

AHB HOLDINGS BERHAD

Company number 274909A. Stock Code 7315

Interim Financial Statements for the First Quarter ended 30 June 2017



A young girl with blonde hair, wearing a white dress with a purple floral pattern, and a young boy with blonde hair, wearing a yellow polo shirt and light-colored shorts, are holding hands and walking in a grassy field. The background is a blurred green forest.

Artwright is an ISO 14001 certified environmentally responsible company; and an ISO 9001 quality certified company **.

Environmental Responsibilities.

Artwright environment is a careful blend of materials, resources, technology and fine design. We apply our expertise in design and manufacturing process to create and deliver innovative products with minimal adverse environmental impact. In our production, we carefully select materials that are safe, healthy and ecologically sound throughout their life cycle. Over 80% of materials used are recyclable.

Wood used in the Artwright environment is an ecologically sensitive choice. The hevea brasiliensis, commonly known as the rubber trees, are rapidly renewable, and are harvested from expired matured rubber latex plantations. Therefore, we have provided extra use for the trees, and eliminated the usage of natural forest timber.

Our commitment to environmental protection includes being an ISO 14001 Environmental Management System standards certified company. This ensures every environmental aspect in the organization is taken into consideration.

Appealing Design.

The Artwright office environment is clearly defined by the sleek lines and superior design. Curves blend to form functional units to create optimum offices.

Superior Standards.

Research on ergonomics is reflected in our integrated office environment with efficient space usage. All Artwright products are manufactured according to international standards.

Value Investments.

Your investment is fully protected by a guarantee against any manufacturing defect for 10 years. The system is also modular and consistently adaptable. Engineered for durability, Artwright's timeless design assures you of a high value investment.

** ISO 9002 first certified 1998, ISO 9001 certified 2016, ISO 14001 certified 2016.

AHB Holdings Berhad 274909-A

And Its Subsidiary Companies

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 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	3 months ended	3 months ended
		30/06/2017	30/06/2016	30/06/2017	30/06/2016
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	4,727,248	3,299,349	4,727,248	3,299,349
(b)	Other income	8,199	12,100	8,199	12,100
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	729,933	509,646	729,933	509,646
(b)	Finance cost	(4,334)	-	(4,334)	-
(c)	Depreciation and amortisation	(220,203)	(147,110)	(220,203)	(147,110)
			-		-
3	Profit/(Loss) Before Taxation	505,396	362,536	505,396	362,536
			-		-
4	Income tax	(2,050)	-	(2,050)	-
5	Profit/(Loss) for the Period	503,346	362,536	503,346	362,536
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	503,346	362,536	503,346	362,536
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	503,346	362,536	503,346	362,536
b)	Non-controlling interest	-	-	-	-
		503,346	362,536	503,346	362,536
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	503,346	362,536	503,346	362,536
b)	Non-controlling interest	-	-	-	-
		503,346	362,536	503,346	362,536
10	Profit / Loss per share attributable to shareholders of the parent (sen) :				
a)	Basic	0.31	0.23	0.31	0.23
b)	Dilluted	0.22	NA	0.22	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 2017.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

The figures have not been audited.

	(Unaudited) As At 30.06.2017 RM	(Audited) As At 31.03.2017 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,356,306	6,026,509
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	2,500,000	2,500,000
	<u>11,791,792</u>	<u>10,461,995</u>
Current Assets		
Inventories	6,722,876	6,271,657
Trade receivables	10,849,996	10,550,650
Other receivables, deposits & prepayments	2,588,144	2,618,110
Tax recoverable	137,340	134,925
Cash and bank balances	1,222,978	1,847,984
	<u>21,521,334</u>	<u>21,423,326</u>
TOTAL ASSETS	<u>33,313,126</u>	<u>31,885,321</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	34,899,182	34,899,182
Reserves	(4,698,268)	(5,201,614)
TOTAL EQUITY	<u>30,200,914</u>	<u>29,697,568</u>
Non-Current Liabilities		
Deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
Current Liabilities		
Trade payables	2,350,278	1,407,622
Other payables & accrued expenses	705,734	638,431
Amount owing to directors	56,200	141,700
Tax payables	-	-
	<u>3,112,212</u>	<u>2,187,753</u>
TOTAL LIABILITIES	<u>3,112,212</u>	<u>2,187,753</u>
TOTAL EQUITY AND LIABILITIES	<u>33,313,126</u>	<u>31,885,321</u>
Net Asset per Share (RM)	<u>0.189</u>	<u>0.186</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2017.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 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	-	-	-	-	-	513,644	513,644
Reclassification Pursuant to Section 618 (2) of the Company Act 2016	2,891,943	(2,891,943)					
At 31 March 2017	34,899,182	-	21,305,406	11,095,806	(11,095,806)	(26,507,020)	29,697,568
Total comprehensive income for the financial period	-	-	-	-	-	503,346	503,346
	34,899,182	-	21,305,406	11,095,806	(11,095,806)	(26,003,674)	30,200,914

