

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 DECEMBER 2020

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	3 months ended	3 months ended
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RM	RM	RM	RM
1 (a) Revenue	2,192,910	4,005,218	2,192,910	4,005,218
(b) Other income	24,819	4,800	24,819	4,800
2 (a) Profit before			-	
finance cost, depreciation			-	
and amortisation, exceptional items,				
income tax, minority interests	(266,583)	546,969	(266,583)	546,969
(b) Finance cost	(45,984)	-	(45,984)	-
(c) Depreciation of property, plant and equipment	(365,995)	(367,810)	(365,995)	(367,810)
(d) Depreciation of right-of-use asset	(118,591)	-	(118,591)	
(e) Share based payment expenses	-	(60,950)	-	(60,950)
3 Profit/(Loss) Before Taxation	(797,153)	118,209	(797,153)	118,209
4 Income tax		-	-	-
5 Profit/(Loss) for the Period	(797,153)	118,209	(797,153)	118,209
6 Other Comprehensive Income	-	-	-	-
7 Total comprehensive income for the period	(797,153)	118,209	(797,153)	118,209
8 Profit/(Loss) Attributable to :				
a) Equity holders of the parent	(797,153)	118,209	(797,153)	118,209
b) Non-controlling interest	-	-	-	-
	(797,153)	118,209	(797,153)	118,209
9 Total Comprehensive Income Attributable to :				
a) Equity holders of the parent	(797,153)	118,209	(797,153)	118,209
b) Non-controlling interest	-	-	-	-
	(797,153)	118,209	(797,153)	118,209
10 Profit / Loss per share attributable to				
shareholders of the parent (sen) :				
a) Basic	(0.32)	0.07	(0.32)	0.07
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 Statements for the financial year ended 30 September 2020

AHB Holdings Berhad 274909-A
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2020

The figures have not been audited.

	(Unaudited) As At 31.12.2020 RM	(Audited) As At 30.09.2020 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	9,325,044	9,633,172
Rights-of-use asset	4,586,288	4,518,137
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	19,846,818	20,086,795
Current Assets		
Inventories	6,206,424	5,936,391
Trade receivables	3,918,999	4,271,410
Other receivables, deposits & prepayments	1,068,079	1,020,152
Tax recoverable	-	-
Cash and bank balances	3,991,197	5,513,956
	15,184,699	16,741,909
TOTAL ASSETS	35,031,517	36,828,704
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	47,342,431	46,800,413
Reserves	(19,070,430)	(18,056,779)
TOTAL EQUITY	28,272,001	28,743,634
Non-Current Liabilities		
Leased liabilities	4,470,062	4,507,544
	4,470,062	4,507,544
Current Liabilities		
Trade payables	665,956	2,014,041
Other payables & accrued expenses	1,197,590	1,265,828
Amount owing to directors	37,200	35,850
Lease Liabilities	388,708	261,807
	2,289,454	3,577,526
TOTAL LIABILITIES	6,759,516	8,085,070
TOTAL EQUITY AND LIABILITIES	35,031,517	36,828,704
Net Asset per Share (RM)	0.115	0.118

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2020.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 December 2020

The figures have not been audited.

GROUP	← Attributable to Equity Holders of the Company →				Total RM
	← Non-distributable			Accumulated Loss RM	
	Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM		
At 01 October 2019, as previously reported	39,576,908	21,305,406	243,807	(33,312,304)	27,813,817
Effect of adopting MFRS 16	-	-	-	(164,205)	(164,205)
	<u>39,576,908</u>	<u>21,305,406</u>	<u>243,807</u>	<u>(33,476,509)</u>	<u>27,649,612</u>
Net loss for the financial year, representing total comprehensive profit for the financial year	-	-	-	(6,695,343)	(6,695,343)
Transaction with Owners :					
Issuance of ordinary shares :					
- private placement	4,879,998	-	-	-	4,879,998
- exercise of SIS options	2,343,507	-	(945,497)	-	1,398,010
Grant of SIS Options	-	-	1,511,357	-	1,511,357
Lapse of SIS Options	-	-	(304,712)	304,712	-
Total transaction with owners	<u>7,223,505</u>	<u>-</u>	<u>261,148</u>	<u>304,712</u>	<u>7,789,365</u>
At 30 September 2020	<u>46,800,413</u>	<u>21,305,406</u>	<u>504,955</u>	<u>(39,867,140)</u>	<u>28,743,634</u>
Net profit for the financial period	-	-	-	(797,153)	(797,153)
Transaction with Owners :					
Issuance of ordinary shares :					
- private placement	-	-	-	-	-
- exercise of SIS options	542,018	-	(216,498)	-	325,520
Grant of SIS Options	-	-	-	-	-
Lapse of SIS Options	-	-	-	-	-
At 31 December 2020	<u>47,342,431</u>	<u>21,305,406</u>	<u>288,457</u>	<u>(40,664,293)</u>	<u>28,272,001</u>

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 2020

AHB Holdings Berhad 274909-A
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2020

The figures have not been audited.

