



AHB HOLDINGS BERHAD

274909-A

INTERIM FINANCIAL STATEMENTS
for the quarter ended 30 June 2013

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

**CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME
for the quarter ended 30 June 2013**

The figures have not been audited.

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING	CURRENT YEAR	PRECEDING YEAR CORRESPONDING
		3 months ended	3 months ended	12 months ended	12 months ended
		30/06/2013	30/06/2012	30/06/2013	30/06/2012
		(unaudited)	(unaudited)	(unaudited)	(Audited)
		RM	RM	RM	RM
1 (a)	Revenue	1,139,996	3,518,062	12,500,173	17,391,326
(b)	Other income	11,492,000	6,367	11,492,000	479,405
2 (a)	Profit/(Loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests	(7,763,376)	(2,174,023)	(6,834,080)	(1,606,580)
(b)	Finance cost	(221,624)	(261,737)	(1,037,580)	(1,113,471)
(c)	Depreciation and amortisation	(9,600)	(33,648)	(92,574)	(152,411)
3	Profit/(Loss) Before Taxation	(7,994,600)	(2,469,408)	(7,964,234)	(2,872,462)
4	Income tax	(900,062)	-	(900,062)	-
5	Profit/(Loss) for the Period	(8,894,662)	(2,469,408)	(8,864,296)	(2,872,462)
6	Other Comprehensive Income	-	-	-	-
7	Total comprehensive income for the period	(8,894,662)	(2,469,408)	(8,864,296)	(2,872,462)
8	Profit/(Loss) Attributable to :				
a)	Equity holders of the parent	(8,894,662)	(2,469,408)	(8,864,296)	(2,872,462)
b)	Non-controlling interest	-	-	-	-
		(8,894,662)	(2,469,408)	(8,864,296)	(2,872,462)
9	Total Comprehensive Income Attributable to :				
a)	Equity holders of the parent	(8,894,662)	(2,469,408)	(8,864,296)	(2,872,462)
b)	Non-controlling interest	-	-	-	-
		(8,894,662)	(2,469,408)	(8,864,296)	(2,872,462)
10	Loss per share attributable to shareholders of the parent (sen) :				
a)	Basic	(18.48)	(5.13)	(18.42)	(5.97)
b)	Dilluted	NA	NA	NA	NA

The Condensed Consolidated Income Statement of Comprehensive Income should be read in conjunction with the audited Financial Statement Year Ended 30 June 2012.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2013

The figures have not been audited.

	(Unaudited) As At 30.06.2013 RM	(Audited) As At 30.06.2012 RM
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	305,844	366,816
Goodwill on Consolidation	1,935,486	1,935,486
Deferred tax asset	2,500,000	2,500,000
	<u>4,741,330</u>	<u>4,802,302</u>
Current Assets		
Inventories	7,014,313	9,161,702
Trade receivables	7,145,982	13,171,038
Other receivables, deposits & prepayments	6,158,928	12,224,656
Tax recoverable	3,357	147,618
Cash and bank balances	380,229	3,688
	<u>20,702,809</u>	<u>34,708,702</u>
TOTAL ASSETS	<u>25,444,139</u>	<u>39,511,004</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	9,626,280	48,131,398
Share premium	3,664,610	3,664,610
Capital Reserve	21,305,406	-
Accumulated Losses	(30,208,110)	(38,543,526)
TOTAL EQUITY	<u>4,388,186</u>	<u>13,252,482</u>
Non Current Liabilities		
Long-term borrowings	2,427,420	3,170,197
	<u>2,427,420</u>	<u>3,170,197</u>
Current Liabilities		
Trade payables	1,933,454	3,090,619
Other payables & accrued expenses	10,154,662	15,957,243
Amount owing to directors	3,607,157	2,615,794
Bank borrowings	2,033,198	1,424,669
Tax liabilities	900,062	-
	<u>18,628,533</u>	<u>23,088,325</u>
TOTAL LIABILITIES	<u>21,055,953</u>	<u>26,258,522</u>
TOTAL EQUITY AND LIABILITIES	<u>25,444,139</u>	<u>39,511,004</u>
Net Asset per Share (RM)	<u>0.091</u>	<u>0.275</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statement Year Ended 30 June 2012.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the quarter ended 30 June 2013

The figures have not been audited.

	← Attributable to Equity Holders of the Company →						
	Issue Capital RM	Non- distributable Reserve Share Premium RM	Non- distributable Reserve Capital Reserve RM	Accumulated Loss RM	Total RM	Non-controlling Interest RM	Total Equity RM
At 1 July 2012	48,131,398	3,664,610	-	(38,543,526)	13,252,482	-	13,252,482
Par Value Reduction via cancellation of RM0.80 of the par value of RM1.00 per share & Resultant Capital Reserve	(38,505,118)		21,305,406	17,199,712	-	-	-
Total comprehensive income for the period	-	-	-	(8,864,296)	(8,864,296)	-	(8,864,296)
At 31 June 2013	9,626,280	3,664,610	21,305,406	(30,208,110)	4,388,186	-	4,388,186
At 1 July 2011	48,131,398	3,664,610	-	(35,671,064)	16,124,944	-	16,124,944
Total comprehensive income for the period	-	-	-	(2,872,462)	(2,872,462)	-	(2,872,462)
At 30 June 2012	48,131,398	3,664,610	-	(38,543,526)	13,252,482	-	13,252,482

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Financial Statement Year Ended 30 June 2012.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the quarter ended 30 June 2013

The figures have not been audited.

