014/2019 to ordinary shares.

B11. Profit Before Tax

B11. Profit Before Tax

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

	Current Period 3 months period ended 31 Mar-17 RM	Cumulative Period 12 months period ended 31 Mar-17 RM
Other income	96,061	134,960
Finance costs	4,701	(5,957)
Depreciation and amortisation	(280,847)	(725,413)
Foreign exchange loss/(gain)	-	(91,761)
	-	(91,761)

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

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

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 March 2017 RM	As at 31 Mar 2016 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(38,869,776)	(39,124,274)
- Unrealised	3,556,367	3,262,528
	<hr/>	<hr/>
	(35,313,409)	(35,861,746)
Add: Consolidation adjustments	8,841,082	8,841,082
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(26,472,327)</u>	<u>(27,020,664)</u>

- END OF REPORT -