	3 months ended	12 months ended
	31.12.2020	30.09.2020
	(Unaudited)	(Audited)
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before tax	(797,153)	(6,699,724)
Adjustments for:		
Depreciation of property, plant and equipment	365,995	1,458,495
Depreciation of rights of use assets	118,591	443,968
Interest Expenses	31,645	198,219
Inventories written down	-	149,302
Impairment loss on trade receivables	-	1,245,997
Interest income	(22,768)	(24,968)
Share-based payments	-	1,511,357
Unrealised (gain)/loss on foreign exchange	-	(110,567)
Operating profit before working capital changes	(303,690)	(1,827,921)
Changes in working capital:-		
Inventories	(270,033)	44,502
Trade Receivables	352,411	992,708
Other Receivables	(47,927)	139,051
Trade Payables	(1,348,085)	(441,494)
Other Payables	(68,238)	(449,153)
	(1,381,872)	285,614
Cash (used in)/from operations	(1,685,562)	(1,542,307)
Interest received	22,768	24,968
Interest Paid	(31,645)	(198,219)
	(8,877)	(173,251)
Net cash (used in)/generated from operating activities	(1,694,439)	(1,715,558)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(57,867)	(57,455)
Purchase of rights of use asset	-	(43,000)
Net cash used in investing activity	(57,867)	(100,455)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from /(Repayment to) Directors	1,350	(135,400)
Proceeds from issuance of ordinary shares	-	4,879,998
Proceeds from exercise of SIS options	-	1,398,010
Payment of lease liabilities	(97,323)	(313,959)
Share Issuance expenses	325,520	-
Net cash used in financing activities	229,547	5,828,649
NET CHANGES IN CASH & CASH EQUIVALENTS	(1,522,759)	4,012,636
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	5,513,956	1,501,966
Effect of exchange translation difference on cash and cash equivalent	-	(646)
CASH & CASH EQUIVALENTS AT END OF THE YEAR	3,991,197	5,513,956

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2020

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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 30 September 2020.

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 2020.

In addition, MFRS 16 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 30 September 2020 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 16 to 89.

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 30 September 2020, 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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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	
	3 months period ended	
	31 Dec 2020	31 Dec 2019
	RM	RM
South – Eastern Asia	1,950,386	3,462,201
Middle East	242,524	521,917
South – Central Asia		21,100
Europe		-
	<u>2,192,910</u>	<u>4,005,218</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.

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 2020.

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 2020.

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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

The net loss after tax for the 3 months period ended 31 December 2020 is RM 797,153 compared to a net profit of RM118,209 in preceding year corresponding quarter.

During the quarter in review, the prevalent increase and high number of Covid-19 cases in the country has delayed many of our ongoing project installations, as well as the decision-making process for some orders in the pipeline. In general, our Group experienced a softer economy both locally and globally due to the global pandemic, political outlook, trade tensions, and the local Movement Control Order restrictions.

AHB continued her sharp focus to embark 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 continues to execute some large office furniture supply contracts in the local and international scenes; however, due to the factors mentioned above, the revenue registered is RM2,192,910 compared to RM4,005,218 in the comparative quarter.

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

The Group recorded a Loss before Taxation of RM797,153 as compared to RM3,410,639 in the previous quarter. As highlighted in Note B1, the quarter under review is adversely affected by an experience of a softer economy as a direct result of the third wave of Covid-19 in the country.

B3. Prospects

As disclosed in the previous quarters, the Group has implemented several proactive strategies to turn massive challenges into meaningful changes and opportunities, so as to navigate the financial and operational challenges of Covid-19 while rapidly addressing the needs of our people, customers and suppliers.

The Group has won some significant orders for the **Covid Protection Panel** products with the delivery and installation to be completed within the current financial year, including a fast tract contract to supply Covid Protect Panels to be installed on existing office workstations on one hundred and fifty-eight (158) office floors across Kuala Lumpur.

The Covid Protection Panels products provide the flexible and modular solutions that can be installed or added onto the existing setups in any workplaces, has been well accepted in the local and international markets.

In December 2020, the Group has organized two ‘soft launch” events to introduce the new products **CAPPELLINI** to the key players in the Architects and Designers community and industry leaders in the country. The events were graced by Mr Giulio Cappellini, the Art Director of CAPPELLINI, delivering a speech on ‘The future of WorkPlace” via zoom from the CAPPELLINI Milan headquarters.