	12 months ended 30/06/2013 (Unaudited) RM	12 months ended 30/06/2012 (Audited) RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(7,964,234)	(2,872,462)
Adjustment for:		
Impairment loss on receivables	12,752,563	600,000
Bad debts written off	-	105,351
Depreciation and amortisation	92,572	152,411
Finance costs	1,037,580	1,113,471
Loss on disposal of property, plant and equipment	2,361	-
Unrealised loss/(profit) on foreign exchange	61,510	(468,812)
Waiver of debt	(11,492,000)	-
Operating Profit/(Loss) before working capital changes	(5,509,648)	(1,370,041)
Changes in Working Capital:-		
Inventories	2,147,389	780,790
Receivables	(723,291)	(568,322)
Payables	4,532,255	(796,741)
Directors	991,363	2,274,736
Tax refunded	144,261	-
Net cash generated from operating activities	1,582,329	320,422
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(33,960)	(38,381)
Net cash used in investing activities	(33,960)	(38,381)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(987,218)	(422,920)
Repayment of borrowings	(184,610)	(659,779)
Net cash used in financing activities	(1,171,828)	(1,082,699)
NET CHANGES IN CASH & CASH EQUIVALENTS	376,541	(800,658)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	3,688	804,346
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	380,229	3,688

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Financial Statement Year Ended 30 June 2012.

**AHB HOLDINGS BERHAD 274909-A
AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

Part A – Explanatory Notes Pursuant to MFRS134

A 1. 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 June 2012.

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 June 2012.

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the financial year ending 30 June 2013. MFRS 1 : First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

In preparing its opening MFRS Statement of Financial Position as at 1 July 2011 (which is also the date of transition), the Group has accounted for the amounts previously reported in financial statements prepared in accordance with FRS. The transition from FRS to MFRSs has not materially affected the reported financial position, financial performance and cash flows of the Group.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the financial year ended 30 June 2012 were prepared in accordance with FRS. The requirements under FRS and MFRS are similar. The accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2012 except as mentioned below :

The adoption of the applicable MFRSs, Amendments to MFRSs and IC interpretations do not have any material impact on the interim financial statements of the Group

Meanwhile, the Group has not adopted the following MFRSs and Amendments to MFRSs that have been issued but not yet effective.

	<u>Effective for financial periods beginning on or after</u>
Amendments to MFRS 132 - Offsetting Financial Assets And Financial Liabilities	1 January 2014
MFRS 9 - Financial Instruments	1 January 2015

A3. Auditors’ Report on Preceding Audited Financial Statement

The auditors’ report on the financial statements for the year ended 30 June 2012 was a qualified opinion due to the impairment loss on trade receivables amounting to RM20,950,845 where the trade receivables of the Group amounting to RM2,065,362 have been long outstanding and were not impaired. Minimal or no payment was received from these receivables as at the date of audited report. In the absence of any documentary evidence and alternative audit procedures, the auditors are unable to obtain sufficient appropriate audit evidence to ascertain the recoverability of the said balances.

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The figures have not been audited

A4. Seasonality or cyclical

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

On 21 May 2012, the Company announced the proposal to undertake the reduction of the issue and paid up share capital of the Company pursuant to Section 64 of the Companies Act, 1965 via the cancellation of RM 0.80 of the existing par value of each ordinary share of RM 1 each in the Company ("Par Value Reduction").

The shareholders of the Company had approved the Par Value Reduction at an Extraordinary General Meeting held on 28 June 2012.

On 6 September 2012, the High Court of Malaya granted an order confirming the Par Value Reduction.

On 3 October 2012, the sealed order was lodged with the Companies Commission of Malaysia and accordingly, the Par Value Reduction took effect on 3 October 2012 as follows:-

<u>Group level</u>	As at 3 October 2012 RM	After Par Value Reduction RM
Share capital	48,131,398	9,626,280
Share premium	3,664,610	3,664,610
Capital reserve	-	21,305,406
Accumulated losses	(38,684,721)	(21,485,009)
Shareholders' funds	<u>13,111,287</u>	<u>13,111,287</u>

The total credit arising from the Par Value Reduction will be utilised to set-off against the accumulated losses of the Company. The excess after such set-off shall be transferred to a non-distributable capital reserve of the Company as illustrated below:-

<u>Company level</u>	As at 3 October 2012 RM
Accumulated losses	(17,199,712)
Less: Credit arising from the Par Value Reduction	<u>38,505,118</u>
Resultant Capital Reserve	<u>21,305,406</u>

There are no other activities in the current quarter under review other than disclosed above.

