

# AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

## Interim Financial Statements for the Second Quarter ended 31 March 2020



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE 2ND QUARTER ENDED 31 MARCH 2020**

The figures have not been audited.

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
			CORRESPONDING		CORRESPONDING
		Q2 FY2020	Q4 FY2019	Q2 FY2020	Q2 FY2019
		3 months ended	3 months ended	6 months ended	6 months ended
		31/03/2020	31/03/2019	31/03/20	31/03/2019
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	3,012,355	3,993,360	7,017,573	7,778,372
(b)	Other income	6,190	26,194	10,990	31,194
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(116,145)	562,836	430,824	1,128,438
(b)	Finance cost	(2,343)	(889)	(2,343)	(3,969)
(c)	Depreciation of property, plant and equipment	(363,812)	(254,296)	(731,622)	(514,243)
(d)	Share based payment expenses	(60,950)		(121,900)	
3	Profit/(Loss) Before Taxation	(543,250)	307,651	(425,041)	610,226
4	Income tax	-	-	-	(601)
5	Profit/(Loss) for the Period	(543,250)	307,651	(425,041)	609,625
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	(543,250)	307,651	(425,041)	609,625
8	Profit/(Loss) Attributable to :				
	a) Equity holders of the parent	(543,250)	307,651	(425,041)	609,625
	b) Non-controlling interest	-	-	-	-
		(543,250)	307,651	(425,041)	609,625
9	Total Comprehensive Income Attributable to :				
	a) Equity holders of the parent	(543,250)	307,651	(425,041)	609,625
	b) Non-controlling interest	-	-	-	-
		(543,250)	307,651	(425,041)	609,625
10	Profit / Loss per share attributable to shareholders of the parent (sen) :				
	a) Basic	(0.32)	0.17	(0.25)	0.35
	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 2019.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

The figures have not been audited.

	(Unaudited) As At 31.03.2020 RM	(Audited) As At 30.09.2019 RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	10,302,590	11,034,212
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	<u>16,238,076</u>	<u>16,969,698</u>
<b>Current Assets</b>		
Inventories	5,835,732	6,130,195
Trade receivables	5,983,578	6,468,647
Other receivables, deposits & prepayments	1,070,965	1,089,957
Tax recoverable	-	-
Cash and bank balances	1,732,861	1,501,966
	<u>14,623,136</u>	<u>15,190,765</u>
<b>TOTAL ASSETS</b>	<b><u>30,861,212</u></b>	<b><u>32,160,463</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	39,576,908	39,576,908
Reserves	(12,188,132)	(11,763,091)
<b>TOTAL EQUITY</b>	<u>27,388,776</u>	<u>27,813,817</u>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
<b>Current Liabilities</b>		
Trade payables	1,750,332	2,456,004
Other payables & accrued expenses	1,517,973	1,714,981
Amount owing to directors	199,750	171,250
Tax payables	4,381	4,381
	<u>3,472,436</u>	<u>4,346,616</u>
<b>TOTAL LIABILITIES</b>	<u>3,472,436</u>	<u>4,346,616</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>30,861,212</u></b>	<b><u>32,160,433</u></b>
<b>Net Asset per Share (RM)</b>	<u>0.164</u>	<u>0.174</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2019.

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

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

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company						Total RM
	Non-distributable						
	Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Loss RM	
<b>At 01 April 2018, as restated</b>	39,572,708	21,305,406	-	11,095,806	(11,095,806)	(29,607,219)	31,270,895
Net loss for the financial year, representing total comprehensive profit for the financial year	-	-	-	-	-	(3,705,085)	(3,705,085)
<b>Transaction with Owners :</b> Issuance of ordinary shares :							
- Conversion of Warrants	4,200	-	-	(3,276)	3,276	-	4,200
- Warrants Expired	-	-	-	(11,092,530)	11,092,530	-	-
- Grant of SIS Options	-	-	243,807	-	-	-	243,807
<b>At 30 September 2019</b>	<b>39,576,908</b>	<b>21,305,406</b>	<b>243,807</b>	<b>-</b>	<b>-</b>	<b>(33,312,304)</b>	<b>27,813,817</b>
Net profit for the financial period	-	-	-	-	-	(425,041)	(425,041)
<b>At 31 MARCH 2020</b>	<b>39,576,908</b>	<b>21,305,406</b>	<b>243,807</b>	<b>-</b>	<b>-</b>	<b>(33,737,345)</b>	<b>27,388,776</b>

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 2019

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2020**

The figures have not been audited.

