

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Third Quarter ended 31 December 2018

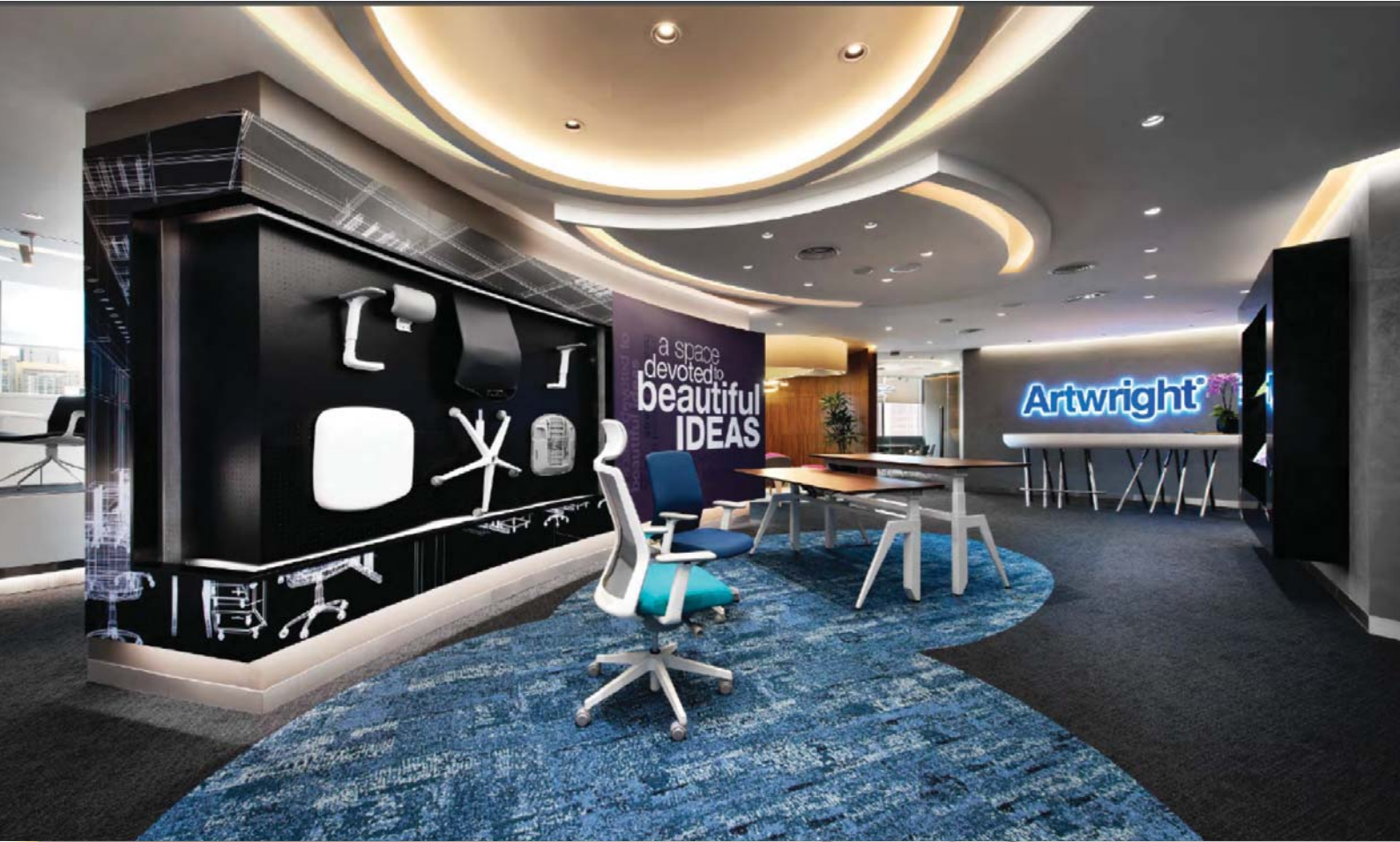


Artwright @Orgatec 2018



New Products @Orgatec 2018





Artwright Headquarters and Gallery

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME

for the quarter ended 31 December 2018

The figures have not been audited.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	3 months ended	3 months ended	9 months ended	9 months ended
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RM	RM	RM	RM
1 (a) Revenue	3,785,012	4,094,669	13,659,356	13,652,537
(b) Other income	5,000	13,418	22,360	22,451
2 (a) Profit/(Loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	565,602	663,692	2,118,387	2,130,400
(b) Finance cost	(3,080)	(3,697)	(9,498)	(16,092)
(c) Depreciation and amortisation	(259,947)	(147,000)	(777,045)	(589,466)
3 Profit/(Loss) Before Taxation	302,575	512,995	1,331,844	1,524,842
4 Income tax	(601)	(8,536)	(2,404)	(8,536)
5 Profit/(Loss) for the Period	301,974	504,459	1,329,440	1,516,306
6 Other Comprehensive Income	-	-	-	-
7 Total comprehensive income for the period	301,974	504,459	1,329,440	1,516,306
8 Profit/(Loss) Attributable to :				
a) Equity holders of the parent	301,974	504,459	1,329,440	1,516,306
b) Non-controlling interest	-	-	-	-
	301,974	504,459	1,329,440	1,516,306
9 Total Comprehensive Income Attributable to :				
a) Equity holders of the parent	301,974	504,459	1,329,440	1,516,306
b) Non-controlling interest	-	-	-	-
	301,974	504,459	1,329,440	1,516,306
10 Loss per share attributable to shareholders of the parent (sen) :				
a) Basic	0.17	0.31	0.76	0.92
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 2018

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

The figures have not been audited.

	(Unaudited) As At 31.12.2018	(Audited) As At 31.03.2018
	RM	RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	9,424,572	9,441,491
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	<u>15,360,058</u>	<u>15,376,977</u>
Current Assets		
Inventories	7,520,122	6,312,538
Trade receivables	11,175,660	10,108,760
Other receivables, deposits & prepayments	2,643,283	2,316,758
Tax recoverable	140,817	140,817
Cash and bank balances	1,622,066	3,605,992
	<u>23,101,948</u>	<u>22,484,865</u>
TOTAL ASSETS	<u>38,462,006</u>	<u>37,861,842</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	39,572,708	39,572,708
Reserves	(2,533,353)	(3,862,793)
TOTAL EQUITY	<u>37,039,355</u>	<u>35,709,915</u>
Non-Current Liabilities		
Deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
Current Liabilities		
Trade payables	528,151	1,510,459
Other payables & accrued expenses	730,500	548,468
Amount owing to directors	164,000	93,000
Tax payables	-	-
	<u>1,422,651</u>	<u>2,151,927</u>
TOTAL LIABILITIES	<u>1,422,651</u>	<u>2,151,927</u>
TOTAL EQUITY AND LIABILITIES	<u>38,462,006</u>	<u>37,861,842</u>
Net Asset per Share (RM)	<u>0.210</u>	<u>0.203</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 2018.

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2018
The figures have not been audited.

	9 months ended 31/12/2018 (Unaudited) RM	12 months ended 31/03/2018 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,331,844	(156,414)
Adjustments for:		
Bad debts written off on receivables		
- Trade	-	-
- Others	-	-
Depreciation and amortisation	777,045	770,101
Finance costs	9,498	32
Impairment on slow moving inventories		-
Impairment loss on trade receivables	-	35,503
Impairment loss on other receivables	-	-
Interest income	(22,360)	(45,922)
Inventories written down	-	28,328
Unrealised gain on foreign exchange	-	1,828,918
Waiver of debts	-	-
Operating profit before working capital changes	2,096,027	2,460,546
Changes in working capital:-		
Inventories	(1,207,584)	(69,209)
Trade Receivables	(1,066,900)	(1,137,629)
Other Receivables	(326,525)	(169,588)
Trade Payables	(982,308)	288,836
Other Payables	182,032	(89,963)
Amount due from/to subsidiary companies		-
Amount due to Directors	71,000	(48,700)
	(3,330,285)	(1,226,253)
Cash (used in)/from operations	(1,234,258)	1,234,293
Interest received	22,360	45,922
Interest Paid	(9,498)	(32)
Tax paid	(2,404)	(10,657)
	10,458	35,233
Net cash (used in)/generated from operating activities	(1,223,800)	1,269,526
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(760,126)	(4,185,083)
Net cash used in investing activity	(760,126)	(4,185,083)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares		4,673,526
Repayment of borrowings	-	-
Proceeds from issuance of ordinary shares	-	-
Share Issuance expenses	-	-
Net cash used in financing activities	-	4,673,526
NET CHANGES IN CASH & CASH EQUIVALENTS	(1,983,926)	1,757,969
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	3,605,992	1,847,984
Effect of exchange translation difference on cash and cash equivalent	-	39
CASH & CASH EQUIVALENTS AT END OF THE YEAR	1,622,066	3,605,992

AHB Holdings Berhad 274909-A
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2018

The figures have not been audited.

