



**AHB HOLDINGS BERHAD**

274909-A

**INTERIM FINANCIAL STATEMENTS**  
for the quarter ended 30 September 2014

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

**CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME  
for the quarter ended 30 September 2014**

The figures have not been audited.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
	3 months ended	3 months ended	3 months ended	3 months ended
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RM	RM	RM	RM
1 (a) Revenue	4,359,905	4,101,233	4,359,905	4,101,233
(b) Other income	4,356	-	4,356	-
2 (a) Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	469,553	456,058	469,553	456,058
(b) Finance cost	(24,688)	(200,451)	(24,688)	(200,451)
(c) Depreciation and amortisation	(9,037)	(29,077)	(9,037)	(29,077)
3 Profit before Taxation	435,828	226,530	435,828	226,530
4 Income tax	-	-	-	-
5 Profit for the Period	435,828	226,530	435,828	226,530
6 Other Comprehensive Income	-	-	-	-
7 Total comprehensive income for the period	435,828	226,530	435,828	226,530
8 Profit (Loss) Attributable to :				
a) Equity holders of the parent	435,828	226,530	435,828	226,530
b) Non-controlling interest	-	-	-	-
	435,828	226,530	435,828	226,530
9 Total Comprehensive Income Attributable to :				
a) Equity holders of the parent	435,828	226,530	435,828	226,530
b) Non-controlling interest	-	-	-	-
	435,828	226,530	435,828	226,530
10 Profit (Loss) per share attributable to shareholders of the parent (sen) :				
a) Basic	0.72	0.47	0.72	0.47
b) Dilluted	0.71	NA	0.71	NA

(i) Fully diluted earnings per ordinary share is calculated by dividing the adjusted net profit for the year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The Company has a category of potentially dilutive ordinary shares as follows: Warrants 2014/2019;

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 SEPTEMBER 2014**

The figures have not been audited.

	(Unaudited) As At 30.09.2014 RM	(Audited) As At 30.06.2014 RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	323,949	332,986
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	2,500,000	2,500,000
	<u>4,759,435</u>	<u>4,768,472</u>
<b>Current Assets</b>		
Inventories	6,857,048	6,626,156
Trade receivables	10,752,659	11,108,511
Other receivables, deposits & prepayments	3,485,890	3,968,075
Cash and bank balances	11,050,040	961,795
	<u>32,145,637</u>	<u>22,664,537</u>
<b>TOTAL ASSETS</b>	<b><u>36,905,072</u></b>	<b><u>27,433,009</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	32,007,239	10,669,080
Share premium	2,900,110	3,664,610
Capital reserve	21,305,406	21,305,406
Accumulated losses	(29,378,572)	(29,814,400)
<b>TOTAL EQUITY</b>	<u>26,834,183</u>	<u>5,824,696</u>
<b>Non Current Liability</b>		
Deferred tax liabilities	60,790	60,790
	<u>60,790</u>	<u>60,790</u>
<b>Current Liabilities</b>		
Trade payables	1,033,493	3,090,142
Other payables & accrued expenses	3,194,954	9,547,242
Amount owing to directors	151,850	3,301,797
Bank borrowings	4,873,703	4,843,243
Tax payables	756,099	765,099
	<u>10,010,099</u>	<u>21,547,523</u>
<b>TOTAL LIABILITIES</b>	<u>10,070,889</u>	<u>21,608,313</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>36,905,072</u></b>	<b><u>27,433,009</u></b>
<b>Net Asset per Share (RM)</b>	<u>0.168</u>	<u>0.109</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statement Year Ended 30 June 2014.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
for the quarter ended 30 September 2014  
The figures have not been audited.**

	<b>3 months ended 30/9/2014 (Unaudited) RM</b>	<b>3 months ended 30/9/2013 (Unaudited) RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	435,828	226,530
<b>Adjustments for:</b>		
Depreciation	9,037	29,077
Finance costs	24,688	200,451
Unrealised profit on foreign exchange	-	(93,377)
Operating profit before working capital changes	<u>469,553</u>	<u>362,681</u>
<b>Changes in Working Capital:-</b>		
Inventories	(230,892)	23,768
Receivables	838,037	8,260
Payables	(8,368,477)	(678,654)
Directors	(3,149,947)	24,000
<b>Cash used in operating activities</b>	<u>(10,441,726)</u>	<u>(259,945)</u>
Tax paid	(9,000)	-
<b>Net cash used in operating activities</b>	<u>(10,450,726)</u>	<u>(519,890)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of ordinary shares	20,573,659	-
Finance costs paid	(24,688)	(23,500)
Repayment of borrowings	(10,000)	-
Net cash used in financing activities	<u>20,538,971</u>	<u>(23,500)</u>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	10,088,245	(543,390)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	961,795	380,229
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	<u><u>11,050,040</u></u>	<u><u>(163,161)</u></u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Financial Statement Year Ended 30 June 2014.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

