

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

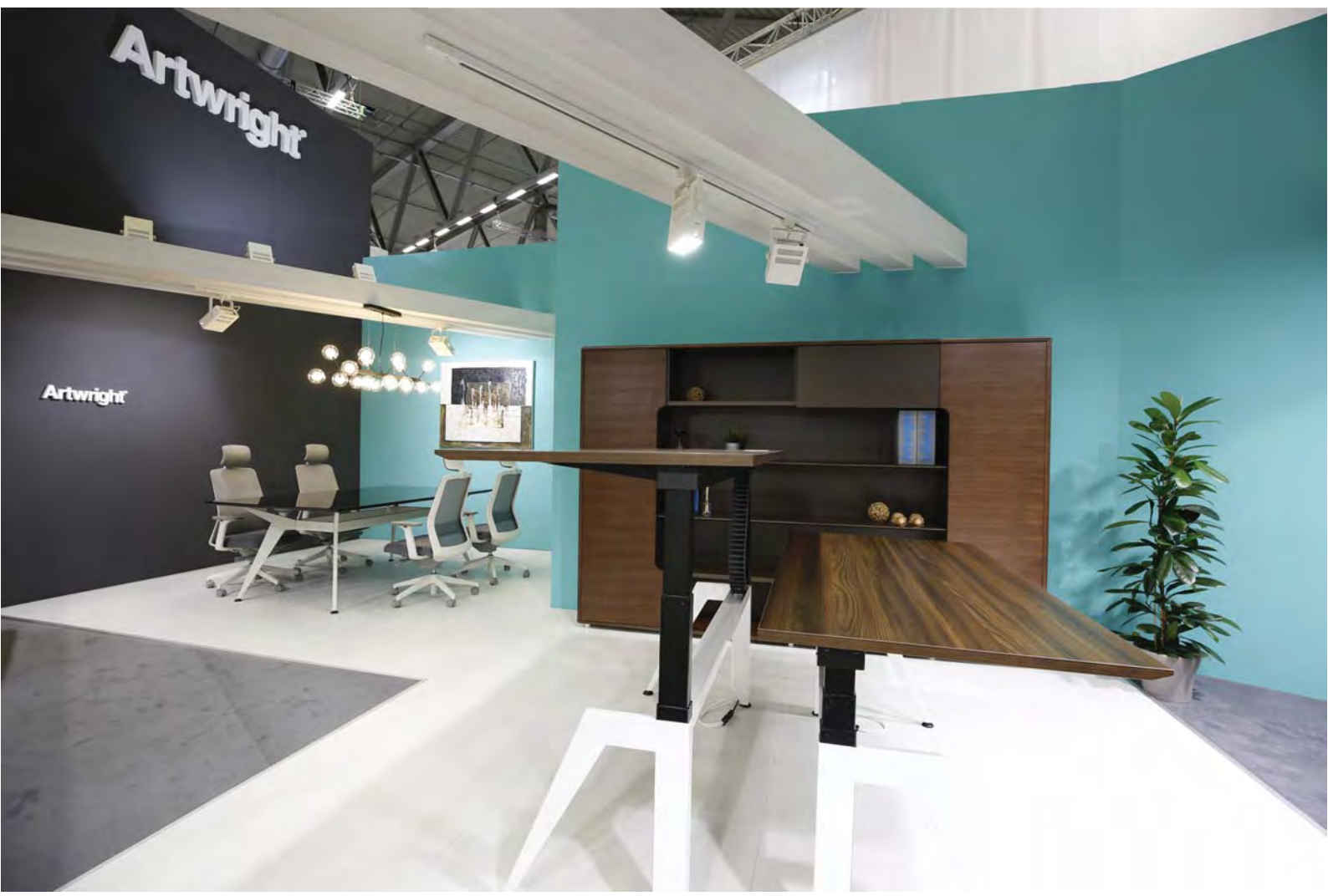
Interim Financial Statements for the Second Quarter ended 30 September 2018



