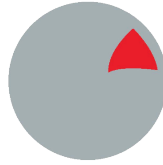


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



AHB HOLDINGS BERHAD
(Registration No. 199301020171 (274909-A))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE OF WARRANTS IN AHB HOLDINGS BERHAD (“AHB”) (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN AHB HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



MERCURY SECURITIES SDN BHD
(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of AHB (“**EGM**”) will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting (“**RPV**”) Facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC – D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Tuesday, 6 February 2024 at 11.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

You are entitled to attend and vote remotely at the EGM using the RPV Facilities or appoint a proxy or proxies to attend and vote remotely on your behalf. If you wish to do so, you may deposit the Form of Proxy at the Company’s Share Registrar’s Office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or email to admin@aldpro.com.my in not less than 48 hours before the time and date stipulated for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last day, date and time for lodging the Form of Proxy : Sunday, 4 February 2024 at 11.00 a.m.

Day, date and time of the EGM : Tuesday, 6 February 2024 at 11.00 a.m.

This Circular is dated 22 January 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

5D-VWAP	:	5-day volume weighted average price
12M-FPE	:	12-month financial period ended
Acquisition	:	The acquisition by AHBD of the Taman Yarl Land from AJSB, which was completed on 13 June 2023
Act	:	Companies Act 2016, as amended from time to time and includes any re-enactment thereof
AHB or Company	:	AHB Holdings Berhad (Registration No. 199301020171 (274909-A))
AHB Group or Group	:	Collectively, our Company and subsidiaries
AHB Share(s) or Share(s)	:	Ordinary share(s) in our Company
AHBD	:	AHB Development Sdn Bhd (Registration No. 202201006669 (1452366-X)), a wholly-owned subsidiary of our Company
AJSB	:	Awan Jingga Sdn Bhd (Registration No.: 201201022255 (1006747-H))
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Central Depositories Act	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time and includes any re-enactment thereof
Circular	:	This circular to the shareholders of our Company dated 22 January 2024 in relation to the Proposed Bonus Issue of Warrants
Corporate Exercises	:	Collectively, the Acquisition, RCPS Issuance, diversification of the principal activities of our Group to include property development activities and amendment of the Constitution of AHB to facilitate the RCPS Issuance
Deed Poll	:	Deed poll constituting and governing the Warrants, to be executed by our Company at a later date
Development Project	:	Residential development on the Taman Yarl Land comprising 1 unit of 3-storey bungalow and 8 units of 3-storey linked villa
Directors	:	Directors of our Company and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
EGM	:	Extraordinary General Meeting of AHB
Entitled Shareholders	:	Shareholders of AHB whose names appear in the Record of Depositors of our Company on the Entitlement Date

DEFINITIONS (Cont'd)

Entitlement Date	:	A date to be determined and announced later by the Board, on which the names of the shareholders of our Company must appear in the Record of Depositors of our Company as at 5.00 p.m. in order to participate in the Proposed Bonus Issue of Warrants
EPS	:	Earnings per AHB Share
FPE	:	Financial period ended / ending, as the case may be
Furniture Business	:	Trading of office furniture, specialised computer furniture and office interior products
FYE	:	Financial year ended / ending, as the case may be
Indicative Exercise Price	:	Indicative exercise price per Warrant assumed at RM0.14
Indicative Issue Price	:	Indicative issue price per Placement Share assumed at RM0.1167
LAT	:	Loss after taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	16 January 2024, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per AHB Share
LTD	:	19 December 2023, being the last trading date prior to the announcement in relation to the Private Placement and Proposed Bonus Issue of Warrants
Maximum Scenario	:	Assuming all the 3,196,000 outstanding SIS Options are exercised into new AHB Shares prior to the implementation of the Private Placement
Mercury Securities or Principal Adviser	:	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
Minimum Scenario	:	Assuming none of the outstanding SIS Options are exercised into new AHB Shares prior to the implementation of the Private Placement
NA	:	Net assets
Official List	:	A list specifying all securities that have been admitted for listing on Bursa Securities and not removed
Placee(s)	:	Independent third party investor(s) to be identified later
Placement Share(s)	:	Up to 67,777,200 new Shares to be issued pursuant to the Private Placement
Private Placement	:	A private placement of up to 67,777,200 Placement Shares, representing up to 10% of the total number of issued shares of AHB (excluding treasury shares, if any) to be completed prior to the implementation of the Proposed Bonus Issue of Warrants

DEFINITIONS (Cont'd)

Proposed Bonus Issue of Warrants	: Proposed bonus issue of Warrants on the basis of 1 Warrant for every 2 existing AHB Shares held by the Entitled Shareholders on the Entitlement Date
RCPS	: 2% cumulative redeemable convertible preference shares in our Company
RCPS Issuance	: An issuance of up to 600,000,000 RCPS at an issue price of RM0.10 per RCPS to the Triton Capital Fund VCC
Record of Depositors	: A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rules of Bursa Depository	: Rules of Bursa Depository
SIS	: Share issuance scheme
SIS Option(s)	: Option(s) granted under our Company's SIS
Taman Yarl Land	: 4 parcels of land located in Mukim Petaling, Kuala Lumpur
Trading Business	: Trading of building materials, machineries and equipment as well as related business activities
Warrant(s)	: Up to 372,774,770 new warrants in AHB to be allotted and issued pursuant to the Proposed Bonus Issue of Warrants
Warrant Holder(s)	: The holder(s) of the Warrants

CURRENCIES

RM and sen	: Ringgit Malaysia and sen
USD	: United States Dollar

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Circular, if any, shall mean our Company or where the context requires, our Group.

References to “**you**” or “**your**” are to the shareholders of our Company, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations, enactments or rules of the stock exchange is a reference to such statutes, rules, regulations, enactments or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

DEFINITIONS (Cont'd)

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Bonus Issue of Warrants. You are advised to read this Circular in its entirety for further details of the Proposed Bonus Issue of Warrants and not to rely solely on this Executive Summary in forming a decision on the Proposed Bonus Issue of Warrants before voting at the forthcoming EGM.

Key information	Description	Reference to Circular
Summary of the Proposed Bonus Issue of Warrants	The Proposed Bonus Issue of Warrants entails an issuance of up to 372,774,770 Warrants, on the basis of 1 Warrant for every 2 existing AHB Shares held by the Entitled Shareholders. The Proposed Bonus Issue of Warrants will be implemented after the completion of the Private Placement.	Section 2
Rationale for the Proposed Bonus Issue of Warrants	<p>The Proposed Bonus Issue of Warrants is intended to reward our existing shareholders after taking into consideration, amongst others, the following factors:</p> <ul style="list-style-type: none"> (i) to reward our shareholders for your continuous support by enabling you to participate in our convertible securities, which are tradable on the Main Market of Bursa Securities, without incurring any cost; (ii) to provide our shareholders with an opportunity to increase your equity participation in our Company at a pre-determined exercise price over the tenure of the Warrants, and allow you to benefit from any potential capital appreciation of the Warrants and further participate in the future growth of our Company when the Warrants are exercised; (iii) to provide our Group with additional funds for our working capital requirements as and when the Warrants are exercised in the future without incurring interest costs as compared to bank borrowings; and (iv) to strengthen the capital base of our Group by increasing the size of our shareholders' funds pursuant to the exercise of the Warrants and hence, provide our Group greater flexibility in terms of the options available to meet our future funding requirements. 	Section 4
Approvals required	<p>The Proposed Bonus Issue of Warrants is subject to the following approvals being obtained:</p> <ul style="list-style-type: none"> (i) Bursa Securities for the following: <ul style="list-style-type: none"> (a) the admission of the Warrants to the Official List of Bursa Securities; and (b) the listing of and quotation for up to 372,774,770 Warrants and up to 372,774,770 new AHB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities, <p>which was obtained vide its letter dated 15 January 2024, subject to the conditions set out in Section 8 of this Circular;</p> (ii) the shareholders of our Company for the Proposed Bonus Issue of Warrants at the EGM to be convened; and (iii) any other relevant authorities and/or parties, if required. 	Section 8

EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference to Circular
Conditionality of the Proposed Bonus Issue of Warrants	The Proposed Bonus Issue of Warrants is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.	Section 9
Interests of Directors, major shareholders, chief executive and/or persons connected with them	None of the Directors, major shareholders and/or chief executive of AHB and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of our Company under the Proposed Bonus Issue of Warrants, which is also available to all other Entitled Shareholders on a pro-rata basis.	Section 11
Directors' statement/ recommendation	Our Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM, the details of which are set out in the Notice of EGM enclosed.	Section 12

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AHB HOLDINGS BERHAD
(Registration No. 199301020171 (274909-A))
(Incorporated in Malaysia)

Registered Office:
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

22 January 2024

Board of Directors

YAM Tunku Kamariah Aminah Maimunah Iskandariah Binti Sultan Iskandar (*Independent Non-Executive Chairwoman*)
Chow Hung Keey (*Executive Director*)
Dato' Fizal bin Kamarudin @ Fauzi (*Independent Non-Executive Director*)
Datuk Dr Anuar Bin Mohd Noh (*Independent Non-Executive Director*)
Lay Zhing Yin (*Independent Non-Executive Director*)
Susan Wong Yun Tsu (*Independent Non-Executive Director*)
Siva Kumar a/l Kalugasalam (*Independent Non-Executive Director*)
Terence Cheah Eu Lee (*Independent Non-Executive Director*)

To: The shareholders of our Company

Dear Sir/Madam,

PROPOSED BONUS ISSUE OF WARRANTS

1. INTRODUCTION

On 20 December 2023, Mercury Securities had, on behalf of our Board, announced that our Company proposes to undertake the Private Placement and Proposed Bonus Issue of Warrants.

On 16 January 2024, Mercury Securities had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 15 January 2024, resolved to approve the following:

- (i) admission of the Warrants to the Official List of Bursa Securities; and
- (ii) listing of and quotation for up to:
 - (a) 67,777,200 Placement Shares to be issued pursuant to the Private Placement;
 - (b) 372,774,770 Warrants pursuant to the Proposed Bonus Issue of Warrants and up to 372,774,770 new AHB Shares to be issued arising from the exercise of the Warrants,

on the Main Market of Bursa Securities,

subject to the conditions as set out in Section 8 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE OF WARRANTS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS

2.1 Basis and number of Warrants

The Proposed Bonus Issue of Warrants entails an issuance of up to 372,774,770 Warrants, on the basis of 1 Warrant for every 2 existing AHB Shares held by the Entitled Shareholders. The Proposed Bonus Issue of Warrants will be implemented after the completion of the Private Placement. This is to allow the Placee(s) who subscribe for the Placement Shares to be entitled to the Warrants. In view of the current market sentiment, the Board expects that the inclusion of the Placee(s) for the entitlement of the Proposed Bonus Issue of Warrants will enhance the Group's ability to procure the Placee(s) for the Private Placement. For shareholders' information, barring any unforeseen circumstances, the Private Placement is expected to be completed in the first quarter of 2024 and in the event that the Private Placement is not implemented or is partially implemented, our Company will still proceed to implement the Proposed Bonus Issue of Warrants. In addition, it is the intention of the Company not to grant any SIS Options prior to the completion of the Proposed Bonus Issue of Warrants.

The actual number of Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants is illustrated based on the following scenarios:

	Minimum Scenario	Maximum Scenario
No. of Warrants to be issued	Up to 371,016,970 Warrants based on the enlarged number of up to 742,033,940 issued Shares upon completion of the Private Placement under the Minimum Scenario	Up to 372,774,770 Warrants based on the enlarged number of up to 745,549,540 issued Shares upon completion of the Private Placement under the Maximum Scenario

Pursuant thereto, a total of up to 372,774,770 AHB Shares may be issued assuming the maximum number of 372,774,770 Warrants are issued and exercised pursuant to the Proposed Bonus Issue of Warrants under the Maximum Scenario. Notwithstanding the foregoing, the actual number of Warrants to be issued under the Proposed Bonus Issue of Warrants will depend on the number of AHB Shares in issue on the Entitlement Date.

The basis of the Proposed Bonus Issue of Warrants was determined after taking into consideration the following:

- (i) compliance with Paragraph 6.50 of the Listing Requirements, which states that the number of new AHB Shares that will arise from the exercise of all outstanding convertible equity securities, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and before the exercise of the convertible equity securities) at all times;
- (ii) dilutive effects arising from the full exercise of the Warrants on the consolidated EPS; and
- (iii) amount of proceeds our Company could potentially raise as and when the Warrants are exercised during the exercise period of the Warrants.

Fractional entitlements of the Warrants, if any, shall be disregarded and dealt with in such manner as our Board may in its absolute discretion deem fit and expedient, and in the best interest of our Company.

The Proposed Bonus Issue of Warrants will not be implemented in stages over a period of time.

2.2 Basis of determining the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders based on their respective shareholdings after the completion of the Private Placement.

The exercise price of the Warrants will be determined by our Board at a later date, after the receipt of all relevant approvals but before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:

- (i) the historical price movement of AHB Shares;
- (ii) a discount or premium of up to 10% to the 5D-VWAP of AHB Shares immediately preceding the price-fixing date to be determined and announced later;
- (iii) the prevailing market conditions; and
- (iv) the future funding requirements of our Group.

The discount or premium of up to 10% to the 5D-VWAP of AHB Shares was determined after taking into consideration, amongst others, the following:

- (i) the historical price movement of AHB Shares and the prevailing market conditions;
- (ii) the future funding requirements of our Group;
- (iii) the Warrants being exercisable at any time within a 5-year period from the date of issue of the Warrants; and
- (iv) the potential future earnings of our Group.

For clarity, the intention of determining the actual exercise price of the Warrant closer to the implementation of the Proposed Bonus Issue of Warrants serves to provide our Board with greater flexibility to determine the exercise price of the Warrants based on the foregoing basis and allow the exercise price to be more reflective of the prevailing market price of AHB Shares at that point in time. An announcement will be made by our Board at a later date on the basis of arriving at the exercise price of the Warrants and justification for the quantum of the premium or discount applied.

For illustrative purposes, the Indicative Exercise Price represents a premium of approximately RM0.0104 or 8.02% to the 5D-VWAP of AHB Shares up to and including the LPD of RM0.1296.

Our Board wishes to emphasise that the Indicative Exercise Price should not be taken as an indication of or reference to the actual exercise price of the Warrants as it will only be determined and announced at a later date and dependent on the abovementioned factors.

2.3 Ranking of the Warrants and new AHB Shares to be issued arising from the exercise of the Warrants

The Warrants shall, upon allotment and issuance, rank equally in all respects. The Warrant Holders shall not be entitled to any voting rights or right to participate in any form of distribution and/or offer of further securities in AHB until and unless such Warrant Holders exercise their Warrants into new AHB Shares in accordance with the provisions set out in the Deed Poll and such new AHB Shares have been allotted and issued.

The new AHB Shares to be allotted and issued arising from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the then existing AHB Shares, save and except that the holders of the new AHB Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of AHB, where the entitlement date precedes the date of allotment and issuance of the new AHB Shares.

2.4 Listing of and quotation for the Warrants and the new AHB Shares to be issued arising from the exercise of the Warrants

Bursa Securities had, vide its letter dated 15 January 2024, approved the admission of the Warrants to the Official List of Bursa Securities as well as the listing of and quotation for the Warrants and the new AHB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities, subject to the conditions as set out in Section 8 of this Circular.

2.5 Indicative salient terms of the Warrants

The Warrants will be traded on the Main Market of Bursa Securities separately from the existing AHB Shares and issued in a registered form and constituted by the Deed Poll.

The indicative salient terms of Warrants are set out in **Appendix I** of this Circular.

3. UTILISATION OF PROCEEDS

The Proposed Bonus Issue of Warrants is not expected to raise any funds immediately as the Warrants will be issued at no cost to the Entitled Shareholders.

The amount of proceeds to be raised from the exercise of the Warrants would depend on the actual number of Warrants exercised during the exercise period of the Warrants as well as the exercise price of the Warrants, which is to be determined at a later date. As such, the exact quantum and timeframe for utilisation of the proceeds to be raised by our Company pursuant to the Proposed Bonus Issue of Warrants cannot be determined at this juncture.