The said events were conducted with strict adherence to the prevailing SOPs.

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AHB has concluded an exclusive distribution agreement for CAPPELLINI in Malaysia. The Group is ambitious to explore a new high-end market segment with the CAPPELLINI's exclusive and premium product offers. The Group is setting up a CAPPELLINI showroom in the headquarters in Naza Tower.

Riding onto the international patents and technologies in the Group's new Sound-Pod introductions, the Group has introduced "SpaceCom Medical Hubs" – an all-inclusive, plug-and-play solution that enables any facility setup in a hassle free and time efficient manner. These Medical Hubs are specially designed for infectious diseases as they are constructed with negative pressure anti-virus HEPA filtration and ventilation systems. The Group is in active discussions to conclude various distribution agreements medical expert groups on these Medical Hubs in the country, and worldwide.

The Group's E-Commerce platform is in place, is targeted to be online within this financial year. The uploading of content in several strategic website is on-going, and our digital commence strategies are being implemented. This would enable the Group to capture new marketplace opportunities and digital customer segments.

The Group will make available on the E-Commerce platform, our Work-From-Home ("WFH") product offers. We have introduced a range of easy-to-distribute, and easy-to-assemble products to cater for this WFH new trends. This offer caters for the retail consumers who are looking for ergonomic and reliable home office solutions, or the corporations that are providing their employees WFH facilities.

Conclusions: The Group is confident that we are capable of dynamic self-management and continual adaptation. Our team has the experiences to help out-manoeuvre uncertainty, and ensure our organization is built for agility, resiliency and growth. We are optimistic and confident that our actions will enable us to emerge from the pandemic stronger as we are anticipating positive results from various 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

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 a meeting on 4 September 2018. The SIS was implemented on 2 May 2019.

Consequently: -

1.	on 12 August 2020	number of Options offered	9,930,000
2.	on 7 August 2020	number of Options offered	9,930,000
3.	on 2 May 2019	number of Options offered	13,010,000

The above offered Options are vesting over a period expiring on 25 April 2024, subject to the fulfilment of certain vesting conditions; including certain lapse of eligibility of certain blocks of Options offered.

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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 and further extended by Bursa on 20 January 2020.

Pursuant to the 10% Private Placement, and issuance of 13,698,600 Placement Shares at RM0.073 each was performed on 24 July 2020

A proposed PRIVATE PLACEMENT of up to 30% of the number of issued shares of AHB (excluding of any treasury shares) was approved by Bursa Securities on 5 November 2019, and further 2020 extended by Bursa on 29 April to until 4 November 2020.

Pursuant to the 30% Private Placement issuance of 40,000,000 Placement Shares at RM0.097 each on 11 August 2020

Bursa Securities vide its letter dated 3 November 2020 granted the Company an extension of time until 4 May 2021 to complete the implementation of the 30% Private Placement.

The Board has on 13 January 2021 ("Price-fixing Date") fixed the issue price for 12,818,200 Placement Shares pursuant to the 30% Private Placement at RM0.1328 each ("Issue Price").

The Issue Price for RM0.1328 is at a discount of RM0.0147 or 9.97% to the 5-day volume weighted average market price of AHB Shares up to and including 12 January 2021, being the last market day immediately preceding the Price-fixing Date, of RM 0.1475 per AHB Share.

B7. Group Borrowings and Debt Securities

There were no outstanding borrowings and debt securities of a fixed deposit of RM 3,744,164 as at 31 Dec 2020.

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		3 months period ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net profit/(loss)	(797,153)	118,209	(797,153)	118,209
Weighted average number of ordinary shares in issue	246,787,394	176,039,794	246,787,394	176,039,794
Basic profit/(loss) per share (sen)	(0.32)	0.07	(0.32)	0.07
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	NA

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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-20 RM	Cumulative Period 3 months period ended 31 Dec-20 RM
Other income	24,819	24,819
Interest expenses	(45,984)	(45,894)
Depreciation and amortization	(484,586)	(484,586)
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.

Realised and Unrealised Losses

	As at 31 Dec 2020 RM	As at 30 Sep 2020 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(48,708,222)	(40,447,257)
- Unrealised gain / (loss)	(797,153)	(8,260,965)
	<u> </u>	<u> </u>
	(48,696,902)	(48,708,222)
Add : Consolidation adjustments	8,841,082	8,841,082
	<u> </u>	<u> </u>
Total Group accumulated losses as per consolidated accounts	<u>(40,664,293)</u>	<u>(39,867,140)</u>

- END OF REPORT -