

AHB HOLDINGS BERHAD

Company number 274909-A. Stock Code 7315

Interim Financial Statements for the Fourth Quarter ended 30 September 2022



AHB Holdings Berhad 274909-A
And Its Subsidiary Companies

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 30 SEPTEMBER 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	12 months ended	12 months ended
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RM	RM	RM	RM
1 (a) Revenue	3,784,675	711,405	10,270,056	8,006,827
(b) Other income	930	1,258	69,325	5,854
2 (a) (Loss)/Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(4,094,875)	(1,976,516)	(5,617,398)	(2,322,512)
(b) Finance cost	(32,751)	(66,151)	(144,068)	(185,320)
(c) Depreciation of property, plant and equipment	(360,691)	(365,578)	(1,431,756)	(1,462,641)
(d) Depreciation of right-of-use asset	(406,604)	(228,011)	(1,132,249)	(916,118)
(e) Share based payment expenses	-	-	(182,902)	(243,807)
3 Loss before taxation - Continued operation	(4,689,419)	(2,636,256)	(8,325,471)	(5,130,398)
Loss before taxation - Discontinued operation	(22,600)	-	(22,600)	-
4 Income tax	-	-	-	-
5 Loss for the period	(4,712,019)	(2,636,256)	(8,348,071)	(5,130,398)
6 Other comprehensive income	-	-	-	-
7 Total comprehensive income for the period	(4,712,019)	(2,636,256)	(8,348,071)	(5,130,398)
8 Loss attributable to :				
a) Equity holders of the parent	(4,712,019)	(2,636,256)	(8,348,071)	(5,130,398)
b) Non-controlling interest	-	-	-	-
	(4,712,019)	(2,636,256)	(8,348,071)	(5,130,398)
9 Total comprehensive income attributable to:				
a) Equity holders of the parent	(4,712,019)	(2,636,256)	(8,348,071)	(5,130,398)
b) Non-controlling interest	-	-	-	-
	(4,712,019)	(2,636,256)	(8,348,071)	(5,130,398)
10 Loss per share attributable to shareholders of the parent (sen):				
a) Basic	(1.38)	(0.32)	(2.44)	(0.96)
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 30 SEPTEMBER 2022

The figures have not been audited.

	(Unaudited) As At 30.09.2022 RM	(Audited) As At 30.09.2021 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	6,960,420	8,236,947
Rights-of-use asset	4,353,309	5,215,298
Goodwill on consolidation	-	1,935,486
Deferred tax asset	4,000,000	4,000,000
	15,313,729	19,387,731
Current Assets		
Inventories	6,549,890	6,148,536
Trade receivables	6,570,144	3,224,807
Other receivables, deposits & prepayments	8,691,394	596,011
Cash and bank balances	799,848	3,503,967
	22,611,275	13,473,321
TOTAL ASSETS	37,925,005	32,861,052
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	60,913,214	49,171,397
Reserves	(32,128,191)	(23,611,553)
TOTAL EQUITY	28,785,023	25,559,844
Non-Current Liability		
Lease liabilities	3,316,521	4,641,978
	3,316,521	4,641,978
Current Liabilities		
Trade payables	311,091	139,256
Other payables & accrued expenses	4,031,869	1,464,294
Amount owing to directors	-	99,000
Lease Liabilities	1,480,501	956,680
	5,823,461	2,659,230
TOTAL LIABILITIES	9,139,982	7,301,208
TOTAL EQUITY AND LIABILITIES	37,925,005	32,861,052
Net Asset per Share (RM)	0.084	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 30 SEPTEMBER 2022**

The figures have not been audited.

GROUP	Attributable to Equity Holders of the Company				
	Share Capital	Capital Reserve	Share Issuance Scheme Option Reserve	Accumulated Loss	Total
	RM	RM	RM	RM	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	-	-	-	(8,348,071)	(8,348,071)
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
Capital reduction	-	(21,305,406)	-	21,305,406	-
Grant of SIS Options	-	-	443,201	-	443,201
Lapse of SIS Options	-	-	(137,364)	(122,933)	(260,298)
At 30 September 2022	60,913,214	-	155,901	(32,284,092)	28,785,023

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 STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

The figures have not been audited.

