

# AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

## Interim Financial Statements for the Third Quarter ended 30 June 2022



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 2022

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
		30/06/2022	30/06/2021	30/06/2022	30/06/2021
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	3,054,137	2,799,346	6,485,381	7,295,422
(b)	Other income	(43,066)	(28,235)	68,395	4,596
2 (a)	(Loss)/Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(119,245)	175,076	(1,522,523)	(345,996)
(b)	Finance cost	(35,970)	(48,552)	(111,317)	(119,169)
(c)	Depreciation of property, plant and equipment	(356,967)	(365,578)	(1,071,065)	(1,097,063)
(d)	Depreciation of right-of-use asset	(269,623)	(337,342)	(725,645)	(688,107)
(e)	Share based payment expenses	(182,902)	(243,807)	(182,902)	(243,807)
3	Loss before taxation - Continued operation	(964,707)	(781,273)	(3,613,452)	(2,453,122)
	Loss before taxation - Discontinued operation	1,442	(39,020)	(22,600)	(39,020)
4	Income tax	-	-	-	-
5	Loss for the period	(963,265)	(820,293)	(3,636,052)	(2,492,142)
6	Other comprehensive income	-	-	-	-
7	Total comprehensive income for the period	(963,265)	(820,293)	(3,636,052)	(2,492,142)
8	Loss attributable to :				
a)	Equity holders of the parent	(963,265)	(820,293)	(3,636,052)	(2,492,142)
b)	Non-controlling interest	-	-	-	-
		(963,265)	(820,293)	(3,636,052)	(2,492,142)
9	Total comprehensive income attributable to:				
a)	Equity holders of the parent	(963,265)	(820,293)	(3,636,052)	(2,492,142)
b)	Non-controlling interest	-	-	-	-
		(963,265)	(820,293)	(3,636,052)	(2,492,142)
10	Loss per share attributable to shareholders of the parent (sen):				
a)	Basic	(0.29)	(0.32)	(1.10)	(0.96)
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 2021

AHB Holdings Berhad 274909-A

And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

The figures have not been audited.

	(Unaudited) As At 30.06.2022 RM	(Audited) As At 30.09.2021 RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	7,195,434	8,236,947
Rights-of-use asset	4,489,653	5,215,298
Goodwill on consolidation	-	1,935,486
Deferred tax asset	4,000,000	4,000,000
	15,685,087	19,387,731
<b>Current Assets</b>		
Inventories	8,971,137	6,148,536
Trade receivables	5,610,835	3,224,807
Other receivables, deposits & prepayments	5,896,687	596,011
Cash and bank balances	2,693,406	3,503,967
	23,172,065	13,473,321
<b>TOTAL ASSETS</b>	<b>38,857,152</b>	<b>32,861,052</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	60,913,214	49,171,397
Reserves	(27,216,778)	(23,611,553)
<b>TOTAL EQUITY</b>	33,696,436	25,559,844
<b>Non-Current Liability</b>		
Lease liabilities	3,473,157	4,641,978
	3,473,157	4,641,978
<b>Current Liabilities</b>		
Trade payables	-	139,256
Other payables & accrued expenses	233,876	1,464,294
Amount owing to directors	-	99,000
Lease Liabilities	1,453,683	956,680
	1,687,559	2,659,230
<b>TOTAL LIABILITIES</b>	5,160,716	7,301,208
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,857,152</b>	<b>32,861,052</b>
<b>Net Asset per Share (RM)</b>	0.102	0.098

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 30 September 2021.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2022**

