

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Second Quarter ended 31 March 2023



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 2023

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 |
| | 31/3/2023 | 31/3/2022 | 31/3/2023 | 31/3/2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | RM | RM | RM | RM |
| 1 (a) Revenue | 1,230,610 | 1,303,696 | 5,083,178 | 3,431,244 |
| (b) Other income | 492 | 102,696 | 7,933 | 111,461 |
| 2 (a) (Loss)/Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests | (3,102,238) | (1,661,078) | (3,168,905) | (1,403,278) |
| (b) Finance cost | - | (36,884) | - | (75,347) |
| (c) Depreciation of property, plant and equipment | (365,490) | (339,530) | (731,507) | (714,098) |
| (d) Depreciation of right-of-use asset | (228,011) | (228,011) | (456,022) | (456,022) |
| (e) Share based payment expenses | - | - | - | - |
| 3 Loss before taxation - Continued operation | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| 4 Income tax | - | - | - | - |
| 5 Loss for the period | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| 6 Other comprehensive income | - | - | - | - |
| 7 Total comprehensive income for the period | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| 8 Loss attributable to : | | | | |
| a) Equity holders of the parent | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| b) Non-controlling interest | - | - | - | - |
| | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| 9 Total comprehensive income attributable to: | | | | |
| a) Equity holders of the parent | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| b) Non-controlling interest | - | - | - | - |
| | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| 10 Loss per share attributable to shareholders of the parent (sen): | | | | |
| a) Basic | (0.98) | (0.73) | (1.15) | (0.83) |
| 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 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

The figures have not been audited.

| | (Unaudited) As At 31.03.2023 RM | (Audited) As At 30.09.2022 RM |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 15,429,886 | 6,961,393 |
| Rights-of-use asset | 3,897,637 | 4,353,659 |
| Deferred tax asset | 4,000,000 | 4,000,000 |
| | 23,327,523 | 15,315,052 |
| Current Assets | | |
| Inventories | 5,258,239 | 5,965,866 |
| Trade receivables | 6,705,161 | 6,269,213 |
| Other receivables, deposits & prepayments | 2,303,928 | 6,221,820 |
| Cash and bank balances | 1,427,042 | 801,185 |
| | 15,694,370 | 19,258,084 |
| TOTAL ASSETS | 39,021,893 | 34,573,136 |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 36,913,214 | 60,913,214 |
| Reserves | (11,228,065) | (32,871,631) |
| TOTAL EQUITY | 25,685,149 | 28,041,583 |
| Non-Current Liability | | |
| Lease liabilities | 3,273,287 | 3,577,289 |
| | 3,273,287 | 3,577,289 |
| Current Liabilities | | |
| Trade payables | 1,303,088 | 311,091 |
| Other payables & accrued expenses | 8,027,931 | 1,421,514 |
| Amount owing to director | 12,000 | - |
| Lease Liabilities | 720,438 | 1,221,659 |
| | 10,063,457 | 2,954,264 |
| TOTAL LIABILITIES | 13,336,744 | 6,531,553 |
| TOTAL EQUITY AND LIABILITIES | 39,021,893 | 34,573,136 |
| Net Asset per Share (RM) | 0.068 | 0.075 |

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2023**

The figures have not been audited.

| GROUP | Attributable to Equity Holders of the Company | | | | | |
|---|---|---------------|-----------------------|---|------------------------|-------------------|
| | Attributable to Equity Holders of the Company | | | Non-distributable | | |
| | Share Capital RM | RCPS RM | Capital Reserve RM | Share Issuance Scheme Option Reserve RM | Accumulated Loss RM | Total RM |
| At 01 October 2021 | 49,171,397 | - | 21,305,406 | 340,024 | (45,256,983) | 25,559,844 |
| Net loss for the financial year, representing total comprehensive profit for the financial year | - | - | - | - | (9,091,510) | (9,091,510) |
| Transfer to retained earnings | - | - | (21,305,406) | - | 21,305,406 | - |
| Transaction with Owners : | | | | | | |
| 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 | - | - | - | (15,554) | 15,554 | - |
| Total transaction with owners | 11,741,817 | - | - | (184,122) | 15,554 | 11,573,249 |
| At 30 September 2022 | 60,913,214 | - | - | 155,902 | (33,027,533) | 28,041,583 |
| Net profit for the financial period | - | - | - | - | (4,356,434) | (4,356,434) |
| Transaction with Owners : | | | | | | |
| Issuance of RCPS | - | 2,000,000 | - | - | - | 2,000,000 |
| Conversion of RCPS | 1,950,000 | (1,950,000) | - | - | - | - |
| Capital reduction | (26,000,000) | - | - | - | 26,000,000 | - |
| At 31 March 2023 | 36,863,214 | 50,000 | - | 155,902 | (11,383,967) | 25,685,149 |