	12 months ended 30.09.2022 (Unaudited) RM	12 months ended 30.09.2021 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
- Continued operation	(8,325,471)	(5,531,705)
- Discontinued operation	(22,600)	
Adjustments for:		
Depreciation of property, plant and equipment	1,431,756	1,462,642
Depreciation of rights of use assets	1,132,249	916,118
Gain on disposal of subsidiaries	(540,063)	-
Interest Expenses	144,068	196,618
Inventories written down	-	87,335
Impairment loss on trade receivables	500,000	161,813
Impairment loss written off	-	113,922
Interest income	(10,885)	(49,477)
Share-based payments	182,902	243,807
Unrealised gain on foreign exchange	-	12,846
Operating profit before working capital changes	<u>(5,508,044)</u>	<u>(2,386,081)</u>
Changes in working capital:-		
Inventories	(401,355)	(299,480)
Trade Receivables	(4,507,083)	747,058
Other Receivables	(8,101,283)	424,141
Trade Payables	171,934	(1,874,785)
Other Payables	5,764,114	198,466
	<u>(7,073,672)</u>	<u>(804,600)</u>
Cash used in operations	(12,581,716)	(3,190,681)
Interest received	10,885	49,477
Interest paid	(144,068)	(196,618)
	<u>(133,183)</u>	<u>(147,141)</u>
Net cash used in operating activities	<u>(12,714,899)</u>	<u>(3,337,822)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(207,278)	(66,417)
Cash outflow from disposal of subsidiaries	(1,392)	-
Net cash used in investing activities	<u>(208,670)</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	551,510	401,851
Payment of lease liabilities	(1,071,896)	(783,972)
Net cash generated from financing activities	<u>10,219,450</u>	<u>1,383,286</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	<u>(2,704,119)</u>	<u>(2,020,953)</u>
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><u>799,848</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 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
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	
	12 months period ended	
	30 September 2022	30 September 2021
	RM	RM
South – Eastern Asia	8,260,540	6,307,937
Middle East	2,009,516	1,624,522
South – Central Asia	-	74,368
Europe	-	-
	<hr/>	<hr/>
	10,270,056	8,006,827

- 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
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 RM 3.784 million as compared to RM 0.711 million recorded in the preceding year corresponding quarter. The higher revenue was due to the increase in revenue of RM 3.073 million.

For the twelve months financial period, the Group recorded a gross revenue of RM 10.270 million as compared to RM 8.007 million recorded in the preceding year corresponding period. The higher revenue was due to the increase in revenue of RM 2.263 million.

For the current quarter under review, the Group recorded a loss before tax of RM 4.712 million as compared to a loss before tax of RM 2.636 million recorded in the preceding year corresponding quarter.

For the twelve months financial period, the Group recorded a loss before tax of RM 8.348 million as compared to a loss before tax of RM 5.130 million recorded in the preceding corresponding period. The increase in loss was mainly attributable to the increase in cost of sales, administrative expenses, depreciation and other operating costs.

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

Revenue for the current quarter under review was RM3.784 million as compared to RM3.054 million for the preceding quarter. The higher revenue was due to the increase in revenue of RM0.73million.

The Group reported a loss before tax of RM4.712 million as compared to a loss before tax of RM 0.963 million for the preceding quarter ended 30 June 2022. The increase in loss was mainly attributable to the increase in cost of sales, depreciation and other operating costs.

B3. Prospects

The on-going armed conflict in the Ukraine has triggered a global price fluctuation of commodities. Together with the on-going Covid-19 pandemic, US-China-Taiwan tensions, the extreme global climate change, rising interest rates and volatility of currency exchanges, these are likely to create further global security and economic uncertainties which may affect the financial performance of the Group in 2022.

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 to strategize, adapt and navigate through the challenging business environment and endeavor to take timely and appropriate actions to minimize operating risks and optimize its resources to ensure the business operations remain resilient in these uncertain times.

B4. Profit Forecast or Profit Guarantee

- (a) Profit Forecast : Not applicable
- (b) Profit Guarantee : Not applicable.

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

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

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.

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	10,704	0	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	10,969	0	

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.

In 30 June 2022, the Company has made the announcement that the Disposal has completed in 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.

In 24 August 2022, on behalf of the Board, TA Securities announced that the High Court of Malaya at Shah Alam had on 24 August 2022 granted an order confirming the Share Capital Reduction (“Order”).

**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)

In 4 October 2022, TA Securities announced that the sealed Order granted from the High Court of Malaya confirming the Share Capital Reduction had been lodged with the Registrar of Companies on 3 October 2022. Pursuant thereto, the Share Capital Reduction shall therefore take effect and be deemed completed on 3 October 2022.

In 3 June 2022, on behalf of the Board, Mercury Securities announced that the Company wishes to undertake the Proposals. Application for the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities has been submitted to Bursa Securities in 12 July 2022.

In 8 August 2022, on behalf of the Board, Mercury Securities announced that the Board had withdrawn the application for the listing of and quotation for the Conversion Shares on the Main Market of Bursa Securities ("Application") which was submitted to Bursa Securities on 12 July 2022.

In 7 November 2022, on behalf of the Board, Mercury Securities announced that the application for the Proposals has been submitted to Bursa Securities.

B7. Group Borrowings and Debt Securities

The Group does not have any borrowings nor debt securities as at 30 September 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.

-the remainder of this page is intentionally left blank. –

**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)

B10. Earnings Per Share

Basic Earnings Per Share	3 months period ended		12 months period ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
Net loss	(4,712,019)	(2,636,256)	(8,348,071)	(5,130,398)
Weighted average number of ordinary shares in issue	342,145,980	260,305,594	342,145,980	260,305,594
Basic loss per share (sen)	(1.38)	(1.01)	(2.44)	(1.97)
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 12 months period ended
	30 Sept-22 RM	30 Sept-22 RM
Other income	930	69,325
Interest expenses	(32,751)	(144,068)
Depreciation and amortization	<u>(767,295)</u>	<u>(2,564,005)</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 -