

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Third Quarter ended 30 June 2023



AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3rd QUARTER ENDED 30 JUNE 2023

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
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RM	RM	RM	RM
1 (a) Revenue	8,842,674	3,054,137	13,925,852	6,485,381
(b) Other income	14,048	(43,066)	21,981	68,395
2 (a) (Loss)/Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(6,416,979)	(119,245)	(9,585,884)	(1,522,523)
(b) Finance cost	-	(35,970)	-	(111,317)
(c) Depreciation of property, plant and equipment	(365,490)	(356,967)	(1,096,997)	(1,071,065)
(d) Depreciation of right-of-use asset	(228,011)	(269,623)	(684,033)	(725,645)
(e) Share based payment expenses	(2,275,403)	(182,902)	(2,275,403)	(182,902)
3 Loss before taxation - Continued operation	(9,285,882)	(964,707)	(13,642,316)	(3,613,452)
Loss before taxation - Discontinued operation	-	1,442	-	(22,600)
4 Income tax				
5 Loss for the period	(9,285,882)	(963,265)	(13,642,316)	(3,636,052)
6 Other comprehensive income	-	-	-	-
7 Total comprehensive income for the period	(9,285,882)	(963,265)	(13,642,316)	(3,636,052)
8 Loss attributable to :				
a) Equity holders of the parent	(9,285,882)	(963,265)	(13,642,316)	(3,636,052)
b) Non-controlling interest	-	-	-	-
	(9,285,882)	(963,265)	(13,642,316)	(3,636,052)
9 Total comprehensive income attributable to:				
a) Equity holders of the parent	(9,285,882)	(963,265)	(13,642,316)	(3,636,052)
b) Non-controlling interest	-	-	-	-
	(9,285,882)	(963,265)	(13,642,316)	(3,636,052)
10 Loss per share attributable to shareholders of the parent (sen):				
a) Basic	(2.22)	(0.29)	(3.27)	(1.10)
b) Dilluted	NA	NA	NA	NA

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2022

AHB Holdings Berhad 274909-A

And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

The figures have not been audited.

	(Unaudited) As At 30.06.2023 RM	(Audited) As At 30.09.2022 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,364,395	6,961,393
Rights-of-use asset	3,669,626	4,353,659
Deferred tax asset	4,000,000	4,000,000
	12,034,021	15,315,052
Current Assets		
Inventories	13,421,475	5,965,866
Trade receivables	8,062,951	6,269,213
Other receivables, deposits & prepayments	7,658,332	6,221,820
Cash and bank balances	7,079,051	801,185
	36,221,809	19,258,084
TOTAL ASSETS	48,255,830	34,573,136
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	58,618,514	60,913,214
Reserves	(18,238,544)	(32,871,631)
TOTAL EQUITY	40,379,970	28,041,583
Non-Current Liability		
Lease liabilities	2,778,771	3,577,289
	2,778,771	3,577,289
Current Liabilities		
Trade payables	720,823	311,091
Other payables & accrued expenses	3,402,778	1,421,514
Amount owing to director	18,000	-
Lease Liabilities	955,488	1,221,659
	5,097,089	2,954,264
TOTAL LIABILITIES	7,875,860	6,531,553
TOTAL EQUITY AND LIABILITIES	48,255,830	34,573,136
Net Asset per Share (RM)	0.097	0.075

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2023**

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company					
	Attributable to Equity Holders of the Company			Non-distributable		
	Share Capital RM	RCPS RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Loss RM	Total RM
At 01 October 2021	49,171,397	-	21,305,406	340,024	(45,256,983)	25,559,844
Net loss for the financial year, representing total comprehensive profit for the financial year	-	-	-	-	(9,091,510)	(9,091,510)
Transfer to retained earnings	-	-	(21,305,406)	-	21,305,406	-
Transaction with Owners :						
Issuance of ordinary shares :						
- private placement	10,838,837	-	-	-	-	10,838,837
- exercise of SIS options	902,980	-	-	(351,470)	-	551,510
Grant of SIS Options	-	-	-	182,902	-	182,902
Lapse of SIS Options	-	-	-	(15,554)	15,554	-
Total transaction with owners	11,741,817	-	-	(184,122)	15,554	11,573,249
At 30 September 2022	60,913,214	-	-	155,902	(33,027,533)	28,041,583
Net profit for the financial period	-	-	-	-	(13,642,316)	(13,642,316)
Transaction with Owners :						
Issuance of RCPS	-	18,705,300	-	-	-	18,705,300
Conversion of RCPS	18,705,300	(18,705,300)	-	-	-	-
Share based payment	5,000,000	-	-	-	-	5,000,000
Grant of SIS Options	-	-	-	2,275,403	-	2,275,403
Lapse of SIS Options	-	-	-	(77,396)	77,396	-
Capital reduction	(26,000,000)	-	-	-	26,000,000	-
At 30 June 2023	58,618,514	-	-	2,353,909	(20,592,453)	40,379,970

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2022.

**AHB Holdings Berhad 274909-A
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2023**

The figures have not been audited.

