

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Second Quarter ended 31 March 2022



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 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	6 months ended	6 months ended
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		RM	RM	RM	RM
1 (a)	Revenue	1,303,696	403,034	3,431,244	2,595,944
(b)	Other income	102,696	8,012	111,461	32,831
2 (a)	(Loss)/Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(1,661,078)	(244,628)	(1,403,278)	(511,211)
(b)	Finance cost	(36,884)	(24,633)	(75,347)	(70,617)
(c)	Depreciation of property, plant and equipment	(339,530)	(337,533)	(714,098)	(712,847)
(d)	Depreciation of right-of-use asset	(228,011)	(232,084)	(456,022)	(350,675)
(e)	Share based payment expenses	-	-	-	-
3	Loss before taxation - Continued operation	(2,336,983)	(863,432)	(2,648,745)	(1,645,350)
	Loss before taxation - Discontinued operation	(11,077)	(13,264)	(24,042)	(28,499)
4	Income tax	-	-	-	-
5	Loss for the period	(2,348,060)	(876,696)	(2,672,787)	(1,673,849)
6	Other comprehensive income	-	-	-	-
7	Total comprehensive income for the period	(2,348,060)	(876,696)	(2,672,787)	(1,673,849)
8	Loss attributable to :				
a)	Equity holders of the parent	(2,348,060)	(876,696)	(2,672,787)	(1,673,849)
b)	Non-controlling interest	-	-	-	-
		(2,348,060)	(876,696)	(2,672,787)	(1,673,849)
9	Total comprehensive income attributable to:				
a)	Equity holders of the parent	(2,348,060)	(876,696)	(2,672,787)	(1,673,849)
b)	Non-controlling interest	-	-	-	-
		(2,348,060)	(876,696)	(2,672,787)	(1,673,849)
10	Loss per share attributable to shareholders of the parent (sen):				
a)	Basic	(0.73)	(0.34)	(0.83)	(0.64)
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 March 2022

The figures have not been audited.

	(Unaudited) As At 31.03.2022 RM	(Audited) As At 30.09.2021 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,469,951	8,236,947
Rights-of-use asset	4,759,276	5,215,298
Goodwill on consolidation	1,935,486	1,935,486
Deferred tax asset	4,000,000	4,000,000
	18,164,713	19,387,731
Current Assets		
Inventories	10,305,970	6,148,536
Trade receivables	3,518,665	3,224,807
Other receivables, deposits & prepayments	389,564	596,011
Cash and bank balances	5,863,733	3,503,967
	20,077,932	13,473,321
Assets held for sales	1,044,598	-
TOTAL ASSETS	39,287,243	32,861,052
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	60,506,810	49,171,397
Reserves	(26,479,036)	(23,611,553)
TOTAL EQUITY	34,027,774	25,559,844
Non-Current Liability		
Lease liabilities	3,630,742	4,641,978
	3,630,742	4,641,978
Current Liabilities		
Trade payables	-	139,256
Other payables & accrued expenses	71,021	1,464,294
Amount owing to directors	-	99,000
Lease Liabilities	1,554,937	956,680
	1,625,958	2,659,230
Liabilities held for sales	2,769	-
TOTAL LIABILITIES	5,259,469	7,301,208
TOTAL EQUITY AND LIABILITIES	39,287,243	32,861,052
Net Asset per Share (RM)	0.106	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 MARCH 2022**

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company				
	Non-distributable				Total RM
	Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Loss 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	-	-	-	(2,672,787)	(2,672,787)
Transaction with Owners :					
Issuance of ordinary shares :					
- private placement	10,838,837	-	-	-	10,838,837
- exercise of SIS options	496,576	-	(194,696)	-	301,880
Grant of SIS Options	-	-	-	-	-
Lapse of SIS Options	-	-	199,393	(199,393)	-
At 31 March 2022	60,506,810	21,305,406	206,232	(47,990,674)	34,027,774

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 MARCH 2022**

The figures have not been audited.

