AHB HOLDINGS BERHAD (274909-A)
(Formerly Known as Artwright Holdings Berhad)

INTERIM FINANCIAL STATEMENTS
for the quarter ended 31 March 2007

AHB Holdings Berhad **274909-A**

(formally known as Artwright Holdings Berhad)

And Its Subsidiary Companies

Quarterly report on consolidated results for the financial quarter ended 31 March 2007

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the quarter ended 31 March, 2007

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER	CORRESPONDING	TODATE	CORRESPONDING
		3 months ended	3 months ended	9 months ended	9 months ended
		31/03/2007	31/03/2006	31/03/2007	31/03/2006
		RM	RM	RM	RM
1 (a)	Revenue	13,280,500	6,628,000	41,196,900	26,330,000
(b)	Investment income	-	-	-	-
(c)	Other income	-	89,000	-	3,783,000
2 (a)	Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	1,136,500	861,000	4,397,900	5,472,741
(b)	Finance cost	(208,600)	(109,000)	(625,800)	(682,000)
(c)	Depreciation and amortisation	(360,000)	(387,000)	(1,075,000)	(1,316,000)
3	Profit Before Tax	567,900	365,000	2,697,100	3,474,741
4	Income tax	-	-	-	-
5	Profit for the Period	567,900	365,000	2,697,100	3,474,741
6	Profit Attributable to :				
	a) Equity holders of the parent	587,900	381,000	2,797,100	3,530,741
	b) Minority Interest	(20,000)	(16,000)	(100,000)	(56,000)
7	Earnings per share attributable to shareholders of the parent (sen) :				
	a) Basic	1.22	0.91	5.81	8.43
	b) Dilluted	NA	0.79	NA	7.10

The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statement Year Ended 30 June 2006.

AHB Holdings Berhad 274909-A

(formally known as Artwright Holdings Berhad)

And Its Subsidiary Companies

Quarterly report on consolidated results for the financial quarter ended 31 March 2007

The figures have not been audited.

CONDENSED CONSOLIDATED BALANCE SHEET as at 31 March, 2007

	(Unaudited) As At 31.03.2007 RM	(Audited) As At 30.06.2006 RM
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,953,830	3,353,430
Goodwill on Consolidation	2,120,422	2,120,422
Intangible Assets	379,193	739,193
Other Long Term Assets	26,000	26,000
	5,479,445	6,239,045
Current Assets		
Inventories	8,871,600	8,148,334
Trade receivables	24,305,290	23,613,250
Other receivables, deposits & prepayments	4,209,697	3,312,412
Fixed deposits, cash and bank balances	1,757,594	2,334,270
	39,144,181	37,408,266
TOTAL ASSETS	**44,623,626**	**43,647,311**
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	48,131,398	41,858,633
Share premium	3,664,610	967,320
Accumulated Losses	(29,636,868)	(32,099,182)
ICULS	-	8,970,055
	22,159,140	19,696,826
Minority interests	(13,823)	86,177
TOTAL EQUITY	22,145,317	19,783,003
Non Current Liabilities		
Long-term borrowings	1,294,061	1,294,061
Hire-purchase and lease obligations	20,264	20,264
Deferred Taxation	4,500	4,700
	1,318,825	1,319,025
Current Liabilities		
Trade payables	835,845	1,139,803
Other payables & accrued expenses	11,049,122	1,586,121
Amount owing to former associated company	-	10,957,498
Amount owing to directors	427,800	337,800
Hire-Purchase and lease obligations :		
-Current portion	95,122	108,451
Long-term loans - Current portions	6,338,923	6,095,118
Short term Bank borrowings	2,396,672	2,304,492
Tax liabilities	16,000	16,000
	21,159,484	22,545,283
TOTAL LIABILITIES	22,478,309	23,864,308
TOTAL EQUITY AND LIABILITIES	**44,623,626**	**43,647,311**
Net Asset per Share (RM)	0.46	0.47

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Financial Statement Year Ended 30 June 2006.