For illustrative purposes, the gross proceeds to be raised assuming all the Warrants are exercised at the Indicative Exercise Price are set out below:

	No. of Warrants issued and exercised	Gross proceeds raised (RM)
Minimum Scenario	371,016,970	51,942,376
Maximum Scenario	372,774,770	52,188,468

The abovementioned proceeds will be utilised as general working capital to fund our Group's day-to-day operations. Such general working capital expenses include, amongst others, staff-related expenses, rental and upkeep of office premises as well as administrative expenses. The proceeds to be utilised for each component of working capital are subject to the operating requirements of our Group at the relevant time and therefore, have not been determined at this juncture.

Pending the utilisation of the proceeds raised as and when the Warrants are exercised, such proceeds will be placed in interest-bearing deposits with licensed financial institution(s) and/or short-term money market instruments as our Board deems fit. The interest derived from the deposits placed with the licensed financial institution(s) and/or any gain arising from the short-term money market instruments will be used for the general working capital of our Group.

3.1 Details of fundraising exercise in the past 3 years

Save as disclosed below, our Company has not undertaken any fund-raising exercise in the past 3 years prior to the date of this Circular.

On 15 April 2021, our Company announced that AHB proposes to, amongst others, undertake a private placement of up to 111,440,000 new AHB Shares to Yong Yoke Keong, who was the Managing Director / Chief Executive Officer (resigned on 9 February 2022) and a major shareholder of our Company (ceased to be a substantial shareholder of our Company on 28 February 2022) as well as other independent third-party investors (“**Placement**”). The Placement was completed on 31 January 2022, raising total gross proceeds of approximately RM10.97 million.

As at the LPD, the status of the utilisation of the proceeds raised are as follows:

Utilisation of proceeds	Actual proceeds raised (RM'000)	Actual utilisation of proceeds (RM'000)	Balance unutilised (RM'000)	Estimated timeframe for utilisation of proceeds from the date of listing of the new AHB Shares
Working capital ⁽¹⁾	10,704	10,704	-	Within 12 months
Capital expenditure	15	15	-	Within 12 months
Marketing expenses	5	5	-	Within 12 months
Expenses for the Placement	245	245	-	Immediately
Total proceeds	10,969	10,969	-	

Note:

- (1) Our Group had utilised RM10.70 million for our Group’s working capital requirements for the supply and installation of office furniture to local and overseas customers as follows:

No.	Description	RM' million
1.	Payment to trade and other creditors for outstanding trade purchases and new purchases	7.32
2.	Payment for overseas import products (i.e., ergonomic office chairs and electornic height adjustable motors) as well as purchases of raw materials (i.e., aluminium, fabrics, furniture hardware and components and particle board materials) for the furniture products	3.38
Total		10.70

Mercury Securities had on 3 June 2022, on behalf of our Board announced that:

- (i) AHBD had on 3 June 2022 entered into a conditional joint venture agreement (“**JVA**”) with AJSB to undertake the Development Project;
- (ii) our Company proposes to undertake the diversification of the principal activities of the AHB Group to include property development activities;

- (iii) our Company had on 3 June 2022 entered into a conditional subscription agreement with Triton Capital Fund VCC for the RCPS Issuance; and
- (iv) in conjunction with the RCPS Issuance, our Company proposes to amend the Constitution of AHB to facilitate the issuance of the RCPS.

On 5 October 2022, Mercury Securities had, on behalf of our Board, announced that AHBD and AJSB had on 5 October 2022 mutually terminated the JVA and entered into a conditional sales and purchase agreement with AJSB for the Acquisition on 5 October 2022. It was further announced that upon the completion of the Acquisition, barring any unforeseen circumstances, AHBD intends to undertake the Development Project. The Acquisition was completed on 13 June 2023.

The RCPS Issuance was completed on 29 May 2023 whereby 187,053,000 RCPS had been issued pursuant to the RCPS Issuance. Subsequently on 2 June 2023, our Company had announced to vary the utilisation of proceeds raised from the RCPS Issuance.

As at the LPD, the details and status of utilisation of the proceeds raised from the RCPS Issuance are as follows:

Utilisation of proceeds	[A]	[B]	[C] = [A]+[B]	[D]	[E] = [C] – [D]	Expected timeframe for utilisation upon receipt of proceeds
	Proposed utilisation of proceeds	Variation	Revised utilisation of proceeds	Actual utilised as at the LPD	Balance unutilised as at the LPD	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
Funding for the Development Project ⁽¹⁾	14,384	(4,500)	9,884	2,968	6,916	Within 36 months
Funding for the Acquisition	2,000	-	2,000	2,000	-	Within 3 months
General working capital	753	-	753	753	-	Within 12 months
Corporate Exercises expenses	1,568	-	1,568	1,568	-	Immediate
Funding for the Trading Business ⁽²⁾	-	4,500	4,500	4,500	-	Within 12 months
Total	18,705		18,705	11,789	6,916	

Notes:

- (1) As at the LPD, the site clearance and earthwork of the Taman YarL Land have been completed and our Group had utilised RM2.97 million for the Development Project in the following manners:

No.	Description	RM' million
1.	Contractor cost for the predevelopment (consist of amongst others, deposits, site clearing and earthwork)	2.55
2.	Consultant professional fees, stamp duties, legal fees and administration expenses	0.42
Total		2.97

The unutilised balance of approximately RM6.92 million will be utilised for the construction cost of the Development Project.

- (2) Our Group had utilised RM4.50 million for the purchase of 9 generator sets with output ranges from 600 kilowatt to 800 kilowatt which were supplied to a customer who is a solution provider in the telecommunication industry.

4. RATIONALE FOR THE PROPOSED BONUS ISSUE OF WARRANTS

The Proposed Bonus Issue of Warrants is intended to reward our existing shareholders after taking into consideration, amongst others, the following factors:

- (i) to reward our shareholders for your continuous support by enabling you to participate in our convertible securities, which are tradable on the Main Market of Bursa Securities, without incurring any cost;
- (ii) to provide our shareholders with an opportunity to increase your equity participation in our Company at a pre-determined exercise price over the tenure of the Warrants, and allow you to benefit from any potential capital appreciation of the Warrants and further participate in the future growth of our Company when the Warrants are exercised;
- (iii) to provide our Group with additional funds for our working capital requirements as and when the Warrants are exercised in the future without incurring interest costs as compared to bank borrowings; and
- (iv) to strengthen the capital base of our Group by increasing the size of our shareholders' funds pursuant to the exercise of the Warrants and hence, provide our Group greater flexibility in terms of the options available to meet our future funding requirements.

5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF OUR GROUP

5.1 Overview and outlook of the Malaysian economy

Global growth is projected to moderate in 2023 and 2024 following slow growth in advanced economies; volatile financial market due to tightening monetary policy; prolonged geopolitical tensions; and increasing climatic changes. Nevertheless, inflation continues to soften as markets head towards supply chain stabilisation. In addition, world trade is projected to moderate in 2023 in line with weaker global demand. However, global trade is expected to increase in 2024 in tandem with improved trade activity in advanced economies, and emerging market and developing economies (EMDEs).

In the case of Malaysia, the economy continued to expand amid these persistent challenges in the external environment. During the first half of 2023, gross domestic product (“**GDP**”) posted a growth of 4.2% supported by resilient domestic demand, in particular private expenditure. The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending. The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

The increased external uncertainties will pose risks to the economic growth. Notwithstanding these challenges, the economy continues reaping the benefit from policies and initiatives undertaken over the years to enhance resilience and competitiveness. Overall, the economy is projected to expand moderately in the second half of the year as external demand is expected to remain low and high base effect from the previous year. Nevertheless, domestic demand will continue to drive growth. Hence, the GDP is anticipated to register a growth of approximately 4% in 2023.

