

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Quarter ended 30 June 2019





Artwright@10KLCC



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 2019

The figures have not been audited.

		INDIVIDUAL PERIOD		YEAR TO DATE (15 MTHS)	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
			CORRESPONDING		CORRESPONDING
		3 months ended	3 months ended	15 months ended	
		30/06/2019	30/06/2018	30/06/2019	
		(unaudited)	(unaudited)	(unaudited)	
		RM	RM	RM	RM
1 (a)	Revenue	3,316,535	4,899,336	20,969,251	-
(b)	Other income	3,556	13,560	52,110	-
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	525,406	770,714	3,206,629	-
(b)	Finance cost	(2,768)	(3,338)	(13,155)	-
(c)	Depreciation and amortisation	(257,130)	(257,151)	(1,288,471)	-
3	Profit/(Loss) Before Taxation	265,508	510,225	1,905,003	-
4	Income tax	-	(1,803)	(2,404)	-
5	Profit/(Loss) for the Period	265,508	508,422	1,902,599	-
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	265,508	508,422	1,902,599	-
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	265,508	508,422	1,902,599	-
b)	Non-controlling interest	-	-	-	-
		265,508	508,422	1,902,599	-
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	265,508	508,422	1,902,599	-
b)	Non-controlling interest	-	-	-	-
		265,508	508,422	1,902,599	-
10	Profit / Loss per share attributable to shareholders of the parent (sen) :				
a)	Basic	0.15	0.29	1.08	-
b)	Dilluted	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 2018.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

The figures have not been audited.

	(Unaudited) As At 30.06.2019 RM	(Audited) As At 31.03.2018 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	11,028,845	9,441,491
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	16,964,331	15,376,977
Current Assets		
Inventories	8,906,145	6,312,538
Trade receivables	9,989,436	10,108,760
Other receivables, deposits & prepayments	2,584,514	2,316,758
Tax recoverable	140,817	140,817
Cash and bank balances	616,166	3,605,992
	22,237,078	22,484,865
TOTAL ASSETS	39,201,409	37,861,842
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	39,572,708	39,572,708
Reserves	(1,960,194)	(3,862,793)
TOTAL EQUITY	37,612,514	35,709,915
Non-Current Liabilities		
Deferred tax liabilities	-	-
	-	-
Current Liabilities		
Trade payables	806,532	1,510,459
Other payables & accrued expenses	589,863	548,468
Amount owing to directors	192,500	93,000
Tax payables	-	-
	1,588,895	2,151,927
TOTAL LIABILITIES	1,588,895	2,151,927
TOTAL EQUITY AND LIABILITIES	39,201,409	37,861,842
Net Asset per Share (RM)	0.214	0.203

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 STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2019**

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	-	-	-	-	1,902,599	1,902,599
At 30 June 2019	39,572,708	21,305,406	11,095,806	(11,095,806)	(23,265,600)	37,612,514

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
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2019**

The figures have not been audited.

	15 months ended 30/06/2019 (Unaudited) RM	12 months ended 31/03/2018 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,905,003	(156,414)
Adjustments for:		
Bad debts written off on receivables		
- Trade	-	-
- Others	-	-
Depreciation and amortisation	1,288,471	770,101
Finance costs	13,155	32
Impairment on slow moving inventories	-	-
Impairment loss on trade receivables	-	35,503
Impairment loss on other receivables	-	-
Interest income	(50,942)	(45,922)
Inventories written down	-	28,328
Unrealised gain on foreign exchange	-	1,828,918
Waiver of debts	-	-
Operating profit before working capital changes	<u>3,155,687</u>	<u>2,460,546</u>
Changes in working capital:-		
Inventories	(2,593,607)	(69,209)
Trade Receivables	119,324	(1,137,629)
Other Receivables	(267,756)	(169,588)
Trade Payables	(703,927)	288,836
Other Payables	41,395	(89,963)
Amount due from/to subsidiary companies	-	-
Amount due to Directors	99,500	(48,700)
	<u>(3,305,071)</u>	<u>(1,226,253)</u>
Cash (used in)/from operations	(149,384)	1,234,293
Interest received	50,942	45,922
Interest Paid	-	(32)
Tax paid	(2,404)	(10,657)
	<u>35,233</u>	<u>35,233</u>
Net cash (used in)/generated from operating activities	<u>(100,846)</u>	<u>1,269,526</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(2,888,980)	(4,185,083)
Net cash used in investing activity	<u>(2,888,980)</u>	<u>(4,185,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	4,673,526
Net cash used in financing activities	<u>-</u>	<u>4,673,526</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	(2,989,826)	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	<u><u>616,166</u></u>	<u><u>3,605,992</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 2018.

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.

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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	
	15 months period ended	
	31 March 2019	
	RM	RM
South – Eastern Asia	16,185,357	-
Middle East	4,438,737	-
South – Central Asia	345,157	-
America	-	-
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	20,969,251	-
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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 March 2018.

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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 continue to embark on her 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 Group’s performance has been affected by the uncertain global economic outlook which in turn affected purchase confidence in the office furniture industry in the international markets. The net profit after tax for the 3 months period ended 30 June 2019 is RM265,508 compared to RM508,422 in preceding year corresponding quarter. The revenue registered is RM3,316,535 compared to RM4,899,336 in the same respective comparative quarter.

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

The Group’s performance has been affected by the uncertain global economic outlook which in turn affected purchase confidence in the office furniture industry in the international markets. The Group recorded a Profit before Taxation of RM265,508 as compared a Profit before Taxation of RM307,651 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.

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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 treasury 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 2108, and has been approved by AHB Shareholders during a meeting on 4 September 2018. On 2 May 2019, AHB announced the OFFER AND GRANT OF OPTIONS UNDER SIS OF THE COMPANY

A proposed PRIVATE PLACEMENT of up to 10% of the number of issued shares of AHB (excluding of any treasury shares) pursuant to Sections 75 and 76 of the Companies Act 2016. This proposal has been approved by Bursa Securities on 1st August 2019.

A proposed PRIVATE PLACEMENT of up to 30% of the number of issued shares of AHB (excluding of any treasury shares) pursuant to Sections 75 and 76 of the Companies Act 2016.

B7. Group Borrowings and Debt Securities

There were no outstanding borrowings and debt securities as at 31 March 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		15 months period ended	
	30 June 2019	30 June 2018	30 June 2019	
Net profit/(loss)	265,508	508,422	1,902,599	
Weighted average number of ordinary shares in issue	176,039,794	176,039,794	176,039,794	
Basic profit/(loss) per share (sen)	0.15	0.29	1.08	
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	

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

The figures have not been audited

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.

B11. Profit/(Loss) Before Tax

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

	Current Period 3 months period ended 30 June-19 RM	Cumulative Period 15 months period ended 30 June-19 RM
Other income	3,556	52,110
Interest expenses	-	-
Depreciation and amortization	(257,130)	(1,288,471)
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.

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

The figures have not been audited

Realised and Unrealised Losses

	As at 30 June 2019 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)	8,340,575	6,437,976
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	(32,106,682)	(34,009,281)
Add: Consolidation adjustments	8,841,082	8,841,082
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Total Group accumulated losses as per consolidated accounts	(23,265,600)	(25,168,199)
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