AHB Holdings Berhad 274909-A

(formally known as Artwright Holdings Berhad)

And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the quarter ended 31 March, 2007

The figures have not been audited.

	← Attributable to Equity Holders of the Company →						
	Issue Capital RM	Irredeemable Convertible Unsecured Loan Stocks (ICULS) RM	Non-distributable Reserve Share Premium RM	Accumulated Loss RM	Total RM	Minority Interest RM	Total Equity RM
At 1 July 2006	41,858,633	8,970,055	967,320	(32,099,182)	19,696,826	86,177	19,783,003
Conversion of ICULs	6,272,765	(8,970,055)	2,697,290	-	-	-	-
Net profit for the period	-	-	-	2,797,100	2,797,100	(100,000)	2,697,100
Interest on ICULS	-	-	-	(334,786)	(334,786)	-	(334,786)
At 31 March 2007	48,131,398	-	3,664,610	(29,636,868)	22,159,140	(13,823)	22,145,317
At 1 July 2005	41,853,599	8,977,255	965,154	(32,130,271)	19,665,737	133,034	19,798,771
Conversion of ICULs	5,034	(7,200)	2,166	-	-	-	-
Net profit for the period	-	-	-	3,418,797	3,418,797	(56,000)	3,362,797
Interest on ICULS	-	-	-	(370,015)	(370,015)	-	(370,015)
At 31 March 2006	41,858,633	8,970,055	967,320	(29,081,489)	22,714,519	77,034	22,791,553

AHB Holdings Berhad 274909-A
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And Its Subsidiary Companies

Quarterly report on consolidated results for the financial quarter ended 31March 2007
The figures have not been audited.

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
for the quarter ended 31 March, 2007

	9 months ended 31/03/2007 RM	9 months ended 31/03/2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,697,100	3,474,741
Adjustment for:		
Non cash items and non-operating items	(1,996,126)	2,054,556
Operating Profit before working capital changes	700,974	5,529,297
Changes in Working Capital		
Net changes in current assets	1,735,915	(2,088,184)
Net changes in current liabilities	(1,385,799)	(1,981,733)
Cash generated from operations	1,051,090	1,459,380
Income tax paid	(313,305)	(9,500)
Net cash from operating activities	737,785	1,449,880
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(315,400)	(6,000)
Disposal of property, plant & equipment	-	17,443
Net cash (used in) / generated from investing activities	(315,400)	11,443
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	(68,303)
Finance costs paid	(625,800)	(682,094)
ICULS interest paid	(334,786)	(246,677)
Repayment of hire purchase payables	(29,329)	(21,995)
Net cash used in financing activities	(989,915)	(1,019,069)
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS	(567,530)	442,254
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	2,159,632	306,087
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	**1,592,102**	**748,341**

Cash & cash equivalents at end of financial period comprise the following:		
Fixed deposits with licenced banks	159,475	1,068,086
Cash & bank balances	1,598,119	899,469
	1,757,594	1,967,555
Less:- Bank overdrafts	(165,492)	(151,128)
Less : Non cash and cash equivalents		
Fixed deposits with licensed banks	-	(1,068,086)
	1,592,102	**748,341**

The Condensed Cash Flow Statements should be read in conjunction with the audited Financial Statement Year Ended 30 June 2006

Part A – Explanatory Notes Pursuant to FRS134

A 1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ('FRS') 134: Interim Financial Reporting and Paragraph 9-22 of the Bursa Malaysia Securities Berhad ("BMSB")'s Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2006.

The explanatory notes 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 June 2006.