GROUP	← Attributable to Equity Holders of the Company →					Total RM
	Share Capital RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Loss RM	
At 01 April 2017	34,899,182	21,305,406	11,095,806	(11,095,806)	(26,507,020)	29,697,568
Net profit for the financial year, representing total comprehensive profit for the financial year	-	-	-	-	1,338,821	1,338,821
Issuance of ordinary shares						
- Private Placement	4,801,080	-	-	-	-	4,801,080
- Expenses on Private Placement	(127,554)	-	-	-	-	(127,554)
At 31 March 2018	39,572,708	21,305,406	11,095,806	(11,095,806)	(25,168,199)	35,709,915
Net profit for the financial period	-	-	-	-	1,329,440	1,329,440
At 31 December 2018	39,572,708	21,305,406	11,095,806	(11,095,806)	(23,838,759)	37,039,355

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 2018.

**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 2018.

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 2018.

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. Auditors’ Report on Preceding Audited Financial Statement

The Company’s auditors opined as follows:

‘We have audited the financial statements of AHB Holdings Berhad, which comprise the statements of financial position as at 31 March 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 76.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and of their financial performance and their 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, 2016 in Malaysia.’

A6. Debt and Equity Securities

There are no activities during the quarter under review.

A7. Dividend Paid

No dividend was paid for the period under review.

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

The figures have not been audited

A8. 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 Dec 2018	31 Dec 2017
	RM	RM
South – Eastern Asia	10,957,331	8,831,142
Middle East	2,369,472	4,331,439
South – Central Asia	332,553	489,956
America	-	-
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	13,659,356	13,652,537
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ii) Non-current assets

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

A9. 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 2018.

A10. Subsequent Materials Events

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

A11. Changes in Composition of the Group

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

A12. Contingent Liabilities

There were no contingent material claims for and against the Group as at 31 December 2018.

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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

During the quarter in review, AHB embarked on her sharp focus on the premium segment of the office furniture market by investing and promoting “cutting-edge” new design furniture systems and products.

The Group continues to reach out to customers in a changing workplace. With a strong spirited voice, the Group continually elevates her corporate brand to tap into new trends in an evolving market as a leading provider of fully integrated and highly flexible office furniture solutions that promote wellness and productivity.

The Group is currently executing some large office furniture supply contracts in the local and international scenes. The net profit after tax for the 9 months period ended 31 December 2018 is RM301,974 compared to RM504,459 in preceding year corresponding quarter. The revenue registered is slightly lower at RM3,785,012 compared to RM4,094,669 in the respective comparative quarters due to the softening economic outlook locally and internationally.

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

The Group recorded a Profit before Taxation of RM302,575 as compared a Profit before Taxation of RM519,044 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.

AHB intends to focus on the premium segment of the market, and the re-location of AHB headquarters to 10 Persiaran KLCC, Level 16 Naza Tower Platinum Park, 50088 Kuala Lumpur will further this agenda and improve the prospects of improved profits in the near future when this investment fulfilled part of the strategy.

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

A proposed SHARE ISSUANCE SCHEME ("SIS") of up to 15% of the total number of issued shares in AHB (excluding any treasure shares) at any one time during the duration of the SIS for the eligible directors and employees of AHB and its non-dormant subsidiaries was approved by Bursa Malaysia on 1 August 2018, and has been approved by AHB Shareholders during the Extraordinary General Meeting on 4 September 2018.

B7. Group Borrowings and Debt Securities

There were no outstanding borrowings and debt securities as at 31 December 2018.

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 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net profit/(loss)	301,974	504,459	1,329,440	1,516,306
Weighted average number of ordinary shares in issue	176,039,794	164,669,929	176,039,794	164,669,929
Basic profit/(loss) per share (sen)	0.17	0.31	0.76	0.92
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.

**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 months period ended 31 Dec-18 RM	Cumulative Period 9 months period ended 31 Dec-18 RM
Other income	5,000	22,360
Interest expenses	(3,080)	(9,498)
Depreciation and amortization	(259,947)	(777,045)
Foreign exchange loss (gain)	-	-
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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 2018 RM	As at 31 Mar 2018 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,447,257)	(40,447,257)
- Unrealised gain / (loss)	7,768,017	6,437,976
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	(32,679,240)	(34,009,281)
Add: Consolidation adjustments	8,841,082	8,841,082
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Total Group accumulated losses as per consolidated accounts	(23,838,158)	(25,168,199)

- END OF REPORT -