Artwright @Orgatec 2018



New Products @Orgatec 2018





Artwright headquarters and showroom

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME

for the quarter ended 30 September 2018

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
		30/09/2018	30/09/2017	30/09/2018	30/09/2017
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	4,975,008	4,830,620	9,874,344	9,557,868
(b)	Other income	3,800	834	17,360	9,033
2 (a)	Profit/(Loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	782,071	736,775	1,552,785	1,466,708
(b)	Finance cost	(3,080)	(8,061)	(6,418)	(12,395)
(c)	Depreciation and amortisation	(259,947)	(222,263)	(517,098)	(442,466)
					-
3	Profit/(Loss) Before Taxation	519,044	506,451	1,029,269	1,011,847
					-
4	Income tax	-	(2,050)	(1,803)	(4,100)
5	Profit/(Loss) for the Period	519,044	504,401	1,027,466	1,007,747
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	519,044	504,401	1,027,466	1,007,747
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	519,044	504,401	1,027,466	1,007,747
b)	Non-controlling interest	-	-	-	-
		519,044	504,401	1,027,466	1,007,747
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	519,044	504,401	1,027,466	1,007,747
b)	Non-controlling interest	-	-	-	-
		519,044	504,401	1,027,466	1,007,747
10	Profit per share attributable to shareholders of the parent (sen) :				
a)	Basic	0.31	0.32	0.61	0.63
b)	Dilluted	NA	NA	NA	NA

The Condensed Consolidated Income Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for financial year ended 31 March 2018

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

The figures have not been audited.

	(Unaudited) As At 30.09.2018 RM	(Audited) As At 31.03.2018 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	9,684,519	9,441,491
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	15,620,005	15,376,977
Current Assets		
Inventories	7,650,336	6,312,538
Trade receivables	11,205,663	10,108,760
Other receivables, deposits & prepayments	2,634,283	2,316,758
Tax recoverable	140,817	140,817
Cash and bank balances	1,346,336	3,605,992
	22,977,435	22,484,865
TOTAL ASSETS	38,597,440	37,861,842
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	39,572,708	39,572,708
Reserves	(2,835,327)	(3,862,793)
TOTAL EQUITY	36,737,381	35,709,915
Non-Current Liabilities		
Deferred tax liabilities	-	-
	-	-
Current Liabilities		
Trade payables	853,654	1,510,459
Other payables & accrued expenses	920,905	548,468
Amount owing to directors	85,500	93,000
Tax payables	-	-
	1,860,059	2,151,927
TOTAL LIABILITIES	1,860,059	2,151,927
TOTAL EQUITY AND LIABILITIES	38,597,440	37,861,842
Net Asset per Share (RM)	0.230	0.223

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2018.

AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 30 SEPTEMBER 2018

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company					Total RM
	Share Capital RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Loss RM	
At 01 April 2017	34,899,182	21,305,406	11,095,806	(11,095,806)	(26,507,020)	29,697,568
Net profit for the financial year, representing total comprehensive profit for the financial year	-	-	-	-	1,338,821	1,338,821
Issuance of ordinary shares						
- Private Placement	4,801,080	-	-	-	-	4,801,080
- Expenses on Private Placement	(127,554)	-	-	-	-	(127,554)
At 31 March 2018	39,572,708	21,305,406	11,095,806	(11,095,806)	(25,168,199)	35,709,915
Net profit for the financial period	-	-	-	-	1,027,466	1,027,466
At 30 June 2018	39,572,708	21,305,406	11,095,806	(11,095,806)	(24,140,733)	36,737,381

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2018.

AHB Holdings Berhad 274909-A
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

The figures have not been audited.