A 2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2006 except for the adoption of the following new / revised Financial Reporting Standards ("FRSs") effective for the Group's financial statement period beginning 1 June 2006:-

FRS	2	Share-based Payment
FRS	3	Business Combinations
FRS	5	Non-Current Asset held for Sale and Discontinued Operations
FRS	101	Presentation of Financial Statements
FRS	102	Inventories
FRS	108	Accounting Policies, Changes in Estimates and Errors
FRS	110	Events After the Balance Sheet Date
FRS	121	The Effects of Changes in Foreign Exchange Rates
FRS	127	Consolidated and Separate Financial Statements
FRS	128	Investments in Associates
FRS	132	Financial Instruments : Disclosure and Presentation
FRS	133	Earnings Per Share
FRS	136	Impairment of Assets
FRS	138	Intangible Assets
FRS	140	Investment Property

The adoption of the FRS which are relevant to the Group's operations does not have any significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the FRS are described below:

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognize share-based payments. No Employee Share Options Scheme has been granted and/or exercised during the period under review.

(b) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets.

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortization. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, and more frequently if events or changes in circumstances indicate that it might be impaired. Prior to 1 July 2006, goodwill was amortized on a straight-line basis over twenty five years. The transitional provisions of FRS 3, however, have required the Group to eliminate at 1 July 2006 the carrying amount of the accumulated amortization of RM3,106,982 against the carrying amount of goodwill of RM2,120,422 as at 1 July 2006. This has the effect of reducing the amortization charges of RM52,274 in the current quarter and also of reducing the amortization charges of RM156,822 for the 3 months financial period ended 31 March 2007.

(c) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has effected the presentation of minority interest and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit for the period, as well as in the statement of change in the equity, with the comparatives restated to conform with the current period's presentation. In addition, FRS 101 has also affected the disclosure on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The presentation of the Group's financial statements for the current period is based on the revised requirement of FRS 101, with the comparatives restated to conform to the presentation for the current period.

A3. Auditors' Report on Preceding Audited Financial Statement

There were no audit qualifications on audited report of the preceding financial statements.

A4. Seasonality or cyclicality

The operations of the business are not seasonal or cyclical in nature.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of Group during the current quarter.

A6. Material changes in estimates

There were no changes in estimates that have had a material effect in the current quarter.

A7. Debt and Equity Securities

There were conversions of Irredeemable Convertible Unsecured Loan Stocks (ICULs) of RM8,970,055 to 6,272,765 ordinary shares arising from the ICULs being matured on 5 March 2007. There was no exercise of Employees Share Option Scheme (expiring on 9 June 2007) during the period ended 31 March 2007.

A8. Dividend Paid

No dividend was paid for the 9 months period ended 31 March 2007.

A9. Segmental Reporting

There is no segmental reporting as the Group's activities are confined to the trading of office furniture, and all the operating companies are located geographically in Malaysia.

A10. 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 June 2006.

A11.Subsequent Materials Events

There were no material events subsequent to the end of the quarter under review.

A12.Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and the period under review.

A13.Contingent Liabilities

There were no material claims for and against the Group as at 31 December 2006, except that during the previous financial year, a subsidiary company which had a pioneer status received an additional tax assessment of RM756,271 for the year of assessment 1998 due to reinvestment allowances and certain expenses claimed that were disallowed by the tax authorities. The Company has appealed against the disallowance of these allowances and expenses and pending the outcome of the appeal, the additional tax assessment has not been provided for in the financial statements.

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Part B – Additional Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance of the Company and its Principal Subsidiaries for the Group

For the 9 months period ended 31 March 2007, the Group registered RM41.20 million revenue and net profit attributable to equity holders of RM2.70 million compared to RM26.33 million and RM3.47 million respectively in the corresponding 9 months period ended 31 March 2006. However, a significant portion of the net profit in the corresponding 9 months period ended 31 March 2006 was contributed by the disposal of shares of associate company, Steelcase Artwright Manufacturing Sdn Bhd, which has recorded a gain of RM 3.58 million in the Income Statement.

The improved performance is mainly due to success in executing the current business strategies of focus on R&D, advance use of Information Technology processes, and positive markets developments. In addition, the customer orders' fulfilment has been out-sourced to control cost and improve capacities.

