

# AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

## Interim Financial Statements for the Second Quarter ended 31 March 2021





## DESIGN EXCELLENCE

The Premier Interior Design Awards of Malaysia

**GOLD**

**MIID REKA AWARDS**

### Office Furniture Showroom

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

The Artwright Showroom and Office at Naza Tower, Persiaran KLCC was designed to celebrate its heritage as the oldest manufacturer for office system furniture in Malaysia and its reputation as a high-quality brand among its clientele. It is an open invitation to experience Artwright with all senses.



# Artwright®

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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 2ND QUARTER ENDED 31 MARCH 2021**

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	6 months ended	6 months ended
		31/3/2021	31/3/2020	31/3/2021	31/3/2020
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	2,303,166	3,012,355	4,496,076	7,778,372
(b)	Other income	8,012	6,190	32,831	31,194
2 (a)	Profit before				
	finance cost, depreciation				
	and amortisation, exceptional items,				
	income tax, minority interests	(254,489)	(116,145)	(521,072)	430,824
(b)	Finance cost	(24,633)	(2,343)	(70,617)	(2,343)
(c)	Depreciation of property, plant and equipment	(365,490)	(363,812)	(731,485)	(731,622)
(d)	Depreciation of right-of-use asset	(232,084)	-	(350,675)	
(e)	Share based payment expenses	-	(60,950)	-	(121,900)
3	Profit/(Loss) Before Taxation	(876,696)	(543,250)	(1,673,849)	(425,041)
4	Income tax		-	-	-
5	Profit/(Loss) for the Period	(876,696)	(543,250)	(1,673,849)	(425,041)
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	(876,696)	(543,250)	(1,673,849)	(425,041)
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	(876,696)	(543,250)	(1,673,849)	(425,041)
b)	Non-controlling interest	-	-	-	-
		(876,696)	(543,250)	(1,673,849)	(425,041)
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	(876,696)	(543,250)	(1,673,849)	(425,041)
b)	Non-controlling interest	-	-	-	-
		(876,696)	(543,250)	(1,673,849)	(425,041)
10	Profit / Loss per share attributable to				
	shareholders of the parent (sen) :				
a)	Basic	(0.34)	(0.32)	(0.64)	(0.25)
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  
And Its Subsidiary Companies**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 March 2021**

The figures have not been audited.

	(Unaudited) As At <b>31.03.2021</b> RM	(Audited) As At <b>30.09.2020</b> RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	8,968,105	9,633,172
Rights-of-use asset	4,467,697	4,518,137
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	<u>19,371,288</u>	<u>20,086,795</u>
<b>Current Assets</b>		
Inventories	6,631,419	5,936,391
Trade receivables	5,356,339	4,271,410
Other receivables, deposits & prepayments	1,069,065	1,020,152
Tax recoverable	-	-
Cash and bank balances	3,975,917	5,513,956
	<u>17,032,740</u>	<u>16,741,909</u>
<b>TOTAL ASSETS</b>	<b><u>36,404,028</u></b>	<b><u>36,828,704</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	49,112,578	46,800,413
Reserves	(19,974,596)	(18,056,779)
<b>TOTAL EQUITY</b>	<u>29,137,982</u>	<u>28,743,634</u>
<b>Non-Current Liabilities</b>		
Lease liabilities	4,395,654	4,507,544
	<u>4,395,654</u>	<u>4,507,544</u>
<b>Current Liabilities</b>		
Trade payables	1,248,135	2,014,041
Other payables & accrued expenses	1,185,804	1,265,828
Amount owing to directors	45,000	35,850
Lease Liabilities	391,453	261,807
	<u>2,870,392</u>	<u>3,577,526</u>
<b>TOTAL LIABILITIES</b>	<u>7,266,046</u>	<u>8,085,070</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>36,404,028</u></b>	<b><u>36,828,704</u></b>
<b>Net Asset per Share (RM)</b>	<u>0.112</u>	<u>0.118</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 2020.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 March 2021**

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		
<b>At 01 October 2019, as previously reported</b>	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)
<b>Transaction with Owners :</b>					
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	-
<b>Total transaction with owners</b>	<u>7,223,505</u>	<u>-</u>	<u>261,148</u>	<u>304,712</u>	<u>7,789,365</u>
<b>At 30 September 2020</b>	<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	-	-	-	(1,673,849)	(1,673,849)
<b>Transaction with Owners :</b>					
Issuance of ordinary shares :					
- private placement	1,702,257	-	-	-	1,702,257
- exercise of SIS options	609,908	-	(243,968)	-	365,940
Grant of SIS Options	-	-	-	-	-
Lapse of SIS Options	-	-	-	-	-
<b>At 31 December 2020</b>	<u>49,112,578</u>	<u>21,305,406</u>	<u>260,987</u>	<u>(41,540,989)</u>	<u>29,137,982</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

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2021**

The figures have not been audited.