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

(Source : Budget 2024, Macroeconomic Outlook, Ministry of Finance Malaysia)

5.2 Overview and outlook of the furniture industry in Malaysia

Top-Line Furniture Corporation (“**Top-Line**”), a large furniture importer and wholesale distributor based in Chicago, Illinois has expressed its intention to increase its imports from Malaysia over the next few years to RM230 million per year. The company has been sourcing home furniture from Malaysia since 2000, with total imports amounting to approximately RM840 million to-date.

Import from Malaysia grows in tandem with Top-Line’s expansion plan. New products sourcing from Malaysia will create an opportunity for Top-Line to import RM230 million yearly of Malaysian made furniture in the next few years. The increase in sourcing will not only benefit the furniture manufacturers but also benefit the supply chain players among the micro, small and medium enterprises (MSME) like suppliers of components and parts (bolts and nuts) which lead increase in employment too. United State (“**US**”) Furniture Market Report 2022 reports that the US furniture market is expected to reach a value of USD288.9 billion by 2026, with a compound annual growth rate (CAGR) of 4.47% from year 2022-2026.

Malaysia exported RM13.86 billion of furniture globally in 2022, with the US being its top export destination at RM7.24 billion or 52.2 per cent of the nation’s total furniture exports last year. Malaysia was the US’ sixth largest source of imported furniture in 2022, accounting for 2.78 per cent of the US’ total furniture and bedding import value.

(Source: US Furniture Wholeseller Seeks to Increase Sourcing from Malaysia to USD200 Million in 3 Years Time, Malaysia External Trade Development Corporation (MATRADE))

5.3 Overview and outlook of the property development industry in Malaysia

Despite the challenging global financial and economic environment, the property market managed to stay poised and posted a marginal softening in market activity in the first half of 2023 (H1 2023) compared to the same period last year (H1 2022).

Property market activity recorded a total of 184,140 transactions worth RM85.37 billion in H1 2023, down by 2.1% in volume but increased slightly by 1.1% in value against corresponding period. From the total transactions, 32.1% (59,090) and 63.6% (117,129) were transfers dated in 2022 and 2023 respectively while the remaining percentage share was for prior years’ transfers.

Sectoral market activity performance declined marginally: residential (-1.0%), industrial (-2.5%) and agriculture (-12.4%) with the exception of commercial and development land sub-sector, which increased by 16.0% and 1.4% respectively. In terms of value of transactions, residential and agriculture sub-sector recorded a decrease of 1.8% and 17.7% respectively, whereas commercial, industrial and development land sub-sector recorded otherwise, increased by 19.5%, 1.8% and 7.3% respectively.

The residential sub-sector led the overall property market, with 62.4% contribution. This was followed by agriculture sub-sector (19.8%), commercial (9.6%), development land and others (6.2%) and industrial (2.0%). In terms of value, residential took the lead with 52.5% share, followed by commercial (19.6%), industrial (12.8%), agriculture (8.3%) and development land and others (6.8%).

(Source: Property Market Report First Half 2023, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.4 Overview and outlook of the construction sector in Malaysia

The value of work done in the construction sector continued to sustain its positive pace for the sixth quarters with year-on-year growth of 9.6 per cent in the third quarter of 2023 (Q2 2023: 8.1%). The momentum was driven by a double-digit growth in the civil engineering sub-sector, which increased by 17.1 per cent (Q2 2023: 10.4%); and a surge in the Special trade activities by 16.2 per cent (Q2 2023: 9.8%). The Residential buildings also contributed to the growth by recording 7.9 per cent (Q2 2023: 6.9%). Meanwhile, the sub-sector of Non-residential buildings decreased marginally by 0.7 per cent, in contrast to the 5.7 per cent growth in the previous quarter.

Out of RM33.4 billion recorded in the third quarter of 2023, a total of RM13.5 billion or 40.5 per cent of the Construction work done value was in Civil engineering. The rise was mainly attributed to the Construction of roads and railways activity with 22.1 per cent or amounted to RM7.4 billion. Meanwhile, the value of work done for Non-residential buildings and Residential buildings was RM9.2 billion (27.5%) and RM7.3 billion (21.9%), respectively. The Special trade activities contributed RM3.4 billion (10.0%), primarily in Plumbing, heat and air-conditioning installation (RM1.1 billion); and electrical installation (RM0.9 billion) activities.

The private sector continued as the main impetus to the growth in this quarter, with an increase of 8.6 per cent (Q2 2023: 17.3%) which came from special trade activities (26.5%) and civil engineering (10.2%). The value of work done by the private sector amounted to RM19.6 billion or 58.5 per cent of the total construction work done value. On the other hand, the public sector, with a 41.5 per cent share or RM13.9 billion, rebounded strongly, recording a double-digit growth of 10.9 per cent compared to a decline of 4.8 per cent in the previous quarter. This rebound was fueled by Civil engineering (19.2%) and Residential buildings (14.8%) activities, totaling RM10.6 billion and RM0.5 billion, respectively.

Nearly 60 per cent of the work done value in the third quarter of 2023 was concentrated in Selangor, Wilayah Persekutuan (Kuala Lumpur, Putrajaya and Labuan), Sarawak and Johor. The Construction value in Selangor amounted to RM8.1 billion or 24.2 per cent, attributed to Civil engineering (RM2.8 billion), followed by Residential buildings and Non-residential buildings with both at RM2.2 billion. Meanwhile, Wilayah Persekutuan ranked second with a value of RM4.3 billion or 12.8 per cent, primarily in Residential (RM1.7 billion) and Non-residential (RM1.4 billion) activities. In addition, the work value in Sarawak was RM3.8 billion (11.4%) and Johor recorded RM3.5 billion (10.6%).

(Source: Quarterly Construction Statistics, Third Quarter 2023, Department of Statistics Malaysia)

5.5 Prospects of our Group

Our Group is currently involved in the (i) Furniture Business; (ii) property development; and (iii) Trading Business. Our Group faced challenges in the Furniture Business mainly due to the increase in raw material prices (such as metal, plastic and wood) which resulted in higher cost of purchasing furniture from suppliers as well as stiffer competition amongst players in the furniture industry (both locally and internationally).

Our Group has undertaken various steps since 2020 to improve the Furniture Business, such as the following:

- (i) obtained an exclusive furniture distributorship in Malaysia under the brand name of “Cappellini” in October 2020. Cappellini is a high-end furniture brand from Italy and has collaborated with designers from different countries to produce its furniture products. Pursuant to this, a designated Cappellini showroom area has been set up in our Group’s headquarters in Naza Tower, Persiaran KLCC in April 2021 to showcase the products of Cappellini.

Moving forward, our Group may undertake various marketing initiatives for the introduction of Cappellini products including advertisements in newspapers, interior design magazines and newsletters, as well as marketing events including product launching, participation in trade shows and on-site presentations to promote the products of Cappellini. Our Group may also explore the possibility of reaching out to architects and designers to offer furniture in offices, public areas as well as hotels and restaurants; and

- (ii) an e-commerce platform was introduced to allow customers to browse the range of products offered by our Group. As the platform features furniture products of our Group, this also helps to generate traffic to our Group's furniture showroom should potential customers wish to inspect the products physically. Our Group constantly updates its website to showcase the updated range of products offered and will continue doing so to attract potential customers.

In January 2023, our Group had ventured into the property development business through the Acquisition and undertake the Development Project. The Acquisition has been completed on 13 June 2023. As at the LPD, the Development Project remains our Group's sole property development project and the progress of the Development Project is approximately 8.3%. The Development Project has yet to be launched as the advertising permit and developer's license has not been issued. Moving forward, our Group will be focusing on completing the Development Project and will endeavour to secure more projects to establish its market presence in the property development industry. In this regard, our Group intends to seek further opportunities in the property development industry by exploring viable joint ventures in relation to property development activities and/or property development projects.

