

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Final Quarter ended 30 September 2019





DESIGN EXCELLENCE

The Premier Interior Design Awards of Malaysia

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Artwright Office System Furniture Showroom won Gold, and Artwright Corporate Office won Silver, in the MIID REKA Awards 2019.

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10 Persiaran KLCC, Level 16
Naza Tower, Platinum Park
50088 Kuala Lumpur
+603 9212 0822

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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 SEPTEMBER 2019

The figures have not been audited.

		INDIVIDUAL PERIOD		YEAR TO DATE (18 MTHS)	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		3 months ended	3 months ended	18 months ended	CORRESPONDING
		30/09/2019	30/09/2018	30/09/2019	
		(unaudited)	(unaudited)	(unaudited)	
		RM	RM	RM	RM
1 (a)	Revenue	2,055,023	4,975,008	23,024,274	-
(b)	Other income	188,620	3,800	240,730	-
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(3,552,906)	782,071	(346,277)	-
(b)	Finance cost	13,155	(3,080)	-	-
(c)	Depreciation and amortisation	(534,365)	(259,947)	(1,822,836)	-
(d)	Share based payment expenses	(1,219,037)	-	(1,219,037)	-
3	Profit/(Loss) Before Taxation	(5,293,153)	519,044	(3,388,150)	-
4	Income tax	(138,413)	-	(140,817)	-
5	Profit/(Loss) for the Period	(5,431,566)	519,044	(3,528,967)	-
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	(5,431,566)	519,044	(3,528,967)	-
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	(5,431,566)	519,044	(3,528,967)	-
b)	Non-controlling interest	-	-	-	-
		(5,431,566)	519,044	(3,528,967)	-
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	(5,431,566)	519,044	(3,528,967)	-
b)	Non-controlling interest	-	-	-	-
		(5,431,566)	519,044	(3,528,967)	-
10	Profit / Loss per share attributable to shareholders of the parent (sen) :				
a)	Basic	(3.09)	0.31	(2.00)	-
b)	Diluted	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
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

The figures have not been audited.

	(Unaudited) As At 30.09.2019 RM	(Audited) As At 31.03.2018 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	11,034,212	9,441,491
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	<u>16,969,698</u>	<u>15,376,977</u>
Current Assets		
Inventories	6,757,999	6,312,538
Trade receivables	6,813,477	10,108,760
Other receivables, deposits & prepayments	574,744	2,316,758
Tax recoverable	-	140,817
Cash and bank balances	1,566,775	3,605,992
	<u>15,712,995</u>	<u>22,484,865</u>
TOTAL ASSETS	<u>32,682,693</u>	<u>37,861,842</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	39,576,908	39,572,708
Reserves	(10,611,742)	(3,862,793)
TOTAL EQUITY	<u>28,965,166</u>	<u>35,709,915</u>
Non-Current Liabilities		
Deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
Current Liabilities		
Trade payables	2,288,725	1,510,459
Other payables & accrued expenses	1,257,552	548,468
Amount owing to directors	171,250	93,000
Tax payables	-	-
	<u>3,717,527</u>	<u>2,151,927</u>
TOTAL LIABILITIES	<u>3,717,527</u>	<u>2,151,927</u>
TOTAL EQUITY AND LIABILITIES	<u>32,682,693</u>	<u>37,861,842</u>
Net Asset per Share (RM)	<u>0.165</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
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 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	SIS Reserve RM	ECL 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
Effect of MFRS 9	-	-	-	-	-	-	(4,439,019)	(4,439,019)
At 31 March 2018, Restated	39,572,708	21,305,406	11,095,806	(11,095,806)	-	-	(29,607,218)	31,270,896
Net profit for the financial period	-	-	-	-	-	-	(3,528,967)	(3,528,967)
SIS Reserves	-	-	-	-	1,219,037	-	-	1,219,037
Conversion of warrants	4,200	-	-	-	-	-	-	4,200
Expiry of warrants	-	-	(11,095,806)	11,095,806	-	-	-	-
At 30 September 2019	39,576,908	21,305,406	-	-	1,219,037	-	(33,136,185)	28,965,166

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 SEPTEMBER 2019**

The figures have not been audited.