for the quarter ended 30 SEPTEMBER 2014

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company				
	Issue Capital RM	Share Premium RM	Capital Reserve RM	Accumulated Loss RM	Total RM
<b>At 1 July 2012</b>	48,131,398	3,664,610	-	(38,543,526)	13,252,482
Total comprehensive loss for the financial year	-	-	-	(9,200,147)	(9,200,147)
<b>Transactions with owners :</b>					
Capital reduction	(38,505,118)	-	21,305,406	17,199,712	-
<b>Balance at 31 June 2013</b>	9,626,280	3,664,610	21,305,406	(30,543,961)	4,052,335
Total comprehensive income for the financial year	-	-	-	729,561	729,561
<b>Transactions with owners :</b>					
Issue of ordinary shares from the conversion of warrants	1,042,800	-	-	-	1,042,800
<b>Balance at 31 June 2014</b>	10,669,080	3,664,610	21,305,406	(29,814,400)	5,824,696
Total comprehensive income for the period	-	-	-	435,828	435,828
<b>Transactions with owners :</b>					
Issue of ordinary shares from the rights issue	21,338,159	-	-	-	21,338,159
Share issuance expenses	-	(764,500)	-	-	(764,500)
<b>Balance at 30 September 2014</b>	32,007,239	2,900,110	21,305,406	(29,378,572)	26,834,183

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Financial Statement Year Ended 30 June 2014

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**Interim Financial Statement for quarter ended 30 September 2014. The figures have not been audited**

**Part A – Explanatory Notes Pursuant to MFRS134**

**A 1. 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 June 2014.

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 June 2014.

**A2. Changes in Accounting Policies**

The audited financial statements of the Group for the financial year ended 30 June 2014 were prepared in accordance with MFRS. The accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2014 except as mentioned below:

The adoption of the applicable MFRSs, Amendments to MFRSs and IC interpretations do not have any material impact on the interim financial statements of the Group

Meanwhile, the Group has not adopted the following MFRSs and Amendments to MFRSs that have been issued but not yet effective.

	<u>Effective for financial periods beginning on or after</u>
MFRS 9 - Financial Instruments	1 January 2015

**A3. Auditors’ Report on Preceding Audited Financial Statement**

The auditors’ report on the audited financial statements for the financial year ended 30 June 2014 contained a disclaimer of opinion on the financial statements as set out on Note 12, and basis of this disclaimer opinion is mainly due to the uncertainties of the material effects of the deconsolidation of a subsidiary, AHB Technology Sdn Bhd (“AHBT”), of the Group in the Group’s financial statements. However, the accounts of the AHBT continued to be consolidated into the group’s financial statements as the Directors are confident to obtain a court order for a stay of the winding up against AHBT (“Stay Order”). AHB had obtained a favourable legal opinion on the likelihood of obtaining a Stay Order. On 25 November 2014, AHB has made full payment towards the settlement of the Malayan Banking Berhad’s suit to resolve the winding up status of AHBT. AHBT had applied to the court for the Stay Order on 26 November 2014. This Stay Order will have the same effect of disposing off the winding up order. This process is expected to be completed within two months, barring any unforeseen circumstances.

**A4. Seasonality or cyclicity**

The operations of the business are not seasonal or cyclical in nature.

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**A5. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of Group during the current quarter.

**A6. Material changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter.

**A7. Debt and Equity Securities**

There are no activities during the quarter under review.

**A8. Dividend Paid**

No dividend was paid for the period under review.

**A9. Segmental Reporting**

**Business segment**

Information relating to business segment is not presented as the Group has identified the business of office interior products, office furniture and specialised computer furniture as its sole operating segment.

**Geographical segment**

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

	Revenue	
	3 months period ended	
	30 Sept 2014	30 Sept 2013
	RM	RM
South – Eastern Asia	1,229,346	1,914,272
Middle East	3,086,756	1,512,870
South – Central Asia	-	668,475
America	43,803	5,616
	<u>4,359,905</u>	<u>4,101,233</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 30 June 2014.

**A11. Subsequent Materials Events**

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

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**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 30 June 2014.

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**AHB HOLDINGS BERHAD 274909-A  
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**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 3 months period ended 30 September 2014, the Group registered RM4,359,905 revenue and net profit of RM435,828 compared to RM4,101,233 revenue and net profit of RM226,530 in preceding year corresponding quarter.

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

The Group recorded a profit before taxation of RM RM435,828 as compared with profit before taxation of RM226,530 in the previous quarter.

**B3. Prospects**

AHB is cautiously optimistic about its financial performance for the financial year ending 30 June 2015. While the continuing global financial crisis affects the office furniture purchase decision, AHB had introduced new furniture programs and new products to improve the market penetration. AHB is also marketing its products to a more diversified market base, including improving the local market share of the office furniture market. The board is actively considering ways to mitigate these uncertainties of the Group's revenue and the management is working hard to explore these initiatives.