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company				Total RM
	Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Loss RM	
<b>At 01 October 2020</b>	46,800,413	21,305,406	504,955	(39,867,140)	28,743,634
Net loss for the financial year, representing total comprehensive profit for the financial year	-	-	-	(5,531,705)	(5,531,705)
<b>Transaction with Owners :</b>					
Issuance of ordinary shares :					
- private placement	1,702,257	-	-	-	1,702,257
- exercise of SIS options	668,727	-	(266,876)	-	401,851
Grant of SIS Options			243,807		243,807
Lapse of SIS Options			(280,351)	280,351	-
<b>Total transaction with owners</b>	<b>2,370,984</b>	<b>-</b>	<b>(303,420)</b>	<b>280,351</b>	<b>2,347,915</b>
<b>At 30 September 2021</b>	<b>49,171,397</b>	<b>21,305,406</b>	<b>201,535</b>	<b>(45,118,494)</b>	<b>25,559,844</b>
Net profit for the financial period	-	-	-	(3,636,052)	(3,636,052)
<b>Transaction with Owners :</b>					
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			122,933	76,462	199,395
<b>At 30 June 2022</b>	<b>60,913,214</b>	<b>21,305,406</b>	<b>155,900</b>	<b>(48,678,084)</b>	<b>33,696,436</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 2021.

**AHB Holdings Berhad 274909-A  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2022**

The figures have not been audited.

	<b>9 months ended 30.06.2022 (Unaudited) RM</b>	<b>12 months ended 30.09.2021 (Audited) RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax		
- Continued operation	(3,613,452)	(5,531,705)
- Discontinued operation	(22,600)	
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	1,071,065	1,462,642
Depreciation of rights of use assets	725,645	916,118
Gain on disposal of subsidiaries	(540,063)	-
Interest Expenses	111,317	196,618
Inventories written down	-	87,335
Impairment loss on trade receivables	-	161,813
Impairment loss written off	-	113,922
Interest income	(10,885)	(49,477)
Share-based payments	182,902	243,807
Unrealised gain on foreign exchange	-	12,846
Operating profit before working capital changes	(2,096,071)	(2,386,081)
<b>Changes in working capital:-</b>		
Inventories	(2,822,602)	(299,480)
Trade Receivables	(3,047,774)	747,058
Other Receivables	(5,107,183)	424,141
Trade Payables	(139,157)	(1,874,785)
Other Payables	1,966,121	198,466
	(9,150,595)	(804,600)
Cash used in operations	(11,246,666)	(3,190,681)
Interest received	10,885	49,477
Interest paid	(111,317)	(196,618)
	(100,432)	(147,141)
<b>Net cash used in operating activities</b>	<b>(11,347,098)</b>	<b>(3,337,822)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(81,601)	(66,417)
Cash outflow from disposal of subsidiaries	(1,392)	-
<b>Net cash used in investing activities</b>	<b>(82,993)</b>	<b>(66,417)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment to)/advance from directors	(99,000)	63,150
Proceeds from private placement	10,838,836	1,702,257
Proceeds from exercise of SIS options	551,510	401,851
Payment of lease liabilities	(671,817)	(783,972)
<b>Net cash generated from financing activities</b>	<b>10,619,529</b>	<b>1,383,286</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	<b>(810,562)</b>	<b>(2,020,953)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>3,503,967</b>	<b>5,513,956</b>
Effect of exchange translation difference on cash and cash equivalent	-	10,964
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>2,693,405</b>	<b>3,503,967</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 2021

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

**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 2021.

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 2021.

**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 2021 was not subject to any qualification.

**A6. Debt and Equity Securities**

There are no activities during the quarter under review.

**A7. Dividend Paid**

No dividend was paid for the period under review.

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

**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	
	9 months period ended	
	30 June 2022	30 June 2021
	RM	RM
South – Eastern Asia	5,184,272	6,135,798
Middle East	1,301,109	1,153,791
Europe	-	5,840
	<hr/>	<hr/>
	6,485,381	7,295,422

- 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 2021.

**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. Changes in Contingent Liabilities and Contingent Assets**

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

**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 quarter under review, the Group recorded a gross revenue of RM3.054 million as compared to RM2.799 million recorded in the preceding year corresponding quarter. The higher revenue was due to the increase in revenue of RM0.255 million.

For the nine months financial period, the Group recorded a gross revenue of RM 6.485 million as compared to RM7.295 million recorded in the preceding corresponding period. The lower revenue was due to the decrease in revenue of RM0.810 million.

For the current quarter under review, the Group recorded a loss before tax of RM 0.963 million as compared to a loss before tax of RM0.820 million recorded in the preceding year corresponding quarter.