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 2017.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2017**

The figures have not been audited.

	3 months ended 30/06/2017 (Unaudited) RM	12 months ended 31/03/2017 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	503,346	531,606
Adjustments for:		
Bad debts written off on receivables		
- Trade	-	-
- Others	-	-
Depreciation and amortisation	220,203	725,811
Finance costs	4,334	48
Impairment on slow moving inventories	-	53,102
Impairment loss on trade receivables	-	51,299
Impairment loss on other receivables	-	167,071
Interest income	(8,199)	(43,189)
Inventories written down	-	-
Unrealised gain on foreign exchange	-	(368,618)
Waiver of debts	-	-
Operating profit before working capital changes	719,684	1,117,130
Changes in working capital:-		
Inventories	(451,219)	(232,743)
Trade Receivables	(299,346)	(2,991,823)
Other Receivables	29,966	972,703
Trade Payables	942,656	(477,697)
Other Payables	67,303	26,875
Amount due from/to subsidiary companies	-	-
Amount due to Directors	(85,500)	48,900
	203,860	(2,653,785)
Cash (used in)/from operations	923,544	(1,536,655)
Interest received	8,199	43,189
Interest Paid	-	(48)
Tax paid	(2,050)	(16,847)
	26,294	26,294
Net cash (used in)/generated from operating activities	929,693	(1,510,361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(1,550,000)	(158,208)
Net cash used in investing activity	(1,550,000)	(158,208)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(4,334)	-
Net cash used in financing activities	(4,334)	-
NET CHANGES IN CASH & CASH EQUIVALENTS	(624,641)	(1,668,569)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	1,847,984	3,458,231
Effect of exchange translation difference on cash and cash equivalent	(365)	58,322
CASH & CASH EQUIVALENTS AT END OF THE YEAR	1,222,978	1,847,984

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2017.

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

The figures have not been audited

Part A – Explanatory Notes Pursuant to MFRS134

A1. Accounting Policies

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 2017.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2017.

A2. Seasonality or cyclicity

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

A3. Unusual items

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

A4. Material changes in estimates

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

A5. Debt and Equity Securities

There are no activities during the quarter under review.

A6. Dividend Paid

No dividend was paid for the period under review.

- The remainder of this page is intentionally left blank -

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

The figures have not been audited

A7. 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.

Geographical segment

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

	Revenue 3 months period ended	
	30 June 2017	30 June 2016
	RM	RM
South – Eastern Asia	1,184,118	2,300,645
Middle East	3,543,130	998,704
South – Central Asia	-	-
America	-	-
	<hr/>	<hr/>
	4,727,248	3,299,349
	<hr/>	<hr/>

Non-current assets

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

A8. 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 2017.

A9. Subsequent Materials Events

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

A10. Changes in Composition of the Group

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

A11. Contingent Liabilities

There were no contingent material claims for and against the Group as at 30 June 2017.

- The remainder of this page is intentionally left blank -

**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

The Group is experiencing improved business and is currently executing some large office furniture supply contracts in the local and international markets. As a result, the Group registered an improved performance of approximately 38.84 percent net profit after tax for the 3 months period ended 30 June 2017 of RM503,346 compared to RM362,536 in preceding year corresponding quarter. The Group registered an improved revenue of RM4,727,248 compared to RM3,299,349 in the same respective comparative quarters.

The improved performances are reflected by improved demands for our products in the Middle East markets following the positive review of their corporate spending budgets. The local market demand for our products have also improved. The improvement in performance is also contributed by the market acceptance of our new product introduction such as System T1 and System B2 desking system in the target markets.

