

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Third Quarter ended 31 December 2017



AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME

for the quarter ended 31 December 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 | 9 months ended | 9 months ended |
| | | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | RM | RM | RM | RM |
| 1 | (a) Revenue | 4,094,669 | 3,287,390 | 13,652,537 | 9,790,284 |
| | (b) Other income | 13,418 | 18,201 | 22,451 | 38,889 |
| 2 | (a) Profit/(Loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests | 663,692 | 500,920 | 2,130,400 | 1,516,727 |
| | (b) Finance cost | (3,697) | (2,133) | (16,092) | (10,658) |
| | (c) Depreciation and amortisation | (147,000) | (148,729) | (589,466) | (444,566) |
| 3 | Profit/(Loss) Before Taxation | 512,995 | 350,058 | 1,524,842 | 1,061,503 |
| 4 | Income tax | (8,536) | - | (8,536) | - |
| 5 | Profit/(Loss) for the Period | 504,459 | 350,058 | 1,516,306 | 1,061,503 |
| 6 | Other Comprehensive Income | - | - | - | - |
| 7 | Total comprehensive income for the period | 504,459 | 350,058 | 1,516,306 | 1,061,503 |
| 8 | Profit/(Loss) Attributable to : | | | | |
| | a) Equity holders of the parent | 504,459 | 350,058 | 1,516,306 | 1,061,503 |
| | b) Non-controlling interest | - | - | - | - |
| | | 504,459 | 350,058 | 1,516,306 | 1,061,503 |
| 9 | Total Comprehensive Income Attributable to : | | | | |
| | a) Equity holders of the parent | 504,459 | 350,058 | 1,516,306 | 1,061,503 |
| | b) Non-controlling interest | - | - | - | - |
| | | 504,459 | 350,058 | 1,516,306 | 1,061,503 |
| 10 | Loss per share attributable to shareholders of the parent (sen) : | | | | |
| | a) Basic | 0.31 | 0.22 | 0.92 | 0.66 |
| | b) Dilluted | 0.22 | 0.22 | 0.46 | 0.66 |

The Condensed Consolidated Income Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for financial year ended 31 March 2017

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

The figures have not been audited.

| | (Unaudited) As At 31.12.2017 RM | (Audited) As At 31.03.2017 RM |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 6,987,043 | 6,026,509 |
| Goodwill on consolidation | 1,935,486 | 1,935,486 |
| Deferred tax asset | 2,500,000 | 2,500,000 |
| | 11,422,529 | 10,461,995 |
| Current Assets | | |
| Inventories | 6,587,077 | 6,271,657 |
| Trade receivables | 10,570,997 | 10,550,650 |
| Other receivables, deposits & prepayments | 4,560,094 | 2,618,110 |
| Tax recoverable | 134,925 | 134,925 |
| Cash and bank balances | 4,502,478 | 1,847,984 |
| | 26,355,571 | 21,423,326 |
| TOTAL ASSETS | 37,778,100 | 31,885,321 |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 39,700,262 | 34,899,182 |
| Reserves | (3,685,308) | (5,201,614) |
| TOTAL EQUITY | 36,014,954 | 29,697,568 |
| Non-Current Liabilities | | |
| Deferred tax liabilities | - | - |
| | - | - |
| Current Liabilities | | |
| Trade payables | 1,046,627 | 1,407,622 |
| Other payables & accrued expenses | 631,019 | 638,431 |
| Amount owing to directors | 85,500 | 141,700 |
| Tax payables | - | - |
| | 1,763,146 | 2,187,753 |
| TOTAL LIABILITIES | 1,763,146 | 2,187,753 |
| TOTAL EQUITY AND LIABILITIES | 37,778,100 | 31,885,321 |
| Net Asset per Share (RM) | 0.205 | 0.186 |

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.

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

The figures have not been audited.

| GROUP | ← Attributable to Equity Holders of the Company → Non-distributable | | | | | Accumulated Loss | Total |
|--|--|------------------|--------------------|--------------------|------------------|---------------------|------------|
| | Share Capital | Share Premium | Capital Reserve | Warrant Reserve | Other Reserve | | |
| At 1 April 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 | - | - | - | - | - | 1,516,306 | 1,516,306 |
| Transactions with owners : | | | | | | | |
| Issue of ordinary shares pursuant to private placement | 4,801,080 | - | - | - | - | - | 4,801,080 |
| At 31 December 2017 | 39,700,262 | - | 21,305,406 | 11,095,806 | (11,095,806) | (24,990,714) | 36,014,954 |