	9 months ended 30.06.2023 (Unaudited) RM	12 months ended 30.09.2022 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(13,642,316)	(9,091,510)
Adjustments for:		
Depreciation of property, plant and equipment	1,096,997	1,457,379
Depreciation of rights of use assets	684,033	1,131,898
Gain on disposal of subsidiaries	-	(556,125)
Interest Expenses	-	152,705
Inventories written down	500,000	1,012,327
Impairment loss on trade receivables	-	1,285,827
Impairment loss written off	-	5,702,234
Interest income	(14,886)	(11,167)
Property, plant and equipment written off	1,500,000	-
Share-based payments	2,275,403	182,902
Unrealised gain on foreign exchange	-	(31,234)
Operating profit before working capital changes	(7,600,769)	1,235,236
Changes in working capital:-		
Inventories	(2,955,609)	(829,657)
Trade Receivables	(1,793,737)	(10,664,316)
Other Receivables	(1,436,512)	(5,625,809)
Trade Payables	409,732	171,934
Other Payables	1,981,264	3,155,066
	(3,794,862)	(13,792,782)
Cash used in operations	(11,395,631)	(12,557,546)
Interest received	14,886	11,167
Interest paid	-	(152,705)
	14,886	(141,538)
Net cash used in operating activities	(11,380,745)	(12,699,084)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	-	(225,024)
Cash outflow from disposal of subsidiaries	-	(1,389)
Net cash used in investing activities	-	(226,413)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/advance from directors	18,000	(99,000)
Proceeds from issuance of shares	18,705,300	-
Proceeds from private placement	-	10,838,837
Proceeds from exercise of SIS options	-	551,510
Payment of lease liabilities	(1,064,689)	(1,069,969)
Net cash generated from financing activities	17,658,611	10,221,378
NET CHANGES IN CASH & CASH EQUIVALENTS	6,277,866	(2,704,119)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	801,185	3,503,967
Effect of exchange translation difference on cash and cash equivalent	-	1,337
CASH & CASH EQUIVALENTS AT END OF THE YEAR	7,079,051	801,185

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2022

**AHB Holdings Berhad 274909-A
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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 30 September 2022.

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 30 September 2022.

A2. Seasonality or cyclical

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 audit report of the Group’s annual financial statements for the year ended 30 September 2022 was not subject to any qualification.

A6. Debt and Equity Securities

There were no issuance and repayment of the debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 June 2023 except:

- i) issued 187,053,000 Redeemable Convertible Preference Shares (“RCPS”) at RM0.10 per RCPS for a total of RM18,705,300.
- ii) Conversion of 187,053,000 Redeemable Convertible Preference Shares (“RCPS”) into 187,053,000 new ordinary shares pursuant to the exercise of conversion rights of RCPS.
- iii) issued 45,454,546 Consideration Shares to Awan Jingga Sdn Bhd pursuant to the SPA of 4 parcels of land located in Mukim Petaling, Kuala Lumpur.

**AHB Holdings Berhad 274909-A
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Part A – Explanatory Notes Pursuant to MFRS134 (Cont'd)**

A7. Dividend Paid

No dividend was paid for the period under review.

A8. Segmental Reporting

Business segment

The Group has two operating segment which are trading and property development. There is no revenue generated from property development segment for the quarter.

i) The segmental information are as follow:

Assets and liabilities	Trading		Property development	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Total assets	36,413,604	38,857,152	11,842,226	-
Total liabilities	(7,755,350)	(5,160,716)	(120,510)	-

Geographical segment

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

	Revenue	
	9 months period ended	
	30 Jun 2023	30 Jun 2022
	RM	RM
South – Eastern Asia	13,925,852	5,184,272
Middle East	-	1,301,109
Europe	-	-
	<u>13,925,852</u>	<u>6,485,381</u>

iii) Non-current assets

Non-current assets information are 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 30 September 2022.

A10. Subsequent Materials Events

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

**AHB Holdings Berhad 274909-A
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Part A – Explanatory Notes Pursuant to MFRS134 (Cont'd)

A11. Changes in Composition of the Group

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

A12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent material claims for and against the Group since the previous financial year end.

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

For the quarter under review, the Group recorded a gross revenue of RM8.843 million as compared to RM3.054 million recorded in the preceding year corresponding quarter. The higher revenue was due to the increase in revenue of RM5.789 million.

For the nine months financial period, the Group recorded a gross revenue of RM 13.926 million as compared to RM6.485 million recorded in the preceding corresponding period. The higher revenue was due to the increase in revenue of RM7.441 million.

For the current quarter under review, the Group recorded a loss before tax of RM 9.286 million as compared to a loss before tax of RM0.965 million recorded in the preceding year corresponding quarter.

For the nine months financial period, the Group recorded a loss before tax of RM13.642 million as compared to a loss before tax of RM3.613 million recorded in the preceding corresponding period.

B2. Material Changes in Loss Before Taxation in Comparison to the Previous Quarter

Revenue for the current quarter under review was RM8.843 million as compared to RM1.231 million for the preceding quarter. The higher revenue was due to the increase in revenue of RM7.612 million.