	6 months ended <b>31.03.2021</b> (Unaudited) RM	12 months ended <b>30.09.2020</b> (Audited) RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (Loss) before tax	(1,673,849)	(6,699,724)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	731,485	1,458,495
Depreciation of rights of use assets	350,675	443,968
Interest Expenses	70,617	198,219
Inventories written down	-	149,302
Impairment loss on trade receivables	-	1,245,997
Interest income	(29,914)	(24,968)
Share-based payments	-	1,511,357
Unrealised (gain)/loss on foreign exchange	-	(110,567)
Operating profit before working capital changes	<u>(550,986)</u>	<u>(1,827,921)</u>
<b>Changes in working capital:-</b>		
Inventories	(695,028)	44,502
Trade Receivables	(1,084,929)	992,708
Other Receivables	(48,913)	139,051
Trade Payables	(765,906)	(441,494)
Other Payables	(80,024)	(449,153)
	<u>(2,674,800)</u>	<u>285,614</u>
Cash (used in)/from operations	<u>(3,225,786)</u>	<u>(1,542,307)</u>
Interest received	29,914	24,968
Interest Paid	(70,617)	(198,219)
	<u>(40,703)</u>	<u>(173,251)</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(3,266,489)</u>	<u>(1,715,558)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(66,418)	(57,455)
Purchase of rights of use asset	-	(43,000)
<b>Net cash used in investing activity</b>	<u>(66,418)</u>	<u>(100,455)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from /(Repayment to) Directors	9,150	(135,400)
Proceeds from private placement	1,702,257	4,879,998
Proceeds from exercise of SIS options	365,940	1,398,010
Payment of lease liabilities	(282,479)	(313,959)
<b>Net cash used in financing activities</b>	<u>1,794,868</u>	<u>5,828,649</u>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	<u>(1,538,039)</u>	<u>4,012,636</u>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>5,513,956</u>	<u>1,501,966</u>
Effect of exchange translation difference on cash and cash equivalent	-	(646)
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	<u><b>3,975,917</b></u>	<u><b>5,513,956</b></u>

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

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

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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AND ITS SUBSIDIARY COMPANIES**

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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	
	6 months period ended	
	31 Mar 2021	31 Mar 2020
	RM	RM
South – Eastern Asia	3,336,446	5,500,849
Middle East	1,153,791	1,495,624
South – Central Asia		21,100
Europe	5,840	-
	<u>4,496,076</u>	<u>7,017,573</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.



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

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**

The MCO 2.0 during the quarter under review, has put a halt to many of the Group's planned marketing activities, in addition to the delays in decision making for several projects in the pipeline.

The net loss after tax for the 3 months period ended 31 March 2021 is RM 876,696 compared to a net loss after tax of RM543,250 in preceding year corresponding quarter.

During the quarter in review, the implementation of the MCO 2.0, as well as the prevalent increases and high numbers 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 a nutshell, our Group experienced a softer economy both locally and globally due to global pandemic, political outlooks, trade tensions, and the local Movement Control Order restrictions.

AHB continued her sharp focus to embark on the premium segments 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 RM2,303,166 compared to RM3,012,355 in the same respective comparative quarter.

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

The Group recorded a Loss before Taxation of RM876,696 as compared to RM797,153 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.

During the quarter under review, the Group commenced the delivery and installation of a fast-track contract for the Covid Protection Panel products 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.

The Group has secured a supply contract to a new landmark administration center in the state of Pahang, to be fully completed within the next financial year. The Group has also commenced delivery and installation of office furniture for RTM offices in Media City, which is an industry leading national media hub featuring cutting edge live and on air digital video and radio facilities.

**AHB HOLDINGS BERHAD 274909-A  
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The figures have not been audited

Following the two ‘soft launch’ events to introduce the new products CAPPELLINI to the key players in the Malaysian Architects and Designers community and industry leaders in December 2020, the Group has setup a new CAPPELLINI showroom in the headquarters in Naza Tower.

The Group is ambitious to explore a new high-end market segment with the CAPPELLINI’s exclusive and premium product offers.

However, the Group’s planned marketing activities for new brand and new products launching have been hindered by the continued restrictions resulting from the Covid-19 pandemic.

AHB’s new Sound-Pod introduction has recently won the top award in the Interior Products category, MIID REKA Industry Excellence Award 2020.

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 now in place. The uploading of content in several strategic website is on-going, and our digital commence strategies would be implemented within this financial year. 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.

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## **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.

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.

On 15 April 2021, AHB announced that the Company proposes to undertake the following proposals:

- i. Proposed Private Placement of up to 111,440,000 new ordinary shares in AHB ("AHB Shares" or "Shares") ("Placement Shares") representing approximately 30% of the enlarged number of issued AHB Shares (excluding any treasury shares) at an issue price to be determined later ("Proposed Private Placement")
- ii. Proposed reduction of the issued share capital of AHB pursuant to Section 116 of the Companies Act ("Proposed Share Capital Reduction")

(Collectively, the "Proposals")

On 15 April 2021, AHB announced that the Proposals application has been submitted to Bursa Securities.

### **B7. Group Borrowings and Debt Securities**

There were no outstanding borrowings and debt securities of a fixed deposit of RM 3,749,766 as at 31 Mar 2021.

### **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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**AHB HOLDINGS BERHAD 274909-A  
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The figures have not been audited

**B10. Earnings Per Share**

Basic Earnings Per Share	3 months period ended		6 months period ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Net profit/(loss)	(876,696)	(543,250)	(1,673,849)	(425,041)
Weighted average number of ordinary shares in issue	260,015,594	167,473,457	260,015,594	167,473,457
Basic profit/(loss) per share (sen)	(0.34)	(0.32)	(0.64)	(0.25)
<b>Fully Diluted Earnings Per Share (sen)</b>	NA	NA	NA	NA

**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-21 RM</b>	<b>Cumulative Period 6 months period ended 31 Mar-21 RM</b>
Other income	8,012	32,831
Interest expenses	(24,126)	(70,110)
Depreciation and amortization	(484,081)	(968,667)
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

**AHB HOLDINGS BERHAD 274909-A  
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The figures have not been audited

**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 2021 RM</b>	<b>As at 30 Sep 2020 RM</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(48,822,222)	(40,447,257)
- Unrealised gain / (loss)	(1,559,849)	(8,260,965)
	<hr/>	<hr/>
	(50,382,071)	(48,708,222)
Add : Consolidation adjustments	8,841,082	8,841,082
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(41,540,989)</u>	<u>(39,867,140)</u>

- END OF REPORT -