	6 months ended <b>31.03.2020</b> (Unaudited) RM	18 months ended <b>30.09.2019</b> (Audited) RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (Loss) before tax	(425,041)	(3,559,887)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	731,622	1,822,835
Interest Expenses	2,343	162
Inventories written down	-	627,804
Impairment loss on trade receivables	-	1,293,141
Deposit Written off	-	15,740
Gain on disposal of property, plant and equipment	-	(175,205)
Interest income	(10,990)	(54,368)
Share-based payments	121,900	243,807
Unrealised (gain)/loss on foreign exchange	-	(326,021)
Operating profit before working capital changes	419,834	(111,992)
<b>Changes in working capital:-</b>		
Inventories	294,463	(445,461)
Trade Receivables	485,069	(1,750,846)
Other Receivables	18,992	1,200,406
Trade Payables	(705,672)	930,830
Other Payables	(197,008)	1,166,513
	(104,156)	1,101,442
Cash (used in)/from operations	315,678	989,450
Interest received	10,990	54,368
Interest Paid	(2,343)	(162)
Tax paid	-	-
	8,647	54,206
<b>Net cash (used in)/generated from operating activities</b>	<b>324,325</b>	<b>1,043,656</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	291,500
Purchase of property, plant & equipment	-	(3,531,851)
<b>Net cash used in investing activity</b>	<b>-</b>	<b>(3,240,351)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from /(Repayment to) Directors	-	78,250
Proceeds from issuance of ordinary shares	-	4,200
<b>Net cash used in financing activities</b>	<b>-</b>	<b>82,450</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	<b>324,325</b>	<b>(2,114,245)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,501,966</b>	<b>3,605,992</b>
Effect of exchange translation difference on cash and cash equivalent	(93,430)	10,219
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>1,732,861</b>	<b>1,501,966</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2019

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 2019.

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 2019.

### **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 2019 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 86.

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 2019, 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.

**AHB HOLDINGS BERHAD 274909-A  
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	
	6 months period ended	
	31 Mar 2020	31 Mar 2019
	RM	RM
South – Eastern Asia	5,500,849	6,666,524
Middle East	1,495,624	987,128
South – Central Asia	21,100	133,720
America	-	-
	<u>7,017,573</u>	<u>7,787,372</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 2019.

**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 2019.

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 under review, our Group experienced a softer economy both locally and globally due to the global pandemic, political outlooks, trade tensions, and the local Movement Control Order.

As before, AHB 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 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 executing some large office furniture supply contracts in the local and international scenes; however, due to the factors above mentioned, the revenue registered is RM3,012,355 compared to RM3,993,360 in the same respective comparative quarter.

The net loss after tax for the 3 months period ended 31 March 2020 is RM543,250 compared to a net profit after tax of RM307,651 in preceding year corresponding quarter. There was a decrease in the net margin due to higher depreciation charges and share based payment expenses. The higher depreciation charge was mostly a result of investment in tooling and a new headquarters @10 Persiaran KLCC.

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

The Group recorded a Loss before Taxation of RM543,250 as compared a Profit before Taxation of RM118,209 in the previous quarter. As highlighted in Note B1, the quarter under review is adversely affected by an experience of a softer economy.

**B3. Prospects**

AHB is cautiously 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.

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.

**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.



**AHB HOLDINGS BERHAD 274909-A  
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 2018, and has been approved by AHB Shareholders during a meeting on 4 September 2018. The SIS was implemented on 2 May 2019.

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.

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 was approved by Bursa Securities on 5 November 2019, and further extended by Bursa on 29 April 2020 to until 4 November 2020.

**B7. Group Borrowings and Debt Securities**

There were outstanding borrowings of RM1,433,550.10 and debt securities of a fixed deposit of RM1,000,000 as at 31 March 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		6 months period ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Net profit/(loss)	(543,250)	307,651	(425,041)	301,974
Weighted average number of ordinary shares in issue	167,473,457	176,039,794	167,473,457	176,039,794
Basic profit/(loss) per share (sen)	(0.32)	0.17	(0.25)	0.17
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	NA

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

The figures have not been audited

**B11. Profit/(Loss) Before Tax**

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

	<b>Current Period 3 months period ended 31 Mar-20 RM</b>	<b>Cumulative Period 6 months period ended 31 Mar-20 RM</b>
Other income	6,190	10,990
Interest expenses	(2,343)	(2,343)
Depreciation and amortization	(363,812)	(731,622)
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**

	<b>As at 31 Mar 2020 RM</b>	<b>As at 30 Sep 2019 RM</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,447,257)	(40,447,257)
- Unrealised gain / (loss)	(2,131,169)	(1,706,128)
	<u>                    </u>	<u>                    </u>
	(42,578,426)	(42,153,385)
Add : Consolidation adjustments	8,841,082	8,841,082
	<u>                    </u>	<u>                    </u>
Total Group accumulated losses as per consolidated accounts	<u><u>                    </u></u>	<u><u>                    </u></u>
	(33,737,344)	(33,312,303)

- END OF REPORT -