**AHB HOLDINGS BERHAD 274909-A
AND ITS SUBSIDIARY COMPANIES**

The figures have not been audited

A8. Dividend Paid

No dividend was paid for the period under review.

A9. Segmental Reporting

Business segment

Information relating to business segment is not presented as the Group has identified the business of office interior products, office furniture and specialised computer 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 June 2013	30 June 2012
	RM	RM
South – Eastern Asia	1,933,972	2,781,889
Middle East	7,097,958	9,617,179
South – Central Asia	2,954,971	4,755,386
America	513,272	236,332
	<hr/>	<hr/>
	12,500,173	17,391,326
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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.

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 2012.

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 period under review.

A13. Contingent Liabilities

There were no contingent material claims for and against the Group as at 30 June 2013.

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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 3 months period ended 30 June 2013, the Group registered RM1,139,996 revenue and net loss of RM8,894,662 compared to RM3,518,062 revenue and net loss of RM2,469,408 in preceding year corresponding quarter. In addition, the Group has registered an revenue of RM11,492,000 arising from the Profit Guarantors settling their profit guarantee towards to the Group.

For the 12 months period ended 30 June 2013, the Group registered RM12,500,173 revenue and net loss of RM8,864,296 compared to RM17,391,326 and net loss of RM2,872,462 respectively in the corresponding 12 months period ended 30 June 2012.

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

The Group recorded a Loss before Taxation of RM7,994,600 as compared to a Profit before Taxation of RM137,117 in the previous quarter.

B3. Prospects

AHB is guarded about its financial performance for the financial year ending 30 June 2013. While the continuing global financial crisis affects the office furniture purchase decision, AHB had introduced new furniture programs and new products to improve the market penetration. AHB also will be more aggressive in marketing of its products to a more diversified market base, including improving the local market share of the office furniture markets. The board is actively considering ways to mitigate these uncertainties of the Group's revenue and the management is working hard to explore these initiatives.

B4. Profit Forecast or Profit Guarantee

(a) Profit Forecast : Not applicable

(b) Profit Guarantee

The Profit Guarantee was resolved in accordance to an announcement to Bursa on 20 June 2013.

B5. Taxation

The income taxation for the current quarter represents additional tax assessment for the year of assessment 1998 on a subsidiary due to reinvestment allowances and certain expenses claimed that were disallowed by the tax authorities.

B6. 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 is negotiating with various banks to reschedule the loans, and would be completing this exercise in the near future. As at the date of this quarterly report, all termed-out lenders have re-scheduled the loans with AHB.

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The figures have not been audited

- 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 and 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.

B7. Group Borrowings and Debt Securities

	RM’000
	As at 30 June 2013
The Group’s borrowings are as follows:	
Secured loan	
Long Term Borrowings	
(i) Termed Out Loan	494
(ii) Term Loan	1,933
Short Term Borrowings	
(i) Termed Out Loan	581
(ii) Term Loan	1,452
Total	4,460

B8. Material Litigation

There were no material litigations other than the announcements made on 5 January 2010 and 13 January 2010.

B9. Dividend

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

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**AHB HOLDINGS BERHAD 274909-A
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The figures have not been audited

B10. Earnings Per Share

	3 months period ended		12 months period ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Basic Earnings Per Share				
Net profit/(loss)	(8,894,662)	(2,469,408)	(8,864,296)	(2,872,462)
Weighted average number of ordinary shares in issue	48,131,398	48,131,398	48,131,398	48,131,398
Basic profit/(loss) per share (sen)	(18.48)	(5.13)	(18.42)	(5.97)
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 a category of potentially dilutive ordinary shares as follows:
Warrants 2005/2014;

The effect of this would be anti-dilutive to earnings per ordinary share.

B11. Profit/(Loss) Before Tax

Profit/(Loss) before tax is arrived at after crediting/(charging) the following:

	3 months period ended 30 June 2013 RM	12 months period ended 30 June 2013 RM
Other income	11,492,000	11,492,000
Interest expenses	(221,624)	(1,037,580)
Depreciation and amortization	(9,600)	(92,574)
Impairment loss on receivables	(12,752,563)	(12,752,563)
Foreign exchange loss	(86,537)	(741,961)

The following items are not applicable for the quarter/period:

- i) Provision for and write off of inventories
- ii) Gain/(Loss) on disposal of quoted or unquoted investment or properties
- iii) Impairment of assets
- iv) Gain/(Loss) on derivatives
- v) 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.

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The figures have not been audited

Realised and Unrealised Losses

	As at 30 June 2013 RM	As at 31 March 2013 RM
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(26,782,186)	(19,325,667)
- Unrealised gain / (loss)	(61,510)	1,375,764
	<hr/>	<hr/>
	(26,843,696)	(17,949,903)
Add: Consolidation adjustments	(3,364,414)	(3,364,545)
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Total Group accumulated losses as per consolidated accounts	(30,208,110)	(21,313,448)
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- END OF REPORT -