In September 2023, our Group had ventured into the Trading Business to generate additional income stream in response to its lacklustre financial performance. The Trading Business is also a complementary to our Group's property development business. Moving forward, our Group will seek and secure orders / contracts for the Trading Business by leveraging on the business network of our Group's key management personnel and property development business. As at the LPD, our Group does not have any outstanding orders / contracts and is actively seeking for new orders / contracts for the Trading Business. For the unaudited 12M-FPE 30 September 2023, the Trading Business has contributed approximately RM4.79 million or 32.42% of our Group's total revenue and recorded a profit after tax of approximately RM0.28 million as compared to our Group's total loss after tax of approximately RM17.24 million. The summary of the contribution by each business segment of our Group for the unaudited 12M-FPE 30 September 2023 is as follows:

	Unaudited 12-M FPE 30 September 2023
Segments	RM'000
<u>Revenue</u>	
Furniture Business	9,975
Trading Business	4,786
Property development	-
Investment holdings	-
Total	14,761
<u>(Loss) / Profit after tax</u>	
Furniture Business	(11,925)
Trading Business	278
Property development	(421)
Investment holdings	(5,169)
Total	(17,237)

(Source: Management of AHB)

6. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS

6.1 Issued share capital

The pro forma effect of the Proposed Bonus Issue of Warrants on the issued share capital of our Company after the completion of the Private Placement are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of AHB Shares	RM	No. of AHB Shares	RM
As at the LPD	674,576,340	68,527,041	674,576,340	68,527,041
Exercise of outstanding SIS Options	-	-	3,196,000	681,628 ⁽¹⁾
	674,576,340	68,527,041	677,772,340	69,208,669
Placement Shares to be issued pursuant to the Private Placement	67,457,600	7,872,302	67,777,200	7,909,599 ⁽²⁾
	742,033,940	76,399,343	745,549,540	77,118,268
Exercise of the Warrants	371,016,970	51,942,376 ⁽³⁾	372,774,770	52,188,468 ⁽³⁾
Enlarged issued share capital	1,113,050,910	128,341,719	1,118,324,310	129,306,736

Notes:

(1) After taking into consideration the following:

(a) assuming 3,196,000 outstanding SIS Options are exercised and converted into new AHB Shares as follows:

No. of outstanding SIS Options	Exercise Price (RM)	Amount (RM)
1,952,000	0.150	292,800
470,000	0.095	44,650
690,000	0.102	70,380
84,000	0.122	10,248

(b) the reversal from the SIS Option reserve account to the share capital account amounting to approximately RM0.26 million arising from the exercise of 3,196,000 outstanding SIS Options.

(2) Assuming that the Placement Shares are issued at the Indicative Issue Price.

(3) Assuming that the Warrants are exercised at the Indicative Exercise Price.

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6.2 NA per Share and gearing

Based on our latest audited consolidated statements of financial position as at 30 September 2022, the pro forma effects of the Proposed Bonus Issue of Warrants on our NA per Share and gearing after the completion of the Private Placement are set out as follows:

Minimum Scenario

	Audited as at 30 September 2022	(I) After the subsequent events up to the LPD ⁽¹⁾	(II) After (I) and the completion of Private Placement	(III) After (II) and the Proposed Bonus Issue of Warrants	(IV) After (III) and full exercise of the Warrants ⁽⁴⁾
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	60,913	68,527	76,399 ⁽²⁾	76,399	128,342
SIS Option reserve	156	264	264	264	264
Accumulated losses	(33,027)	(8,596)	(8,976) ⁽³⁾	(8,976)	(8,976)
NA attributable to the owners of our Company	28,042	60,195	67,687	67,687	119,630
Number of Shares in issue ('000)	375,808	674,576	742,034	742,034	1,113,051
NA per Share (RM)	0.07	0.09	0.09	0.09	0.11
Total borrowings (RM'000)	-	-	-	-	-
Gearing level (times)	-	-	-	-	-

Notes:

- (1) After taking into consideration the following:
 - (a) issuance of 187,053,000 new AHB Shares arising from the conversion of 187,053,000 RCPS at a conversion price of RM0.10 per RCPS pursuant to the RCPS Issuance undertaken by our Company from 1 October 2022 up to the LPD and the expenses of approximately RM1.57 million incurred in relation to the Corporate Exercises;
 - (b) issuance of 45,454,546 new AHB Shares at the issue price of RM0.11 per Share for the Acquisition on 13 June 2023;
 - (c) issuance of 45,000,000 and 21,261,200 new Shares arising from the exercise of SIS Options at the exercise price of RM0.1040 and RM0.1220, respectively, from 21 November 2023 up to the LPD; and
 - (d) the cancellation of RM26.00 million from share capital account of AHB to offset the accumulated losses arising from the share capital reduction which has been effected on 3 October 2022.
- (2) Based on the issuance of 67,457,600 Placement Shares at the Indicative Issue Price.
- (3) After deducting the estimated expenses of RM0.38 million in relation to the Private Placement and Proposed Bonus Issue of Warrants.
- (4) Assuming that 371,016,970 Warrants are exercised into new AHB Shares at the Indicative Exercise Price.

Maximum Scenario

	Audited as at 30 September 2022	(I) After the subsequent events up to the LPD ⁽¹⁾	(II) After (I) and assuming full exercise of SIS Options ⁽²⁾	(III) After (II) and the completion of Private Placement	(IV) After (III) and the Proposed Bonus Issue of Warrants	(V) After (IV) and full exercise of the Warrants ⁽⁵⁾
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	60,913	68,527	69,209	77,118 ⁽³⁾	77,118	129,307
SIS Option reserve	156	264	-	-	-	-
Accumulated losses	(33,027)	(8,596)	(8,596)	(8,977) ⁽⁴⁾	(8,977)	(8,977)
NA attributable to the owners of our Company	28,042	60,195	60,613	68,141	68,141	120,330
Number of Shares in issue ('000)	375,808	674,576	677,772	745,550	745,550	1,118,324
NA per Share (RM)	0.07	0.09	0.09	0.09	0.09	0.11
Total borrowings (RM'000)	-	-	-	-	-	-
Gearing level (times)	-	-	-	-	-	-

Notes:

- (1) After taking into consideration the following:
- issuance of 187,053,000 new AHB Shares arising from the conversion of 187,053,000 RCPS at a conversion price of RM0.10 per RCPS pursuant to the RCPS Issuance undertaken by our Company from 1 October 2022 up to the LPD and the expenses of approximately RM1.57 million incurred in relation to the Corporate Exercises;
 - issuance of 45,454,546 new AHB Shares at the issue price of RM0.11 per Share for the Acquisition on 13 June 2023;
 - issuance of 45,000,000 and 21,261,200 new Shares arising from the exercise of SIS Options at the exercise price of RM0.1040 and RM0.1220, respectively, from 21 November 2023 up to the LPD; and
 - the cancellation of RM26.00 million from share capital account of AHB to offset the accumulated losses arising from the share capital reduction which has been effected on 3 October 2022.
- (2) After taking into consideration the exercise of outstanding SIS Options and the reversal from the SIS Option reserve account to the share capital account as set out in Note(1) of Section 6.1 of this Circular.
- (3) Based on the issuance of 67,777,200 Placement Shares at the Indicative Issue Price.
- (4) After deducting the estimated expenses of RM0.38 million in relation to the Private Placement and Proposed Bonus Issue of Warrants.
- (5) Assuming that 372,774,770 Warrants are exercised into new AHB Shares at the Indicative Exercise Price.

6.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Bonus Issue of Warrants on the shareholdings of our substantial shareholders after the completion of the Private Placement are as follows:

Minimum Scenario

Name	As at the LPD				After the completion of the Private Placement*				After the Proposed Bonus Issue of Warrants (assuming full exercise of the Warrants)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	% ⁽¹⁾	No. of Shares ('000)	% ⁽¹⁾	No. of Shares ('000)	% ⁽²⁾	No. of Shares ('000)	% ⁽²⁾	No. of Shares ('000)	% ⁽³⁾	No. of Shares ('000)	% ⁽³⁾
RHB Trustees Berhad for Kenanga Investors Berhad	136,364	20.21	-	-	136,364	18.38	-	-	204,545	18.38	-	-
Placee(s)	-	-	-	-	67,458	9.09	-	-	101,186	9.09	-	-

Notes:

* No Placee(s) has been identified at this juncture. If any of the placee(s) holds 5% or more equity interest in our Company upon completion of the Private Placement, the said Placee(s) will emerge as a substantial shareholder of our Company.

(1) Based on the total issued Shares of 674,576,340 as at the LPD.

