

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the First Quarter ended 31 December 2021



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 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	3 months ended	3 months ended
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	2,127,548	2,192,910	2,127,548	2,192,910
(b)	Other income	8,765	24,819	8,765	24,819
2 (a)	Profit before				
	finance cost, depreciation				
	and amortisation, exceptional items,				
	income tax, minority interests	257,800	(266,583)	257,800	(266,583)
(b)	Finance cost	(38,463)	(45,984)	(38,463)	(45,984)
(c)	Depreciation of property, plant and equipment	(366,017)	(365,995)	(366,017)	(365,995)
(d)	Depreciation of right-of-use asset	(228,011)	(118,591)	(228,011)	(118,591)
(e)	Share based payment expenses	-	-	-	-
3	Loss before taxation	(369,920)	(797,153)	(369,920)	(797,153)
4	Income tax	-	-	-	-
5	Loss for the period	(369,920)	(797,153)	(369,920)	(797,153)
6	Other comprehensive income	-	-	-	-
7	Total comprehensive income for the period	(369,920)	(797,153)	(369,920)	(797,153)
8	Loss attributable to :				
	a) Equity holders of the parent	(369,920)	(797,153)	(369,920)	(797,153)
	b) Non-controlling interest	-	-	-	-
		(369,920)	(797,153)	(369,920)	(797,153)
9	Total comprehensive income attributable to:				
	a) Equity holders of the parent	(369,920)	(797,153)	(369,920)	(797,153)
	b) Non-controlling interest	-	-	-	-
		(369,920)	(797,153)	(369,920)	(797,153)
10	Loss per share attributable to				
	shareholders of the parent (sen):				
	a) Basic	(0.13)	(0.32)	(0.13)	(0.32)
	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 31 December 2021

The figures have not been audited.

	(Unaudited) As At 31.12.2021 RM	(Audited) As At 30.09.2021 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,885,517	8,236,947
Rights-of-use asset	4,987,287	5,215,298
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	18,808,290	19,387,731
Current Assets		
Inventories	6,106,570	6,148,536
Trade receivables	4,493,687	3,224,807
Other receivables, deposits & prepayments	594,536	596,011
Tax recoverable	-	-
Cash and bank balances	4,018,525	3,503,967
	15,213,318	13,473,321
TOTAL ASSETS	34,021,608	32,861,052
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	51,814,397	49,171,397
Reserves	(23,981,473)	(23,611,553)
TOTAL EQUITY	27,832,924	25,559,844
Non-Current Liability		
Lease liabilities	4,401,856	4,641,978
	4,401,856	4,641,978
Current Liabilities		
Trade payables	294,872	139,256
Other payables & accrued expenses	467,536	1,464,294
Amount owing to directors	33,400	99,000
Lease Liabilities	991,020	956,680
	1,786,828	2,659,230
TOTAL LIABILITIES	6,188,684	7,301,208
TOTAL EQUITY AND LIABILITIES	34,021,608	32,861,052
 Net Asset per Share (RM)	 0.096	 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 31 December 2021**

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company				
	Non-distributable				
	Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Loss RM	Total RM
At 01 October 2020	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)
Transaction with Owners :					
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	-
Total transaction with owners	2,370,984	-	(303,420)	280,351	2,347,915
At 30 September 2021	49,171,397	21,305,406	201,535	(45,118,494)	25,559,844
Net profit for the financial period	-	-	-	(369,920)	(369,920)
Transaction with Owners :					
Issuance of ordinary shares :					
- private placement	2,643,000	-	-	-	2,643,000
- exercise of SIS options	-	-	-	-	-
Grant of SIS Options	-	-	-	-	-
Lapse of SIS Options	-	-	-	-	-
At 31 December 2021	51,814,397	21,305,406	201,535	(45,488,414)	27,832,924

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 31 DECEMBER 2021**

The figures have not been audited.