For the nine months financial period, the Group recorded a loss before tax of RM3.636 million as compared to a loss before tax of RM2.492 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 RM3.054 million as compared to RM1.304 million for the preceding quarter. The higher revenue was due to the increase in revenue of RM1.750 million.

The Group reported a loss before tax of RM 0.963 million as compared to a loss before tax of RM2.348 million for the preceding quarter ended 31 March 2022. The lower loss was mainly attributable to the increase of revenue, decrease in operating costs as well as gain on disposal of subsidiaries.

**B3. Prospects**

The conflict between Russia and Ukraine has caused disruption in terms of trade activities, shipping capacities and increasing prices of certain commodities, and more particularly, of the many raw material inputs of our trades. This has resulted in inflationary pressures on which the global as well as Malaysia to respond by increasing interest rate and rising minimum wages across countries which affected our business and operation.

In face of the increasing challenges to our existing businesses, our Group has on 17 February 2022 acquire AHB Biz Sdn Bhd and on 23 February 2022 incorporated AHB Development Sdn Bhd with the purpose to expand business and generate more revenue to the Group.

The Group will continue with our prudent and professional management approach that we are capable of dynamic self-management and continual adaptation. Our team has the experiences to help out-manuever uncertainty, and ensure our organization is agile.

The Board will remain cautious and manage the business of the Group with vigilance during this period of uncertainty.

**B4. Profit Forecast or Profit Guarantee**

(a) Profit Forecast :Not applicable

(b) Profit Guarantee :Not applicable.



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

**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.

On 15 April 2021, the Company announced that it proposes to undertake a 30% private placement of up to 111,440,000 new AHB (“Placement Shares”).

The Placement was completed on 31 January 2022, raising total gross proceeds of approximately RM10.97 million.

The status of utilization of proceeds as at current quarter is as follows:

Description of use of proceeds	Actual proceeds raised	Actual use of proceeds	Balance unused	Estimated timeframe for use of proceeds from the date of listing of the Placement Shares
	RM'000	RM'000	RM'000	
Working capital	10,704	8,643	2,061	Within 12 months
Capital expenditure	15	15	0	Within 12 months
Marketing expenses	5	5	0	Within 12 months
Expenses for the Placement	245	245	0	Immediately
<b>Total proceeds</b>	<b>10,969</b>	<b>8,908</b>	<b>2,061</b>	

**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)**

The Group has made an announcement on 14 March 2022 in respect of the Disposal of 100% Equity Interest in AHB Marketing Sdn Bhd, AHB Distribution Sdn Bhd and Create Space Sdn Bhd, to improve the efficiency of our operations, and to focus our Group's Resources.

In 30 June 2022, the Company has made the announcement that the Disposal has completed in third quarter of the financial year ending 30 September 2022.

In 18 March 2022, on behalf of the Board, TA Securities announced that the Company had, via its legal counsel, filed the petition to the High Court of Malaya, Shah Alam in relation to the Proposed Share Capital Reduction which is still on-going.

In 3 June 2022, on behalf of the Board, Mercury Securities announced that the Company wishes to undertake the Proposals. Application for the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities has been submitted to Bursa Securities in 12 July 2022.

In 8 August 2022, on behalf of the Board, Mercury Securities announced that the Board had withdrawn the application for the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities ("Application") which was submitted to Bursa Securities on 12 July 2022.

A revised Application will be submitted to Bursa Securities in due course.

**B7. Group Borrowings and Debt Securities**

The Group does not have any borrowings nor debt securities as at 30 June 2022.

**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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**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 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Net loss	(963,265)	(820,293)	(3,636,052)	(2,494,142)
Weighted average number of ordinary shares in issue	330,802,140	259,251,051	330,802,140	259,251,051
Basic loss per share (sen)	(0.29)	(0.32)	(1.10)	(0.96)
<b>Fully Diluted Earnings Per Share (sen)</b>	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-22 RM	30 Jun-22 RM
Other income	(43,066)	68,395
Interest expenses	(35,970)	(111,317)
Depreciation and amortization	<u>(626,590)</u>	<u>(1,796,710)</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 -