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 31 DECEMBER 2017

The figures have not been audited.

| | 9 months ended 31/12/2017 (Unaudited) RM | 12 months ended 31/03/2017 (Audited) RM |
|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,524,842 | 531,606 |
| Adjustments for: | | |
| Depreciation and amortisation | 589,466 | 725,811 |
| Finance costs | 16,092 | 48 |
| Impairment on slow moving inventories | - | 53,102 |
| Impairment loss on trade receivables | - | 51,299 |
| Impairment loss on other receivables | - | 167,071 |
| Interest income | (17,207) | (43,189) |
| Unrealised gain on foreign exchange | - | (368,618) |
| Operating profit before working capital changes | 2,113,193 | 1,117,130 |
| Changes in working capital:- | | |
| Inventories | (315,420) | (232,743) |
| Trade Receivables | (20,347) | (2,991,823) |
| Other Receivables | (1,941,984) | 972,703 |
| Trade Payables | (360,995) | (477,697) |
| Other Payables | (7,412) | 26,875 |
| Amount due to Directors | (56,200) | 48,900 |
| | (2,702,358) | (2,653,785) |
| Cash used in operations | (589,165) | (1,536,655) |
| Interest received | 17,207 | 43,189 |
| Finance cost Paid | (16,092) | (48) |
| Tax paid | (8,536) | (16,847) |
| | 26,294 | 26,294 |
| Net cash used in operating activities | (596,586) | (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 | | |
| Proceeds from private placement | 4,801,080 | - |
| Net cash generated from financing activities | 4,801,080 | - |
| NET CHANGES IN CASH & CASH EQUIVALENTS | 2,654,494 | (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 | - | 58,322 |
| CASH & CASH EQUIVALENTS AT END OF THE YEAR | 4,502,478 | 1,847,984 |

**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

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

| | Revenue | |
|----------------------|-----------------------|------------------|
| | 9 months period ended | |
| | 31 December 2017 | 31 December 2016 |
| | RM | RM |
| South – Eastern Asia | 8,831,142 | 5,088,305 |
| Middle East | 4,331,439 | 3,377,188 |
| South – Central Asia | 489,956 | 529,259 |
| America | - | 795,532 |
| | <u>13,652,537</u> | <u>9,790,284</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 2017.

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 December 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

During the quarter under review, the Group continued to execute certain significant office furniture supply contracts in the local and international scenes. The Group has managed to increase its presence and revenue contribution from the local markets compared to the previous financial years.

The Group registered an improved performance of approximately 44.11 percent increase in net profit after tax for the 3 months period ended 31 December 2017 of RM504,459 compared to RM350,058 in preceding year corresponding quarter. The registered revenue of the Group for the quarter under review has improved by approximately 24.6 percent being RM4,094,669 compared to RM3,287,390 in the same respective comparative quarters.

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

The Group recorded a Profit before Taxation of RM512,995 as compared with Profits before Taxation of RM506,451 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 additional 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, as a country, 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. AHB intends to capitalize on the country's infrastructure and supply chain networks.

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 December 2017.

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

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 | | 9 months period ended | |
|---|-----------------------|-------------|-----------------------|-------------|
| | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 |
| Net profit/(loss) | 504,459 | 350,058 | 1,516,306 | 1,061,503 |
| Weighted average number of ordinary shares in issue | 164,669,929 | 160,036,194 | 164,669,929 | 160,036,194 |
| Basic profit/(loss) per share (sen) | 0.31 | 0.22 | 0.92 | 0.66 |
| Fully Diluted Earnings Per Share (sen) | 0.22 | 0.22 | 0.46 | 0.66 |

The Company has a category of potentially dilutive ordinary shares as follows:
71,125,961 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.

Where applicable, the diluted earnings per share of the Group have not been presented as diluted because 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 31 Dec-17 RM | Cumulative Period 9 months period ended 31 Dec-17 RM |
|-------------------------------|--|---|
| Other income | 13,418 | 22,451 |
| Interest expenses | - | - |
| Depreciation and amortization | (147,000) | (589,466) |
| Foreign exchange loss (gain) | - | - |

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

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 31 Dec 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) | 6,615,461 | 5,099,105 |
| | <hr/> | <hr/> |
| | (33,831,796) | (35,348,102) |
| Add: Consolidation adjustments | 8,841,082 | 8,841,082 |
| | <hr/> | <hr/> |
| Total Group accumulated losses as per consolidated accounts | (24,990,714) | (26,507,020) |
| | <hr/> <hr/> | <hr/> <hr/> |

- END OF REPORT -