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

The Group recorded a Profit before Taxation of RM503,346 as compared with Loss before Taxation of RM513,166 in the previous quarter. The previous quarter Loss was partly due to reduced demands from the Middle East market segment, because the lower crude oil prices had reduced or had caused review of their corporate spending budgets. The improved performance for the quarter under review is mainly due to the positive conclusion of the review of their corporate spending budgets of the said market segment.

B3. Prospects

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

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

The figures have not been audited

B7. Group Borrowings and Debt Securities

There were no outstanding borrowings and debt securities as at 30 June 2017.

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 (RM)	3 months period ended		3 months period ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Net profit/(loss)	503,346	362,536	503,346	362,536
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)	0.31	0.23	0.31	0.23
Fully Diluted Earnings Per Share (sen)	0.22	NA	0.22	NA

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

Fully diluted earnings per ordinary share (sen) 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 for the comparative period 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, and therefore the Warrants 2014/2019 are anti-dilutive.

The diluted earnings per share (sen) for the reporting period has been calculated with the full dilution of 71,126,961 Warrants 2014/2019 together with the issued share capital of 160,036,196 shares.

- the remainder of this page is intentionally left blank -

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

The figures have not been audited

B11. Profit/(Loss) Before Tax

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

	Current Period 3 month period ended 30 June 2017 RM	Cumulative Period 3 month period ended 30 June-17 RM
Other income	8,199	8,199
Interest expenses	-	-
Depreciation and amortization	(220,203)	(220,203)
Foreign exchange loss (gain)	-	-

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 2017 RM	As at 31 Mar 2017 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,447,257)	(40,447,257)
- Unrealised gain / (loss)	5,602,901	5,099,105
	<u>(34,844,356)</u>	<u>(35,348,102)</u>
Add: Consolidation adjustments	8,841,082	8,841,082
Total Group accumulated losses as per consolidated accounts	<u>(26,003,274)</u>	<u>(26,507,020)</u>

- END OF REPORT -

- The remainder of this page is intentionally left blank -

Artwright
It's about Design



The office environment is an essential part of a company's personality and success. Specializing in functionality, aesthetics and modularity, Artwright's innovative creations deliver fully integrated and highly flexible office furniture solutions to compliment your company's individual needs.

Since its beginnings in 1965, Artwright has supplied its unique line of products to companies and organizations in more than 25 countries worldwide.



For People & Space Around the World

Taking into consideration both the human mind and body, AHB products combine the ergonomics with the aesthetics. The sleek and clean designs are also flexible and can be adapted to satisfy necessary office requirements while gracefully complying with physical space restrictions.

AHB has a well-established local and international distribution network and a physical presence through showrooms and dealers in many locations around the world.

Having furnished more than 15,000 workstations to one of the tallest buildings in the world in Kuala Lumpur, Malaysia - the Petronas Twin Towers since 1997, AHB has delivered thousands of workstations to clients around the world, including American Express, Nestle, Gillette, Glaxo SmithKline, Bell South, Lloyds Bank, DHL, ABN Amro Bank, Phillips, IBM, Bayers and Lucent Alcatel.

The Integrative yet Adaptive AHB Business Model

Taking advantage of the global village concept and the information technology today, AHB implements a business model that focuses on research and development of office interior markets, customers, products, and on out-sourcing and contract manufacturing of office interior products.

All AHB products are manufactured in Malaysia. Our Seri Kembangan, plant is 1.2 acre in its size. We carefully studied the fulfillment processes so as to ensure production efficiency and efficient response to customer demands.

The AHB plant focuses on high value added activities such as R&D, new product testing and prototyping, quality assurance, production assembly process, warehousing, staging and loading. The entire operations are integrated by SAP R/3.0 business software.

Design is our Passion

AHB invests succinctly in Research and Development, continually striving to produce the most innovative, flexible and functional office furniture.

All AHB products have been successfully tested under various international product testing and accreditation, including ANSI, BIFMA and British Standard by independent test laboratories; and are also produced at a consistent high quality level.

AHB Holdings Berhad 274909A

Registered Office :
Suite 10.03, Level 10,
The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur
Telephone : 03-2279 3080
Facsimile : 03-2279 3090
Web : www.ahb.com.my
Email : mailbox@ahb.com.my

Copyrights, design and patent rights, all rights reserved. No parts may be reproduced without written authority from AHB Holdings Berhad.