	6 months ended 30/09/2018 (Unaudited) RM	12 months ended 31/03/2018 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,029,269	(156,414)
Adjustments for:		
Bad debts written off on receivables		
- Trade	-	-
- Others	-	-
Depreciation and amortisation	517,098	770,101
Finance costs	6,418	32
Impairment on slow moving inventories		-
Impairment loss on trade receivables	-	35,503
Impairment loss on other receivables	-	-
Interest income	(17,360)	(45,922)
Inventories written down	-	28,328
Unrealised gain on foreign exchange	-	1,828,918
Waiver of debts	-	-
Operating profit before working capital changes	<u>1,535,425</u>	<u>2,460,546</u>
Changes in working capital:-		
Inventories	(1,337,798)	(69,209)
Trade Receivables	(1,096,903)	(1,137,629)
Other Receivables	(317,525)	(169,588)
Trade Payables	(656,805)	288,836
Other Payables	372,437	(89,963)
Amount due from/to subsidiary companies		-
Amount due to Directors	(7,500)	(48,700)
	(3,044,094)	(1,226,253)
Cash (used in)/from operations	(1,508,669)	1,234,293
Interest received	17,360	45,922
Interest Paid	(6,418)	(32)
Tax paid	(1,803)	(10,657)
	9,139	35,233
Net cash (used in)/generated from operating activities	<u>(1,499,530)</u>	<u>1,269,526</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(760,126)	(4,185,083)
Net cash used in investing activity	<u>(760,126)</u>	<u>(4,185,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares		4,673,526
Repayment of borrowings	-	-
Proceeds from issuance of ordinary shares	-	-
Share Issuance expenses	-	-
Net cash used in financing activities	<u>-</u>	<u>4,673,526</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	(2,259,656)	1,757,969
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	3,605,992	1,847,984
Effect of exchange translation difference on cash and cash equivalent	-	39
CASH & CASH EQUIVALENTS AT END OF THE YEAR	<u><u>1,346,336</u></u>	<u><u>3,605,992</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 March 2018.

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 31 March 2018.

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 31 March 2018.

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 31 March 2018 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 15 to 76.

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 31 March 2018, 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.

A7. Dividend Paid

No dividend was paid for the period under review.

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AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

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	
	30 Sept 2018	30 Sept 2017
	RM	RM
South – Eastern Asia	7,385,807	5,265,594
Middle East	2,277,700	4,058,839
South – Central Asia	211,437	233,435
America	-	-
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	9,874,344	9,557,868
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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 31 March 2018.

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 March 2018.

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**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 Board viewed this result as within expectation considering the turbulent global and local political scenes recently. Also, the global and local economic climate has not found any dynamic growth catalyst that will presently motivate high sales performance within our sector.

AHB has elevated 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. AHB has successfully moved up the value chain with the occupation of her new premium headquarters cum showroom to reflect the marketing segment in which AHB operates. AHB continues to reach out to customers in a changing workplace, and the new investment efforts will show results in the foreseeable future while the current quarter under review remained modest.

The Group is currently executing some large office furniture supply contracts in the local and international scenes. The net profit after tax for the 3 months period ended 30 September 2018 is RM519,044 compared to RM506,451 in preceding year corresponding quarter. The revenue registered is RM 4,975,008 compared to RM4,830,620 in the same respective comparative quarters.

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

There are no material changes during the quarter under review. The Group recorded a Profit before Taxation of RM519,044 as compared a Profit before Taxation of RM508,422 in the previous quarter.

B3. Prospects

AHB had successfully participated in Orgatec 2018 in October 2018, and the responses had been very encouraging. Whilst AHB had 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 results appears to take about a year to materialise in this direction.

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.

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 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 2108, and has been approved by AHB Shareholders during a meeting on 4 September 2018.

B7. Group Borrowings and Debt Securities

There were no outstanding borrowings and debt securities as at 31 March 2018.

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	
	30 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017
Net profit/(loss)	519,044	504,401	1,027,446	1,007,747
Weighted average number of ordinary shares in issue	167,473,457	160,036,196	167,473,457	160,036,196
Basic profit/(loss) per share (sen)	0.31	0.32	0.61	0.63
Fully Diluted Earnings Per Share (sen)	NA	NA	NA	NA

The Company has a category of potentially dilutive ordinary shares as follows:
Warrants 2014/2019.

Fully diluted earnings per ordinary share is calculated by dividing the adjusted profit for the year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year. The diluted earnings per share of the Group have not been presented as the average fair value of the shares of the Company is lower than the exercise price for the exercise of warrants 2014/2019 to ordinary shares.

**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 30 Sept-18 RM	Cumulative Period 6 months period ended 30 Sept-18 RM
Other income	3,800	17,360
Interest expenses	(3,080)	(6,418)
Depreciation and amortization	(259,947)	(517,098)
Foreign exchange loss (gain)	-	-
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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 30 Sept 2018 RM	As at 31 Mar 2018 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(40,447,257)	(40,447,257)
- Unrealised gain / (loss)	7,465,442	6,437,976
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	(32,981,815)	(34,009,281)
Add: Consolidation adjustments	8,841,082	8,841,082
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Total Group accumulated losses as per consolidated accounts	(24,140,733)	(25,168,199)
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- END OF REPORT -