	3 months ended 31.12.2021 (Unaudited) RM	12 months ended 30.09.2021 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(369,920)	(5,531,705)
Adjustments for:		
Depreciation of property, plant and equipment	366,017	1,462,642
Depreciation of rights of use assets	228,011	916,118
Interest Expenses	38,463	196,618
Inventories written down	-	87,335
Impairment loss on trade receivables	-	161,813
Impairment loss written off	-	113,922
Interest income	(4,771)	(49,477)
Share-based payments	-	243,807
Unrealised gain on foreign exchange	-	12,846
Operating profit before working capital changes	<u>257,800</u>	<u>(2,386,081)</u>
Changes in working capital:-		
Inventories	41,966	(299,480)
Trade Receivables	(1,268,880)	747,058
Other Receivables	1,475	424,141
Trade Payables	155,616	(1,874,785)
Other Payables	(996,758)	198,466
	<u>(2,066,581)</u>	<u>(806,400)</u>
Cash used in operations	(1,853,722)	(3,190,681)
Interest received	4,771	49,477
Interest paid	(38,463)	(196,618)
	<u>(33,692)</u>	<u>(147,141)</u>
Net cash used in operating activities	<u>(1,842,473)</u>	<u>(3,337,822)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant & equipment	(14,587)	(66,417)
Net cash used in investing activity	<u>(14,587)</u>	<u>(66,417)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/advance from directors	(65,600)	63,150
Proceeds from private placement	2,643,000	1,702,257
Proceeds from exercise of SIS options	-	401,851
Payment of lease liabilities	(205,782)	(783,972)
Net cash generated from financing activities	<u>2,371,618</u>	<u>1,383,286</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	514,558	(2,020,953)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	3,503,967	5,513,956
Effect of exchange translation difference on cash and cash equivalent	-	10,946
CASH & CASH EQUIVALENTS AT END OF THE YEAR	<u><u>4,018,525</u></u>	<u><u>3,503,967</u></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 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 2020 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
And Its Subsidiary Companies**

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	
	3 months period ended	
	31 Dec 2021	31 Dec 2020
	RM	RM
South – Eastern Asia	1,664,540	1,950,386
Middle East	463,008	242,524
	<hr/>	<hr/>
	2,127,548	2,192,910

- 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

The net loss after tax for the 3 months period ended 31 December 2021 is RM369,920 compared to a RM797,153 in preceding year corresponding quarter.

During the quarter in review, 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 certain significant potential orders in the pipeline. 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.

B2. Material Changes in Loss Before Taxation in Comparison to the Previous Quarter

The Group recorded a Loss Before Taxation of RM369,920 as compared to RM2,636,256 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 track 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.

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.

**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)**

B3. Prospects (cont'd)

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 and on-going improvements are implemented. The Group is now positioned 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.

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 |

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

**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 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.

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) 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.

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.

On 21 December 2021, the Company raised RM2,643,000 by issuance of 30,000,000 units shares through private placement.

Bursa Securities has granted the Company an extension of time until 21 June 2022 to complete the implementation of Private Placement.

The Board had on 27 January 2022 ("Price-fixing Date") fixed the issue price for the Placement Shares at RM0.1004 each ("Issue Price") in relation to the Private Placement.

The Issue Price represents a discount of 20.00% to the 5-day volume weighted average market price of AHB Shares up to and including 26 January 2022 (being the last market day immediately preceding the Price-fixing Date) of RM0.1255 per AHB Share.

B7. Group Borrowings and Debt Securities

There were outstanding borrowings of RM336,640 and debt securities of a fixed deposit of RM 1,545,193 as at 31 December 2021.

**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)**

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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net loss	(369,920)	(797,153)	(369,920)	(797,153)
Weighted average number of ordinary shares in issue	290,305,594	246,787,394	290,305,594	246,787,394
Basic loss per share (sen)	(0.13)	(0.32)	(0.13)	(0.32)
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	NA

**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)

B11. Loss Before Tax

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

	Current Period 3 months period ended	Cumulative Period 3 months period ended
	30 Sep-21 RM	31 Dec-20 RM
Other income	8,765	24,819
Interest expenses	(38,463)	(45,984)
Depreciation and amortization	<u>(594,028)</u>	<u>(484,586)</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

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 2021 RM	As at 30 Sep 2021 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(53,959,576)	(48,427,871)
- Unrealised loss	(369,920)	(5,531,705)
	<u>(54,329,496)</u>	<u>(53,959,576)</u>
Add : Consolidation adjustments	8,841,082	8,841,082
Total Group accumulated losses as per consolidated accounts	<u>(45,488,414)</u>	<u>(45,118,494)</u>

- END OF REPORT -