The Group reported a loss before tax of RM9.286 million as compared to a loss before tax of RM3.696 million for the preceding quarter. The higher loss was due to shares base payment of RM2.275 million, property, plant and equipment written off of RM1.5 million and inventory written off of RM0.5 million as well as increase in other operating expense of RM2.314 million.

B3. Prospects

Amid the challenging global economic environment that was clouded by inflationary pressures, labour shortages and fluctuating ringgit on the local economic front, our business remain robust.

The outlook for the FY2023 remains challenging due to uncertainty of both the domestic and overseas markets resulting from adverse global economic and business operating environments.

To mitigate these uncertainties, the Group will continue to be prudent on its capital and operational expenditures.

The Board remains cautiously optimistic on the long-term business prospects of the Group and will continue to actively pursue various business strategies to increase its revenue base.

**AHB Holdings Berhad 274909-A
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**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa
Securities (Cont'd)**

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

In 8 February 2023, the Board of Directors of AHB announced that AHB had on 8 February 2023 entered into a Memorandum of Understanding (“MOU”) with Piong Choong Fah, where AHB (“Purchaser”) and Piong Choong Fah (“Vendor”) intends to enter into a definitive share sale agreement for the purchase by AHB and the sale by Piong Choong Fah for ordinary shares held by the Vendor in Altangadas Mining Group Berhad [Registration No. 202001013815 (1370135-T)] (“AMG” or the “Target Company”), representing 20% of the total issued ordinary shares of the Target Company (“Sale Shares”) which is still on-going.

In 31 May 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 32,553,000.

In 2 June 2023, the Board of Directors of AHB (“Board”) announced that the Company intends to vary the utilisation of proceeds raised from the issuance of redeemable convertible preference shares in the Company (“RCPS”), subsequently in 7 June 2023, the Board clarified that out of the RM18.71 million raised from the issuance of the RCPS, RM4.50 million will be used to pay for the purchase of 9 generator sets to be supplied to a solution provider in the telecommunication industry. The output for these generator sets ranges from 600kW to 800kW.

In 13 June 2023, on behalf of the Board, Mercury Securities announced that the Acquisition has been completed following: (i) the remaining cash consideration of RM2.00 million has been paid to Awan Jingga Sdn Bhd; and (ii) the 45,454,546 Consideration Shares issued to Awan Jingga Sdn Bhd.

In 22 June 2023, on behalf of the Board of Directors of AHB, TA Securities Holdings Berhad announced that the Company intends to undertake the proposed diversification of the principal activities of AHB Group to include trading of building materials, machineries and equipment as well as related business activities.

The Board of Directors of AHB (“Board”) announced that the Company had on 12 July 2023 entered into a non-binding term sheet with CAF Global Tech Sdn. Bhd. (“CAF Global Tech” or “Vendor”) for the acquisition of 51% equity interest in CAF Motors Sdn Bhd (“CAF Motors” or “Target Company”), for a total indicative consideration of Ringgit Malaysia Ten Million (RM10,000,000.00) only (“Purchase Consideration”), subject to due diligence reviews and valuation opinion from an independent valuer.

**AHB Holdings Berhad 274909-A
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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

B6. Status of Corporate Proposals (cont'd)

During the year, the Company issued 187,053,000 RCPS at RM0.10 per RCPS for a total of RM18,705,300. The status of utilisation of proceeds raised from RCPS as at 30 June 2023 is as follows:

Utilisation of proceeds	[A]	[B]	[C] = [A] + [B]	[D]	[E] = [C] - [D]	Expected timeframe for utilisation upon receipt of proceeds
	Proposed utilisation of proceeds	Variation	Revised utilisation of proceeds	Actual utilised	Balance unutilised	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
(i) Funding for the Development Project	14,384	-4,500	9,884	2,871	7,013	Within 36 months
(ii) Funding for the acquisition of the Taman Yarl Land	2,000	0	2,000	2,000	0	Within 3 months
(iii) General working capital	753	0	753	753	0	Within 12 months
(iv) Corporate exercises expenses	1,568	0	1,568	1,568	0	Immediate
(v) Funding for trading of building materials, machineries and equipment as well as related business activities ("Trading Business")	0	4,500	4,500	4,500	0	Within 12 months
Total	18,705		18,705	11,692	7,013	

B7. Group Borrowings and Debt Securities

The Group does not have any borrowings nor debt securities as at 30 June 2023.

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.

**AHB Holdings Berhad 274909-A
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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities (Cont'd)

B10. Earnings Per Share

Basic Earnings Per Share	3 months period ended		9 months period ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Net loss	(9,285,882)	(963,265)	(13,642,316)	(3,636,052)
Weighted average number of ordinary shares in issue	417,555,842	330,802,140	417,555,842	330,802,140
Basic loss per share (sen)	(2.22)	(0.29)	(3.27)	(1.10)
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	NA

B11. Loss Before Tax

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

	Current Period 3 months period ended	Cumulative Period 9 months period ended
	30 Jun-23 RM	30 Jun-23 RM
Other income	14,048	21,981
Interest expenses	-	-
Depreciation and amortization	<u>(593,501)</u>	<u>(1,781,030)</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 item

- END OF REPORT -