

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the First Quarter ended 31 December 2019





The Premier Interior Design Awards of Malaysia

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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.



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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 1ST QUARTER ENDED 31 DECEMBER 2019

The figures have not been audited.

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
		3 months ended 31/12/2019 (unaudited) RM	3 months ended 31/12/2018 (unaudited) RM	3 months ended 31/12/2019 (unaudited) RM	3 months ended 31/12/2018 (unaudited) RM
1 (a)	Revenue	4,005,218	3,785,012	4,005,218	3,785,012
(b)	Other income	4,800	5,000	4,800	5,000
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	546,969	565,602	546,969	565,602
(b)	Finance cost	-	(3,080)	-	(3,080)
(c)	Depreciation of property, plant and equipment	(367,810)	(259,947)	(367,810)	(259,947)
(d)	Share based payment expenses	(60,950)	-	(60,950)	-
3	Profit/(Loss) Before Taxation	118,209	302,575	118,209	302,575
4	Income tax	-	(601)	-	(601)
5	Profit/(Loss) for the Period	118,209	301,974	118,209	301,974
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	118,209	301,974	118,209	301,974
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	118,209	301,974	118,209	301,974
b)	Non-controlling interest	-	-	-	-
		118,209	301,974	118,209	301,974
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	118,209	301,974	118,209	301,974
b)	Non-controlling interest	-	-	-	-
		118,209	301,974	118,209	301,974
10	Profit / Loss per share attributable to shareholders of the parent (sen) :				
a)	Basic	0.07	0.17	0.07	0.17
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 DECEMBER 2019**

The figures have not been audited.

	(Unaudited) As At 31.12.2019 RM	(Audited) As At 30.09.2019 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	10,666,402	11,034,212
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	<u>16,601,888</u>	<u>16,969,698</u>
Current Assets		
Inventories	5,997,890	6,130,195
Trade receivables	6,230,578	6,468,647
Other receivables, deposits & prepayments	1,150,980	1,089,957
Tax recoverable	-	-
Cash and bank balances	1,789,614	1,501,966
	<u>15,169,062</u>	<u>15,190,765</u>
TOTAL ASSETS	<u>31,770,950</u>	<u>32,160,463</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	39,576,908	39,576,908
Reserves	(11,644,882)	(11,763,091)
TOTAL EQUITY	<u>27,932,026</u>	<u>27,813,817</u>
Non-Current Liabilities		
Deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>
Current Liabilities		
Trade payables	2,050,813	2,456,004
Other payables & accrued expenses	1,583,980	1,714,981
Amount owing to directors	199,750	171,250
Tax payables	4,381	4,381
	<u>3,838,924</u>	<u>4,346,616</u>
TOTAL LIABILITIES	<u>3,838,924</u>	<u>4,346,616</u>
TOTAL EQUITY AND LIABILITIES	<u>31,770,950</u>	<u>32,160,433</u>
Net Asset per Share (RM)	<u>0.167</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 DECEMBER 2019**

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	
At 01 April 2018, as restated	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)
Transaction with Owners : 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
At 30 September 2019	39,576,908	21,305,406	243,807	-	-	(33,312,304)	27,813,817
Net profit for the financial period	-	-	-	-	-	118,209	118,209
At 31 December 2019	39,576,908	21,305,406	243,807	-	-	(33,194,095)	27,932,026

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 DECEMBER 2019**

The figures have not been audited.

	3 months ended 31.12.2019 (Unaudited) RM	18 months ended 30.09.2019 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before tax	118,209	(3,559,887)
Adjustments for:		
Depreciation of property, plant and equipment	367,810	1,822,835
Interest Expenses	-	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	(4,800)	(54,368)
Share-based payments	60,950	243,807
Unrealised (gain)/loss on foreign exchange	-	(326,021)
Operating profit before working capital changes	542,169	(111,992)
Changes in working capital:-		
Inventories	132,305	(445,461)
Trade Receivables	238,069	(1,750,846)
Other Receivables	(61,023)	1,200,406
Trade Payables	(405,191)	930,830
Other Payables	(131,001)	1,166,513
	(226,841)	1,101,442
Cash (used in)/from operations	315,328	989,450
Interest received	4,800	54,368
Interest Paid	-	(162)
Tax paid	-	-
	4,800	54,206
Net cash (used in)/generated from operating activities	320,128	1,043,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	291,500
Purchase of property, plant & equipment	-	(3,531,851)
Net cash used in investing activity	-	(3,240,351)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from /(Repayment to) Directors	28,500	78,250
Proceeds from issuance of ordinary shares	-	4,200
Net cash used in financing activities	28,500	82,450
NET CHANGES IN CASH & CASH EQUIVALENTS	348,628	(2,114,245)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	1,501,966	3,605,992
Effect of exchange translation difference on cash and cash equivalent	(60,980)	10,219
CASH & CASH EQUIVALENTS AT END OF THE YEAR	1,789,614	1,501,966

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	
	3 months period ended	
	31 Dec 2019	31 Dec 2018
	RM	RM
South – Eastern Asia	3,462,201	3,572,124
Middle East	521,917	91,172
South – Central Asia	21,100	121,116
America	-	-
	<u>4,005,218</u>	<u>3,785,012</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 in review, 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 is currently executing some large office furniture supply contracts in the local and international scenes. The revenue registered is RM4,005,218 compared to RM3,785,012 in the same respective comparative quarter.

The net profit after tax for the 3 months period ended 31 December 2019 is RM118,209 compared to RM301,974 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 Profit before Taxation of RM118,209 as compared a Loss before Taxation of RM5,464,890 in the previous quarter.

The loss in the previous quarter was due to share based payment expenses and the effects of adopting a new Malaysian Financial Reporting Standard (MFRS).

B3. Prospects

AHB is 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. The board is confident that financial performance will improve because of these positive actions, barring any unforeseen circumstances.

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 2108, 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.

B7. Group Borrowings and Debt Securities

There were no outstanding borrowings and debt securities as at 30 September 2019.

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 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Net profit/(loss)	118,209	301,974	118,209	301,974
Weighted average number of ordinary shares in issue	176,039,794	176,039,794	176,039,794	176,039,794
Basic profit/(loss) per share (sen)	0.07	0.17	0.07	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:

	Current Period 3 months period ended 31 Dec-19 RM	Cumulative Period 3 months period ended 31 Dec-19 RM
Other income	4,800	4,800
Interest expenses	-	-
Depreciation and amortization	(367,810)	(367,810)
Foreign exchange loss (gain)	-	-
	<hr/>	<hr/>

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 2019 RM	As at 30 Sep 2019 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,447,257)	(40,447,257)
- Unrealised gain / (loss)	(1,587,920)	(1,706,128)
	<hr/>	<hr/>
	(42,035,177)	(42,153,385)
Add : Consolidation adjustments	8,841,082	8,841,082
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Total Group accumulated losses as per consolidated accounts	(33,194,095)	(33,312,303)
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- END OF REPORT -