B2. The results of the current quarter as compared with immediate preceding quarter for the Group

For the 3 months period ended 31 March 2007 compared to the 3 months period ended 31 March 2006, revenue grew by about 100% to RM13.28 million from RM6.63 million. The profit for the quarter is RM 0.57 million compared to RM 0.37 million for the immediate preceding quarter due to reduced profit margins on a particular local project sales.

B3. Prospects

AHB is cautiously optimistic about improvements in financial performance in the near future. AHB's business model is now proven to be competitive in the industry.

B4. Profit Forecast or Profit Guarantee

(a) Profit Forecast : Not applicable

(b) Profit Guarantee

Pursuant to the listing of the Company on the Second Board of Bursa Malaysia Securities Berhad on 21 May 1996 and the subsequent revision of the profit guarantee agreement approved by the shareholders in an extraordinary general meeting on 29 September 1998, the guarantors, namely Yong Yoke Keong, Yong Chew Keat and Iskandar Holdings Sdn. Bhd., (collectively, referred to as the Guarantors), had provided a guarantee that the consolidated profits before tax of the Company of RM15,960,600 shall be achieved over a period of five (5) years commencing from the financial year ended 30 June 1998 to 2002. As at 30 June 2002, the shortfall in the profit guarantee amounted to RM15,960,000.

In this connection, the guarantors acknowledged their liabilities in relation to the above profit guarantee have crystallised and intend to fully discharge their obligations. Accordingly, on November 3, 2003, the Company announced a proposed compensation by the Guarantors for the abovementioned shortfall in profit guarantee involving the following proposals:

(i) Proposed restricted issue of up to 19.670 million five (5) year warrants (Warrants) on a non-renounceable basis to the shareholders of the Company other than the Guarantors and/or person connected to the Guarantors (Entitled Shareholders) at a date to be determined later; and

(ii) Proposed offer by the Guarantors to purchase the Warrants from the Entitled Shareholders after the listing of the Warrants on Bursa Malaysia Securities Berhad (Collectively, referred to as the Proposed Settlement)

On 21 January 2004, the Company submitted the applications on the Proposed Settlement to the relevant authorities which have given their conditional approval to the Proposed Settlement vide their letter dated 9 December 2005.

The Securities Commission (referred to as the SC) vide its letter dated 20 December 2005 approved the Company's application for an extension of time until 7 June 2006 to complete the Proposed Settlement. Subsequently, an application was made on 6 June 2006 for an extension of time for a further six (6) months to 7 December 2006.

The SC vide its letter dated 13 August 2006 did not approve the application for the extension of time. The directors are continuing to deliberate on the next course of action in relation to the Proposed Settlement, and understand that the Guarantors are exploring various options to arrive at a solution to the Proposed Settlement, and will keep the SC abreast accordingly.

B5. Taxation

	9 months ended	
	31.03.2007	31.03.2006
	RM	RM
Current Taxation	-	-
Current Deferred Taxation	-	-
	-	-

There is no taxation for the current quarter as there are accumulated tax losses brought forward available to set off the profits.

B6. Unquoted investments and/or properties

There was no purchase or sale of unquoted investments and/or properties for the current quarter and the period under review.

B7. Quoted Securities

There were no purchases or sale of quoted securities for the current quarter and the period under review.