(2) Based on the total issued Shares of 742,033,940 after the Private Placement.

(3) Based on the total issued Shares of 1,113,050,910 after the Proposed Bonus Issue of Warrants and assuming full exercise of the Warrants.

Maximum Scenario

Name	As at the LPD				After full exercise of SIS Options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	% ⁽¹⁾	No. of Shares ('000)	% ⁽¹⁾	No. of Shares ('000)	% ⁽²⁾	No. of Shares ('000)	% ⁽²⁾
RHB Trustees Berhad for Kenanga Investors Berhad	136,364	20.21	-	-	136,364	20.12	-	-
Placee(s)	-	-	-	-	-	-	-	-
Name	After the completion of the Private Placement*				After the Proposed Bonus Issue of Warrants (assuming full exercise of the Warrants)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	% ⁽³⁾	No. of Shares ('000)	% ⁽³⁾	No. of Shares ('000)	% ⁽⁴⁾	No. of Shares ('000)	% ⁽⁴⁾
RHB Trustees Berhad for Kenanga Investors Berhad	136,364	18.29	-	-	204,545	18.29	-	-
Placee(s)	67,777	9.09	-	-	101,666	9.09	-	-

Notes:

* No Placee(s) has been identified at this juncture. If any of the placee(s) holds 5% or more equity interest in our Company upon completion of the Private Placement, the said Placee(s) will emerge as a substantial shareholder of our Company.

(1) Based on the total issued Shares of 674,576,340 as at the LPD.

(2) Based on the total issued Shares of 677,772,340 after full exercise of outstanding SIS Options.

(3) Based on the total issued Shares of 745,549,540 after the Private Placement.

(4) Based on the total issued Shares of 1,118,324,310 after the Proposed Bonus Issue of Warrants and assuming full exercise of the Warrants.

6.4 Earnings and EPS

The Proposed Bonus Issue of Warrants is not expected to have any material effect on the earnings of our Group for the 18-month FPE 31 March 2024. However, assuming that the earnings of our Group remain unchanged, the EPS of our Group will be correspondingly diluted as a result of the increase in the number of AHB Shares in issue as and when the Warrants are exercised into new AHB Shares.

The potential effects of the exercise of the Warrants on the future earnings and EPS of our Group will depend upon, amongst others, the number of Warrants exercised at any point in time and the benefits to be accrued to our Group from the utilisation of proceeds raised from the exercise of the Warrants.

6.5 Convertible securities

As at the LPD, our Company does not have any other outstanding convertible securities.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of AHB Shares as traded on the Main Market of Bursa Securities for the past 12 months from January 2023 to December 2023 are as follows:

	<u>Highest</u>	<u>Lowest</u>
	RM	RM
<u>2023</u>		
December	0.135	0.125
November	0.140	0.130
October	0.150	0.130
September	0.155	0.135
August	0.145	0.130
July	0.160	0.130
June	0.185	0.150
May	0.180	0.110
April	0.120	0.105
March	0.120	0.095
February	0.130	0.110
January	0.135	0.110
Last transacted market price on the LTD (RM)		0.135
Last transacted market price as at the LPD (RM)		0.130

(Source: Bloomberg)

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8. APPROVALS REQUIRED

The Proposed Bonus Issue of Warrants is subject to the approvals being obtained from:

- (i) Bursa Securities for the following:
 - (a) the admission of the Warrants to the Official List of Bursa Securities; and
 - (b) the listing of and quotation for up to 372,774,770 Warrants and up to 372,774,770 new AHB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities,

which was obtained vide its letter dated 15 January 2024, subject to the following conditions:

No.	Conditions	Status of compliance
1.	AHB and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;	To be complied
2.	AHB is required to furnish Bursa Securities with certified true copy of the resolution passed by the shareholders at the EGM approving the Proposed Bonus Issue of Warrants;	To be complied
3.	AHB and Mercury Securities are required to inform Bursa Securities upon completion of the Proposed Bonus Issue of Warrants;	To be complied
4.	AHB is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed;	To be complied
5.	AHB and Mercury Securities are required to provide written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements; and	To be complied
6.	AHB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of new Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) the shareholders of our Company for the Proposed Bonus Issue of Warrants at the EGM to be convened; and
- (iii) any other relevant authorities and/or parties, if required.

9. CONDITIONALITY OF THE PROPOSED BONUS ISSUE OF WARRANTS

The Proposed Bonus Issue of Warrants is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.

10. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Private Placement, Proposed Bonus Issue of Warrants (being the subject matter of this Circular) and the proposed subscription of 6,500,000 new ordinary shares in Grid Engineering Sdn Bhd announced by our Company on 14 December 2023, there are no other corporate exercises/schemes which have been announced by our Company on Bursa Securities but pending completion as at the date of this Circular.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders and/or chief executive of AHB and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of our Company under the Proposed Bonus Issue of Warrants, which is also available to all other Entitled Shareholders on a pro-rata basis.

12. DIRECTORS' STATEMENT / RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Bonus Issue of Warrants, including but not limited to the rationale and effects of the Proposed Bonus Issue of Warrants, is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of our Company and the shareholders of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM.

13. TENTATIVE TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, our Board expects the Proposed Bonus Issue of Warrants to be completed in the first quarter of 2024.

The tentative timetable for the implementation and completion of the Proposed Bonus Issue of Warrants is as follows:

<u>Tentative timing</u>	<u>Event</u>
6 February 2024	EGM for the Proposed Bonus Issue of Warrants
End February 2024	Announcement of the Entitlement Date
Early March 2024	Listing of and quotation for the Warrants and completion of the Proposed Bonus Issue of Warrants

14. EGM

Our Company's EGM, the notice of which is enclosed together with this Circular, will be held on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC – D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Tuesday, 6 February 2024 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Bonus Issue of Warrants.

You are entitled to attend and vote at the EGM or appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you may deposit the Form of Proxy at our Company's Share Registrar's Office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or email to admin@aldpro.com.my in not less than 48 hours before the time and date stipulated for the EGM or at any adjournment thereof.

The lodgement of the Form of Proxy does not preclude you from participating and voting at the EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

You are advised to refer to the enclosed appendices of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
AHB HOLDINGS BERHAD

CHOW HUNG KEAY
Executive Director

INDICATIVE SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the the Warrants are as follows:

Terms	Details
Issue size	: Up to 372,774,770 Warrants.
Form and denomination	: The Warrants will be issued in registered form and will be constituted by the Deed Poll.
Tenure	: 5 years commencing from and including the date on which the Warrants are allotted and issued and ending at 5.00 p.m. on the expiry date.
Exercise period	: The Warrants may be exercised at any time and from time to time during the period of 5 years commencing from and including the date on which the Warrants are allotted and issued and ending at 5.00 p.m. on the expiry date. Any Warrants which have not then been exercised during the exercise period will cease to be valid for any purpose.
Exercise price	: The exercise price of the Warrants will be determined by our Board at a later date, after the receipt of all relevant approvals but before the announcement of the Entitlement Date.
Expiry date	: 5.00 p.m. on a date being 5 years from and including the date on which the Warrants are allotted and issued, provided that if such date falls on a day which is not a market day, then the expiry date will be on the preceding market day.
Exercise rights	: Each Warrant entitles the registered Warrant Holder to subscribe for 1 new AHB Share at any time during the exercise period and at the exercise price, upon the terms of and subject to the conditions of the Deed Poll.
Mode of exercise	: The Warrant Holder is required to lodge an exercise form, as set out in the Deed Poll, with our Company's share registrar, duly completed and signed together with payment of the exercise sum (being the payment calculated by multiplying the exercise price with the aggregate number of new AHB Shares to be subscribed arising from the exercise of the exercise rights) for the new AHB Share(s) subscribed for by banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia in Ringgit Malaysia or by way of internet bank transfer to the bank account of our Company maintained with a bank in Malaysia, in accordance with the provisions of the Deed Poll.
Board lot	: The Warrants shall separately traded on the Main Market of Bursa Securities in board lots of 100 units (or such other denominations as may be prescribed by Bursa Securities from time to time). Our Company shall ensure that there must be at least 100 Warrant Holders holding not less than 1 board lot of the Warrants each upon listing of the Warrants. The Warrants will not be listed in the event this condition is not met.
Adjustments to the exercise price and/or number of unexercised Warrants	: The exercise price or the number of Warrants, or both them, may from time to time be adjusted under certain circumstances, amongst others, rights issue, bonus issue, consolidation of the AHB Shares or issuance or securities convertible into new AHB Shares, whereby the adjustments shall be calculated or determined by our Board in consultation with an approved adviser and certified by the auditors of our Company in accordance with the provisions of the Deed Poll.