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 2022.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2023**

The figures have not been audited.

| | 6 months ended 31.03.2023 (Unaudited) RM | 12 months ended 30.09.2022 (Audited) RM |
|---|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (4,356,434) | (9,091,510) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 731,507 | 1,457,379 |
| Depreciation of rights of use assets | 456,022 | 1,131,898 |
| Gain on disposal of subsidiaries | - | (556,125) |
| Interest Expenses | - | 152,705 |
| Inventories written down | - | 1,012,327 |
| Impairment loss on trade receivables | - | 1,285,827 |
| Impairment loss written off | - | 5,702,234 |
| Interest income | (838) | (11,167) |
| Share-based payments | - | 182,902 |
| Unrealised gain on foreign exchange | - | (31,234) |
| Operating profit before working capital changes | <u>(3,169,743)</u> | <u>1,235,236</u> |
| Changes in working capital:- | | |
| Inventories | 707,627 | (829,657) |
| Trade Receivables | (435,948) | (10,664,316) |
| Other Receivables | 3,917,892 | (5,625,809) |
| Trade Payables | 991,997 | 171,934 |
| Other Payables | (393,583) | 3,155,066 |
| | 4,787,985 | (13,792,782) |
| Cash used in operations | 1,618,242 | (12,557,546) |
| Interest received | 838 | 11,167 |
| Interest paid | - | (152,705) |
| | 838 | (141,538) |
| Net cash used in operating activities | <u>1,619,080</u> | <u>(12,699,084)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant & equipment | (3,005,223) | (225,024) |
| Cash outflow from disposal of subsidiaries | - | (1,389) |
| Net cash used in investing activities | <u>(3,005,223)</u> | <u>(226,413)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Repayment to)/advance from directors | 12,000 | (99,000) |
| Proceeds from issuance of shares | 2,000,000 | - |
| Proceeds from private placement | - | 10,838,837 |
| Proceeds from exercise of SIS options | - | 551,510 |
| Payment of lease liabilities | - | (1,069,969) |
| Net cash generated from financing activities | <u>2,012,000</u> | <u>10,221,378</u> |
| NET CHANGES IN CASH & CASH EQUIVALENTS | | |
| | 625,857 | (2,704,119) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR | | |
| | 801,185 | 3,503,967 |
| Effect of exchange translation difference on cash and cash equivalent | - | 1,337 |
| CASH & CASH EQUIVALENTS AT END OF THE YEAR | <u>1,427,042</u> | <u>801,185</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 2022

**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 2022.

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 2022.

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 2022 was not subject to any qualification.

A6. Debt and Equity Securities

There were no issuance and repayment of the debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 31 March 2023 except:

- i) issued 20,000,000 Redeemable Convertible Preference Shares (“RCPS”) at RM0.10 per RCPS for a total of RM2,000,000.
- ii) Conversion of 19,500,000 Redeemable Convertible Preference Shares (“RCPS”) into 19,500,000 new ordinary shares pursuant to the exercise of conversion rights of RCPS.

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 2023 | 31 Mar 2022 |
| | RM | RM |
| South – Eastern Asia | 5,083,173 | 1,766,704 |
| Middle East | - | 1,182,267 |
| Europe | - | - |
| | <hr/> | <hr/> |
| | 5,083,173 | 3,431,244 |

- 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 2022.

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
And Its Subsidiary Companies**

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 RM1.231 million as compared to RM1.304 million recorded in the preceding year corresponding quarter. The lower revenue was due to the decrease in revenue of RM0.073 million.

For the six months financial period, the Group recorded a gross revenue of RM 5.083 million as compared to RM3.431 million recorded in the preceding corresponding period. The higher revenue was due to the increase in revenue of RM1.652 million.

For the current quarter under review, the Group recorded a loss before tax of RM 3.696 million as compared to a loss before tax of RM2.348 million recorded in the preceding year corresponding quarter.

For the six months financial period, the Group recorded a loss before tax of RM4.356 million as compared to a loss before tax of RM2.673 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 RM1.231 million as compared to RM3.853 million for the preceding quarter. The lower revenue was due to the decrease in revenue of RM2.622 million.