**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**

**PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS.**

On 29 October 2013, the Company announced a proposal to undertake a renounceable rights issue of up to 106,718,796 new ordinary shares of RM0.20 each in AHB (“**AHB Shares**”) (“**Rights Shares**”) on the basis of two (2) Rights Shares for every one (1) existing AHB Share held on an entitlement date to be determined later (“**Entitlement Date**”), together with up to 71,145,864 free detachable new warrants (“**New Warrants**”) on the basis of two (2) New Warrants for every three (3) Rights Shares subscribed by the entitled shareholders (“**Proposed Rights Issue of Shares with Warrants**”).

The Company had submitted to an application for the Proposed Rights Issue of Shares with Warrants on 15 November 2013.

The Proposed Rights Issue of Shares with Warrants entails the issuance of up to 106,718,796 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing AHB Share held, together with two (2) New Warrants for every three (3) Rights Shares subscribed by the shareholders of AHB whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date (“**Entitled Shareholders**”).

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The entitlements for the Rights Shares with New Warrants are renounceable in full or in part. However, the Rights Shares and the New Warrants cannot be renounced separately. Should the Entitled Shareholders renounce all of their Rights Shares entitlements under the Proposed Rights Issue of Shares with Warrants, they will not be entitled to the New Warrants. However, if the Entitled Shareholders accept only part of their Rights Shares entitlements under the Proposed Rights Issue of Shares with Warrants, they shall be entitled to the New Warrants in proportion of their acceptances of the Rights Shares entitlements.

The New Warrants will be immediately detached from the Rights Shares upon issuance and separately traded on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The New Warrants will be issued in registered form and constituted by a deed poll to be executed by the Company.

The Rights Shares with New Warrants which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s) (if applicable). It is the intention of the Board to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company.

The above mentioned exercise has been completed on 5 September 2014.

**B7. Group Borrowings and Debt Securities**

	RM'000
	As at 30 June 2014
The Group's borrowings are as follows:	
Secured loan	
<b>Short Term Borrowings</b>	
(i) Termed Out Loan	1,270
(ii) Term Loan	3,604
<b>Total</b>	<b>4,874</b>

**B8. Material Litigation**

On 27 June 2014 the Company announced that AHB Technology Sdn Bhd (“AHBT”), a wholly-owned major subsidiary, has on 21 August 2013 been served with a winding up petition for claims of a sum of RM1,139,016.57 from AHBT being the amount owing by AHBT as at 3 March 2013 under the Term Loan Facilities granted by Maybank Berhad, plus interest thereon.

AHBT had on 26 November 2014, announced that AHBT has today made full payment towards the settlement of the Malayan Banking Berhad's suit to resolve the winding up status of AHB Technology Sdn Bhd, a dormant wholly owned subsidiary of AHB. AHB has instructed its solicitor to apply to the court for a stay of winding up order. This stay of winding up order will have the same effect of disposing off the winding up order. This process is expected to be completed within two months, barring any unforeseen circumstances.

There were no material litigations other than the announcement made above.

**B9. Dividend**

No dividend is recommended for the current quarter and period under review.

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**B10. Earnings Per Share**

	3 months period ended		3 months period ended	
	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
<b>Basic Earnings Per Share</b>				
Net profit	435,828	226,530	435,828	226,530
Weighted average number of ordinary shares in issue	60,945,290	48,131,398	60,945,290	48,131,398
Basic profit per share (sen)	0.72	0.47	0.72	0.47
Potential number of ordinary shares in issue	61,586,911	48,131,398	61,586,911	48,131,398
<b>Diluted Earnings Per Share</b>	0.71	0.47	0.71	0.47

Fully diluted earnings per ordinary share is calculated by dividing the adjusted net profit for the year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The Company has a category of potentially dilutive ordinary shares as follows:  
Warrants 2014/2019;

**B11. Profit Before Tax**

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

	3 months period ended 30 Sept 2014 RM	3 months period ended 30 Sept 2013 RM
Other income	4,365	-
Interest expenses	(24,688)	(200,451)
Depreciation and amortization	(9,037)	(29,077)
Foreign exchange loss	-	(93,377)

The following items are not applicable for the quarter/period:

- i) Provision for and write off of inventories
- ii) 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

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**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**

	<b>As at 30 Sept 2014 RM</b>	<b>As at 30 June 2014 RM</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,258,865)	(41,042,013)
- Unrealised gain	2,439,210	2,386,531
	<hr/>	<hr/>
	(37,819,655)	(38,655,842)
Add: Consolidation adjustments	8,841,083	8,841,083
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(28,978,572)</u>	<u>(29,814,400)</u>

- END OF REPORT -