INDICATIVE SALIENT TERMS OF THE WARRANTS (Cont'd)

Terms	Details
Transferability	: The Warrants may be transferred in accordance with the Central Depositories Act (as amended and revised from time to time) and the Rules of Bursa Depository. Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the Warrants shall be transferable in a board lot of 100 Warrants carrying the exercise rights to subscribe for 100 new AHB Shares, or in multiples thereof (or in such other denomination as may be determined by Bursa Securities) at any time during the exercise period. No person shall be recognised by our Company as having title to Warrants entitling the Warrant Holder thereof to subscribe for a fractional part of a new AHB Share or otherwise than as the sole holder of the entirety of such new AHB Share. For the avoidance of doubt, save as provided under the Deed Poll, the Warrants shall not be transferred prior to the listing of and quotation for the Warrants on the Main Market of Bursa Securities.
Rights of the Warrant Holders	: The Warrants shall, amongst the Warrant Holders, rank equally and rateably without discrimination or preference. For the avoidance of doubt, the Warrant Holders are not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in our Company until and unless they exercise their Warrants into new AHB Shares in accordance with the procedures set out in the Deed Poll and such new AHB Shares have been allotted and issued.
Ranking of new AHB Shares arising from the exercise of the Warrants	: The new AHB Shares to be issued arising from the exercise of the Warrants shall, upon allotment, issuance and payment of the exercise sum, rank equally in all respects with the then existing AHB Shares in issue, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to our shareholders, the entitlement date of which (namely, the date as at the close of business on which our shareholders must be entered in the Record of Depositors of our Company with Bursa Depository in order to participate in any dividends, rights, allotments or other distributions) is prior to the date of allotment and issuance of the new AHB Shares arising from the exercise of the exercise rights of the Warrants.
Modification of rights of Warrant Holders	: Save as expressly provided in the Deed Poll, any modification, amendment, deletion or addition to the Deed Poll (including the form and content of the Warrant certificate) may be effected only by a deed executed by our Company and expressed to be supplemental to the Deed Poll, with the consent or sanction of the Warrant Holders by way of a special resolution and subject to the approval of Bursa Securities and/or other relevant authorities (if so required), unless such modification, amendment or addition is required to correct any typographical or manifest errors, or relates purely to administrative matters, or is required to comply with mandatory provisions of the law, or in the opinion of our Board, will not be materially prejudice the interests of the Warrant Holders..

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INDICATIVE SALIENT TERMS OF THE WARRANTS (Cont'd)

Terms	Details
Rights in the event of winding-up, liquidation, compromise and/or arrangement	<p>: Where a resolution has been passed for a members' voluntary winding-up or liquidation of our Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with 1 or more companies, then:</p> <p>(i) for the purposes of such a winding-up, liquidation, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant Holders, or some persons designated by them for such purposes by a special resolution, shall be a party, the terms of such winding-up, liquidation, compromise or arrangement shall be binding on all the Warrant Holders; and</p> <p>(ii) in any other case, every Warrant holder shall be entitled upon and subject to the conditions of the Deed Poll at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within 6 weeks after the granting of the court order approving the winding-up, liquidation, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation), to exercise his Warrants by irrevocably submitting the duly completed exercise form authorising the debiting of his Warrants, together with payment of the exercise sum, to elect to be treated as if he had immediately prior to the commencement of such winding-up, liquidation, compromise or arrangement, exercised his Warrants to the extent specified in the exercise form(s) and become entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the abovementioned 6 weeks, all exercise rights which are not exercised will lapse and the relevant Warrants will cease to be valid for any purpose.</p>
Listing status	: The Warrants will be listed and traded on the Main Market of Bursa Securities.
Governing law	: The laws of Malaysia.

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ADDITIONAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION OF OUR GROUP

A summary of the historical financial information of our Group for the FYE 30 September 2020, FYE 30 September 2021 and FYE 30 September 2022 as well as the unaudited 12M-FPE 30 September 2023 together with the commentaries are as follows:

	Audited			Unaudited
	FYE 30 September 2020	FYE 30 September 2021	FYE 30 September 2022	12M-FPE 30 September 2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	10,058	7,957	10,204	14,761
Loss before tax	(6,700)	(5,532)	(9,092)	(17,237)
LAT	(6,695)	(5,532)	(9,092)	(17,237)
Share capital	46,800	49,171	60,913	58,619
Shareholders' equity/NA	28,744	25,560	28,042	36,785
Total equity	28,744	25,560	28,042	36,785
Total assets	36,829	32,861	34,573	44,724
Total borrowings	-	-	-	-
No. of AHB Shares in issue	243,855	260,306	375,808	608,315
LAT margin (%)	(66.57)	(69.52)	(89.10)	(116.77)
LPS (sen)	(2.75)	(2.13)	(2.42)	(3.70)
NA per AHB Share ⁽²⁾ (RM)	0.12	0.10	0.07	0.08
Gearing ⁽³⁾ (times)	-	-	-	-

Notes:

- (1) Our Board had on 8 September 2023 announced that it had approved the change in the FYE of our Company from 30 September 2023 to 31 March 2024. The next audited financial statements will be made up from 1 October 2022 to 31 March 2024 covering a period of 18 months.
- (2) Computed based on NA attributable to the owners of our Company divided by the number of AHB Shares in issue.
- (3) Computed based on total borrowings divided by total equity.

Commentaries

FYE 30 September 2021 vs FYE 30 September 2020

Our Group's revenue for the FYE 30 September 2021 decreased by RM2.10 million or 20.89% to RM7.96 million from RM10.06 million in the previous financial year. The decrease in revenue was mainly due to lower sales recorded as our Group's operations were halted due to restrictions on non-essential business activities imposed by the Government of Malaysia between June 2021 and August 2021.

Our Group recorded a LAT of RM5.53 million for the FYE 30 September 2021 as compared to a LAT of RM6.70 million for the previous financial year. The decrease in LAT was mainly due to a decrease in staff costs of approximately RM1.90 million which was offset by an increase in depreciation of approximately RM0.47 million.

ADDITIONAL INFORMATION (Cont'd)

FYE 30 September 2022 vs FYE 30 September 2021

Our Group's revenue for the FYE 30 September 2022 increased by RM2.25 million or 28.2% to RM10.21 million from RM7.96 million in the previous financial year. The increase in revenue was mainly due to increase in demand from local and overseas key market (i.e. South East Asia and Middle East) for the Furniture Business.

Our Group recorded a LAT of RM9.09 million for the FYE 30 September 2022 as compared to a LAT of RM5.53 million for the previous financial year. The increase in LAT was mainly due to the following:

- (i) increase in impairment loss on trade receivables by RM1.12 million;
- (ii) increase in other operating expenses incurred by RM2.34 million resulting from higher promotional expenses, professional fees and legal fees incurred as well as increase in the inventories written down by RM0.91 million;
- (iii) increase in the staff cost incurred by RM0.55 million resulting from higher number of employees and increment in staff salaries; and
- (iv) increase in the depreciation of right-of-use asset incurred by RM0.21 million.

12M-FPE 30 September 2023 vs FYE 30 September 2022

Our Group's revenue for the 12-month FPE 30 September 2023 increased by RM4.56 million or 44.71% to RM14.76 million from RM10.20 million in the previous corresponding quarter. The increase in revenue was mainly due to higher local demand of office furniture, specialised computer furniture and office interior products business.