	18 months ended 30/09/2019 (Unaudited) RM	12 months ended 31/03/2018 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(3,388,150)	(156,414)
Adjustments for:		
Bad debts written off on receivables		
- Trade	-	-
- Others	-	-
Depreciation and amortisation	1,822,836	770,101
Finance costs	-	32
Impairment on slow moving inventories	-	-
Impairment loss on trade receivables	157,752	35,503
Impairment loss on other receivables	-	-
Interest income	(36,302)	(45,922)
Inventories written down	7,935	28,328
Unrealised loss on foreign exchange	14,715	1,828,918
Waiver of debts	-	-
SIS Reserve	1,219,037	-
Effect of MFRS 9	(4,439,019)	-
Operating profit before working capital changes	<u>(4,641,196)</u>	<u>2,460,546</u>
Changes in working capital:-		
Inventories	(445,461)	(69,209)
Trade Receivables	3,295,283	(1,137,629)
Other Receivables	1,742,014	(169,588)
Trade Payables	778,266	288,836
Other Payables	709,084	(89,963)
Amount due from/to subsidiary companies	-	-
Amount due to Directors	78,250	(48,700)
	6,157,436	(1,226,253)
Cash (used in)/from operations	1,516,240	1,234,293
Interest received	36,302	45,922
Interest Paid	-	(32)
Tax paid	(140,817)	(10,657)
	35,233	35,233
Net cash (used in)/generated from operating activities	<u>1,411,725</u>	<u>1,269,526</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(3,746,642)	(4,185,083)
Proceeds from disposal of property, plant and equipment	291,500	-
Net cash used in investing activity	<u>(3,455,142)</u>	<u>(4,185,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	4,673,526
Proceeds from conversion of warrants	4,200	-
Net cash used in financing activities	<u>4,200</u>	<u>4,673,526</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	(2,039,217)	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>1,566,775</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.

In addition, MFRS 2 and MFRS 9 have been incorporated.

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.

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AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

A7. Dividend Paid

No dividend was paid for the period under review.

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	
	18 months period ended 30 Sep 2019 RM	12 months year ended 31 March 2018 RM
South – Eastern Asia	16,290,243	9,944,365
Middle East	6,239,118	7,181,848
South – Central Asia	494,913	489,956
America	-	10,769
	<hr/> 23,024,284 <hr/>	<hr/> 17,626,938 <hr/>

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 has experienced a difficult environment whereby decisions for office furniture investments have been delayed when clients have the option. However, AHB feels that this is a temporary situation, and will recover in the near future. Hence our quarter under review has been adversely affected. In addition, our Group has incurred an expense of RM1,219,037 concerning the Share Issuance Scheme under MRFS 2; and incurred an expense of RM396,901 for the adoption of MFRS 9.

The net loss after tax for the 3 months period ended 30 September 2019 is RM5,431,566 compared to net profit after tax of RM519,044 in preceding year corresponding quarter. The revenue registered is RM2,055,023 compared to RM4,975,008 in the same respective comparative quarter.

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 has 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 is currently executing some large office furniture supply contracts in the local and international scenes, and looks forward to improved results from these contracts.

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

The Group recorded a Loss before Taxation of RM5,293,153 as compared a Profit before Taxation of RM519,044 in the previous quarter.

Our Group has incurred an expense of RM1,219,037 concerning the Share Issuance Scheme under MRFS 2; and incurred an expense of RM396,901 for the adoption of MFRS 9.

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 establishment of AHB new 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.

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The figures have not been audited

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

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.

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, subject to approval of Extraordinary General Meeting dated 12 December 2019.

B7. Group Borrowings and Debt Securities

There were no outstanding borrowings and debt securities as at 30 September 2019.

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.

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The figures have not been audited

B10. Earnings Per Share

Basic Earnings Per Share	3 months period ended		18 months period ended	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	
Net profit/(loss)	(5,431,566)	519,044	(3,528,967)	
Weighted average number of ordinary shares in issue	176,039,794	167,473,457	176,039,794	
Basic profit/(loss) per share (sen)	(3.09)	0.31	(2.00)	
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	

B11. Profit/(Loss) Before Tax

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

	Current Period 3 months period ended 30 Sep-19 RM	Cumulative Period 18 months period ended 30 Sep-19 RM
Other income	188,620	240,730
Interest expenses	-	-
Depreciation and amortization	(534,365)	(1,822,836)
Foreign exchange loss (gain)	-	-
	<u> </u>	<u> </u>

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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The figures have not been audited

Realised and Unrealised Losses

	As at 30 Sep 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)	(1,530,009)	6,437,976
	<hr/>	<hr/>
	(41,977,366)	(34,009,281)
Add : Consolidation adjustments	8,841,081	8,841,082
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(33,136,185)</u>	<u>(25,168,199)</u>

- END OF REPORT -