The Group reported a loss before tax of RM3.696 million as compared to a loss before tax of RM0.661 million for the preceding quarter. The increase in loss was mainly attributable to the lower of revenue, higher cost of sales, increase in operating and staff costs.

B3. Prospects

Amid the challenging global economic environment that was clouded by inflationary pressures, supply chain delays, labour shortages and elevated oil prices coupled with a fluctuating ringgit on the local economic front, our business remain robust and expecting to maintain the current momentum.

The outlook for the FY2023 remains challenging due to uncertainty of both the domestic and overseas markets resulting from adverse global economic and business operating environments.

To mitigate these uncertainties, the Group will continue to be prudent on its capital and operational expenditures. At the same time, the Group foresee venture into Property Development business will be able to synergy with current business in the long run.

Despite the prevailing challenges, the Board remains cautiously optimistic on the long-term business prospects of the Group and will continue to actively pursue various business strategies to increase its revenue base.

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

In 8 February 2023, the Board of Directors of AHB announced that AHB had on 8 February 2023 entered into a Memorandum of Understanding (“MOU”) with Piong Choong Fah, where AHB (“Purchaser”) and Piong Choong Fah (“Vendor”) intends to enter into a definitive share sale agreement for the purchase by AHB and the sale by Piong Choong Fah for ordinary shares held by the Vendor in Altangadas Mining Group Berhad [Registration No. 202001013815 (1370135-T)] (“AMG” or the “Target Company”), representing 20% of the total issued ordinary shares of the Target Company (“Sale Shares”) which is still on-going.

In 9 March 2023, on behalf of the Board, Mercury Securities announced that AHB has issued new RCPS with an aggregate principal amount of RM950,000.00 to the Subscriber on 9 March 2023.

In 10 March 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 9,500,000.

In 17 March 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 10,000,000.

In 20 April 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 20,000,000.

In 28 April 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 35,000,000.

In 2 May 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 20,000,000.

In 9 May 2023, pursuant to Paragraph 9.19 (51) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, AHB had announced that offer of 45,000,000 options has been made on 8 May 2023 to the eligible persons to subscribe for new ordinary shares in the Company (“Options”) under the SIS.

In 9 May 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 5,000,000.

In 11 May 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 30,000,000.

In 18 May 2023, on behalf of the Board, Mercury Securities wishes to announce that all the conditions precedent in the SPA have been fulfilled and the SPA has become unconditional on 17 May 2023.

In 19 May 2023, AHB announced Conversion of Redeemable Convertible Preference Shares (RCPS) into ordinary shares of the Company of 25,000,000.

**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)

During the year, the Company issued 20,000,000 RCPS at RM0.10 per RCPS for a total of RM2,000,000. The status of utilisation of proceeds raised from RCPS as at 31 March 2023 is as follows:

| Purpose | Proposed utilisation | Expected timeframe for utilisation | Actual raised | Actual Utilisation | Balance Unutilised |
|---|----------------------|------------------------------------|---------------|--------------------|--------------------|
| | (RM'000) | | (RM'000) | (RM'000) | (RM'000) |
| (i) Funding for the Development Project | 14,384 | Within 36 months | - | - | - |
| (ii) Funding for the acquisition of Taman Yarl Land | 2,000 | Within 3 months | 1,145 | - | 1,145 |
| (iii) General working capital | 753 | Within 12 months | 364 | 364 | - |
| (iv) Estimated expenses for the Proposals | 1,568 | Within 36 months | 491 | 491 | - |
| Total | 18,705 | | 2,000 | 855 | 1,145 |

B7. Group Borrowings and Debt Securities

The Group does not have any borrowings nor debt securities as at 31 March 2023.

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 2023 | 31 Mar 2022 | 31 Mar 2023 | 31 Mar 2022 |
| Net loss | (3,695,739) | (2,348,060) | (4,356,434) | (2,672,787) |
| Weighted average number of ordinary shares in issue | 378,269,132 | 321,933,418 | 378,269,132 | 321,933,418 |
| Basic loss per share (sen) | (0.98) | (0.73) | (1.15) | (0.83) |
| 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-23 RM | 31 Mar-23 RM |
| Other income | 492 | 7,933 |
| Interest expenses | - | - |
| Depreciation and amortization | <u>(593,501)</u> | <u>(1,187,529)</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 -