	6 months ended 31.03.2022 (Unaudited) RM	12 months ended 30.09.2021 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
- Continued operation	(2,648,745)	(5,531,705)
- Discontinued operation	(24,042)	
Adjustments for:		
Depreciation of property, plant and equipment	714,098	1,462,642
Depreciation of rights of use assets	456,022	916,118
Interest Expenses	75,347	196,618
Inventories written down	-	87,335
Impairment loss on trade receivables	-	161,813
Impairment loss written off	-	113,922
Interest income	(56,079)	(49,477)
Share-based payments	-	243,807
Unrealised gain on foreign exchange	-	12,846
Operating profit before working capital changes	<u>(1,483,399)</u>	<u>(2,386,081)</u>
Changes in working capital:-		
Inventories	(4,157,435)	(299,480)
Trade Receivables	(293,858)	747,058
Other Receivables	(776,266)	424,141
Trade Payables	(174,309)	(1,874,785)
Other Payables	(1,349,549)	198,466
	<u>(6,751,417)</u>	<u>(804,600)</u>
Cash used in operations	(8,234,816)	(3,190,681)
Interest received	56,079	49,477
Interest paid	(75,347)	(196,618)
	<u>(19,268)</u>	<u>(147,141)</u>
Net cash used in operating activities	<u>(8,254,084)</u>	<u>(3,337,822)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(14,887)	(66,417)
Purchase of rights of use asset	-	-
Net cash used in investing activities	<u>(14,887)</u>	<u>(66,417)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(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	301,880	401,851
Payment of lease liabilities	(412,979)	(783,972)
Net cash generated from financing activities	<u>10,628,737</u>	<u>1,383,286</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	2,359,766	(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	-	10,964
CASH & CASH EQUIVALENTS AT END OF THE YEAR	<u>5,863,733</u>	<u>3,503,967</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 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	
	6 months period ended	
	31 Mar 2022	31 Mar 2021
	RM	RM
South – Eastern Asia	1,766,704	1,436,313
Middle East	1,182,267	1,153,791
Europe	-	5,840
	<hr/>	<hr/>
	3,431,244	2,595,945

- 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 RM1.304 million as compared to RM0.403 million recorded in the preceding year corresponding quarter. The higher revenue was due to the increase in revenue of RM0.901 million.

For the six months financial period, the Group recorded a gross revenue of RM 3.431 million as compared to RM2.596 million recorded in the preceding corresponding period. The higher revenue was due to the increase in revenue of RM0.835 million.

For the current quarter under review, the Group recorded a loss before tax of RM 2.337 million as compared to a loss before tax of RM0.863 million recorded in the preceding year corresponding quarter.

For the six months financial period, the Group recorded a loss before tax of RM2.649 million as compared to a loss before tax of RM1.645 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 RM1.304 million as compared to RM2.123 million for the preceding quarter. The lower revenue was due to the decrease in revenue of RM0.819 million.

The Group reported a loss before tax of RM 2.337 million as compared to a loss before tax of RM0.370 million for the preceding quarter ended 31 December 2021. The loss was mainly attributable to the higher cost of sales and increase in operating and staff costs.

B3. Prospects

The conflict between Russia and Ukraine took the world by surprise and 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 Group is cautiously optimistic to the second half of the year from various initiatives.

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.

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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)

B6. Status of Corporate Proposals (cont’d)

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	5,696	5,008	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
Total proceeds	10,969	5,961	5,008	

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.

Barring any unforeseen circumstances, the Disposal is expected to be completed by 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.

B7. Group Borrowings and Debt Securities

The Group does not have any borrowings nor debt securities as at 31 March 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.

**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		6 months period ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Net loss	(2,348,060)	(876,696)	(2,672,787)	(1,673,849)
Weighted average number of ordinary shares in issue	321,933,418	260,015,594	321,933,418	260,015,594
Basic loss per share (sen)	(0.73)	(0.32)	(0.83)	(0.64)
Fully Diluted Earnings Per Share (sen)	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 6 months period ended
	31 Mar-22 RM	31 Mar-22 RM
Other income	57,502	66,267
Interest expenses	(36,884)	(75,347)
Depreciation and amortization	<u>(567,541)</u>	<u>(1,170,120)</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 -