B8. Status of Corporate Proposals

a) On 10 March 2006, the Board of Directors of AHB announced that AHB and its wholly-owned subsidiary, AHB Technology Sdn Bhd (collectively "the Company") had engaged KPMG Financial Services Sdn Bhd ("KPMG") as financial advisors to propose a voluntary debt restructuring scheme ("VDR") to all termed-out lenders for acceptance in relation to the Supplementary Debt Restructuring Agreement dated 17 August 2001 ("SDRA"). In relation to the VDR, the Company had on 9 March 2006 been served with a Summons In Chambers filed by OCBC Bank (Malaysia) Berhad ("OCBC Bank") in relation to a claim by OCBC Bank for the amounts due and owing by AHB Technology Sdn Bhd to OCBC Bank under a Term Loan Account in the sum of RM1,199,178.88 as at 30 April 2005 with interest thereon as provided for in the SDRA. AHB is currently in active discussions with KPMG to arrive at a settlement with all termed-out lenders, including OCBC.

b) The Securities Commission ("SC") has vide its letter dated 26 October 2005 approved under Section 32(5) of the Securities Commission Act, 1993 the waiver from complying with approval conditions as set out in the SC's letter dated 28 January 2002, as follows:

(i) AHB should ensure full compliance with paragraph 11.12 of the Policies an Guidelines on Issue/Offer of Securities ("SC Issues Guidelines") with regard to the listing of a trading/retailing company on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") or operate a core business for which listing on the Second Board of Bursa Securities is allowed, within 2 years from the date of the decision letter; and

(ii) AHB should eliminate its accumulated losses within 2 1/2 years from the date of the decision letter.

The SC's approval is subject to the condition that the Company or its advisers, Affin Merchant Bank Berhad should submit a detailed proposal to the SC on the Company's plan to eliminate the accumulated losses and the said proposal should also be announced to Bursa Securities. The Board of Directors of the Company has taken note of the condition imposed by the SC and is actively deliberating on the same and/or the next course of action to be taken by the Company.

The SC has also, vide the same letter, approved the extension of time up to 30 June 2006 for compliance of the Bumiputera equity condition, which was imposed under the Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests, vide the SC's letters dated 9 December 2004 and 25 February 2005. The equity condition was imposed on the requirement to increase the Bumiputera equity up to 30% (equivalent to 6,955,000 shares) of the enlarged issued and paid-up share capital of AHB.

B9. Group Borrowings and Debt Securities

	RM'000 As of 31 March 07
The Group's borrowings are as follows:	
Secured loan	9,864
Unsecured overdraft	165
	10,029
Long Term Borrowings	
(i) Termed Out Loan	6,340
(ii) Term Loan	1,327
Short Term Borrowings	
(1) Trust Receipts	2,193
(2) Unsecured Overdraft	169
	10,029

(i) This Termed-Out Loan from various financial institutions bears interest at 1.0% above the BLR or 1.5% above the cost of funds per annum.

(ii) Five-year term loan initially amounting to RM2,500,000 are from two financial institutions, and bears interest ranging from 5.30% to 7.40% per annum.

B10. Off Balance Sheet Financial Instruments

There were no material financial instruments with off balance sheet risk during the period under review.

B11. Material Litigation

There were no material litigations, except as disclosed in B8 (a).

B12. Dividend

No dividend is recommended for the current quarter and period under review.

B13. Earnings Per Share

	3 months period ended		9 months Year Ended	
	31 Mar 2007	**31 Mar 2006**	**31 Mar 2007**	**31 Mar 2006**
Basic Earnings Per Share				
Net profit	587,900	381,000	2,797,100	3,530,741
Weighted average number of ordinary shares in issue	48,131,398	41,858,633	48,131,398	41,858,633
Basic earnings per share (sen)	1.22	0.91	5.81	8.43
Diluted Earnings Per Share	N/A	N/A	N/A	N/A

Fully diluted earnings per ordinary share is calculated by dividing the adjusted net profit for the year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The Company has two categories of potentially dilutive ordinary shares as follows :

(i) Employees Share Option Scheme (“ESOS”)
(ii) Warrants 2005/2014; and

The diluted earnings per ordinary share of the Group has not been presented as the average fair value of the shares of the Group is lower than the exercise price for the exercise of ESOS, Warrants 2005/2014 and conversions of the 5.5% ICULS 2002/2007 to ordinary shares. The effect of this would be anti-dilutive to earnings per ordinary share.

\- END OF REPORT –