Notwithstanding the increase in revenue, our Group recorded a LAT of RM17.24 million for the 12-month FPE 30 September 2023 as compared to a LAT of RM9.09 million for the FYE 30 September 2022. The increase in LAT was mainly due to the following:

- (i) increase in staff cost by RM1.15 million resulting from higher number of employees and increment in staff salaries;
- (ii) property, plant and equipment written off amounting to RM2.31 million (2022: nil) mainly due to obsolete;
- (iii) increase in SIS expenses by RM 2.10 million for share-based payments expenses; and
- (iv) increase in other operating expenses by RM2.87 million resulting from higher promotional expenses, professional fees and legal fees incurred.

2. STEPS UNDERTAKEN OR TO BE UNDERTAKEN TO IMPROVE THE FINANCIAL CONDITION OF OUR GROUP

Our Group has undertaken various steps since 2020 to improve the Furniture Business, such as the following:

- (i) obtained an exclusive furniture distributorship in Malaysia under the brand name of "Cappellini" in October 2020. Cappellini is a high-end furniture brand from Italy and has collaborated with designers from different countries to produce its furniture products. Pursuant to this, a designated Cappellini showroom area has been set up in our Group's headquarters in Naza Tower, Persiaran KLCC in April 2021 to showcase the products of Cappellini.

ADDITIONAL INFORMATION (Cont'd)

Moving forward, our Group may undertake various marketing initiatives for the introduction of Cappellini products including advertisements in newspapers, interior design magazines and newsletters, as well as marketing events including product launching, participation in trade shows and on-site presentations to promote the products of Cappellini. Our Group may also explore the possibility of reaching out to architects and designers to offer furniture in offices, public areas as well as hotels and restaurants;

- (ii) an e-commerce platform was introduced to allow customers to browse the range of products offered by our Group. As the platform features furniture products of our Group, this also helps to generate traffic to our Group's furniture showroom should potential customers wish to inspect the products physically. Our Group constantly updates its website to showcase the updated range of products offered and will continue doing so to attract potential customers;
- (iii) our Group had ventured into the property development business in January 2023 through the Acquisition and undertake the Development Project. The Acquisition has been completed on 13 June 2023. As at the LPD, the Development Project remains our Group's sole property development project and the progress of the Development Project is approximately 8.3%. The Development Project has yet to be launched as the advertising permit and developer's license has not been issued. Moving forward, our Group will be focusing on completing the Development Project and will endeavour to secure more projects to establish its market presence in the property development industry. In this regard, our Group intends to seek further opportunities in the property development industry by exploring viable joint ventures in relation to property development activities and/or property development projects; and
- (iv) our Group had ventured into the Trading Business in the third quarter of 2023 to generate additional income stream in response to its lacklustre financial performance. The Trading Business is also a complementary to our Group's property development business. Moving forward, our Group will continue to seek and secure more orders / contracts for the Trading Business by leveraging on the business network of our Group's key management personnel and property development business.

3. IMPACT OF THE PROPOSED BONUS ISSUE OF WARRANTS AND VALUE CREATION TO OUR GROUP AND OUR SHAREHOLDERS

The Proposed Bonus Issue of Warrants is not expected to raise any immediate funds as the Warrants will be issued at no cost to the Entitled Shareholders. Notwithstanding, the Proposed Bonus Issue of Warrants will provide our Group with additional funds for our general working capital requirements as and when the Warrants are exercised in the future without incurring interest costs as compared to bank borrowings.

Furthermore, the exercise of Warrants in the future pursuant to the Proposed Bonus Issue of Warrants will strengthen the capital structure of our Group by increasing the share capital of our Company.

The EPS of our Group will be diluted as and when the Warrants exercised into new AHB Shares in the future. Further details on the effects of the Proposed Bonus Issue of Warrants on the share capital, NA and gearing, earnings and EPS, substantial shareholders' shareholdings of our Group are set out in Section 6 of this Circular.

4. ADEQUACY OF THE PROPOSED BONUS ISSUE OF WARRANTS IN ADDRESSING OUR COMPANY'S FINANCIAL REQUIREMENTS

The Proposed Bonus Issue of Warrants is not intended to address any financial concerns of our Group but rather to reward our shareholders for your continuous support. Notwithstanding, the proceeds raised from the Proposed Bonus Issue of Warrants as and when the Warrants exercised into new AHB Shares will provide our Group with additional funds for our general working capital requirements in the future.

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement or information in this Circular incomplete, inaccurate, false or misleading.

2. CONSENTS AND CONFLICT OF INTERESTS

Mercury Securities, being the Principal Adviser to our Company for the Proposed Bonus Issue of Warrants, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Mercury Securities confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Principal Adviser to our Company for the Proposed Bonus Issue of Warrants.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the financial position of our Group.

3.2 Contingent liabilities

As at the LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the financial position of our Group.

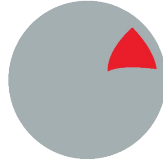
4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the business or financial position of our Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at our Company's registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of AHB;
- (ii) the audited consolidated financial statements of our Company for the FYE 30 September 2021 and FYE 30 September 2022, and the latest unaudited consolidated financial statements of our Company for the 12M- FPE 30 September 2023;
- (iii) the draft Deed Poll; and
- (iv) the letter of consent and declaration of conflict of interests referred to in Section 2 of this Appendix.



AHB HOLDINGS BERHAD

(Registration No. 199301020171 (274909-A))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of AHB Holdings Berhad (“**AHB**” or “**Company**”) will be held on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC – D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Tuesday, 6 February 2024 at 11.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF WARRANTS IN AHB (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN AHB (“AHB SHARES”) HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)

“THAT subject to the approvals of all relevant authorities and/or parties (where applicable) being obtained for the Proposed Bonus Issue of Warrants, authority be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue and allot up to 372,774,770 Warrants on the basis of 1 Warrant for every 2 existing AHB Shares held by the shareholders of AHB whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the entitlement date to be determined and announced later by the Board;

THAT the Board be and is hereby authorised to enter into and execute a deed poll constituting the Warrants (“**Deed Poll**”), with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, subject always to the provisions contained in the Deed Poll, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

THAT the Board be and is hereby authorised to fix the exercise price of the Warrants at a later date **AND THAT** the Board be and is hereby authorised to issue and allot such appropriate number of Warrants in the registered form in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/or the number of Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new AHB Shares pursuant to the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll, including such appropriate number of new AHB Shares arising from the exercise of subscription rights represented by the additional Warrants **AND THAT** the new AHB Shares to be issued pursuant to the exercise of the Warrants or arising from the exercise of subscription rights represented by the additional Warrants will, upon allotment and issuance, rank equally in all respects with the then existing AHB Shares, save and except that the new AHB Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of AHB, where the entitlement date precedes the date of allotment and issuance of such new AHB Shares;

THAT the Board be and is hereby authorised to disregard and deal with any fractional entitlements from the Proposed Bonus Issue of Warrants, if any (including disregarding and/or dealt with any fractional entitlements, under Proposed Bonus Issue of Warrants), in such a manner in its absolute discretion as the Board may deem fit and expedient, and in the best interest of the Company;

THAT the Board be and is hereby authorised to utilise the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in the circular to the shareholders of the Company dated 22 January 2024, and the Board be authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient and in the best interest of the Company, subject to the approval of the relevant authorities (where required);

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect and complete the Proposed Bonus Issue of Warrants (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as the Board may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 / SSM PC No.: 202208000250)

THIEN LEE MEE (LS0010621 / SSM PC No.: 201908002254)

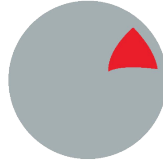
Company Secretaries

Kuala Lumpur
22 January 2024

Notes:

- (i) *Members are to participate, speak via real time submission of typed texts only and vote remotely. Please refer to the Administrative Guide on registration, participation and voting at the EGM.*
- (ii) *A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*
- (iii) *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*
- (iv) *Where a member of the Company is an exempt authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**") which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (v) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
- (vi) *The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this EGM at which the person named in the appointment proposes to vote:*
 - a) *In hard copy form*
In the case of an appointment made in hard copy form, this form of proxy must be deposited at the Company's Share Registrar's Office at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - b) *By electronic means*
The form of proxy can be electronically submitted with the Share Registrar of the Company at admin@aldpro.com.my.

- (vii) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's Office of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (viii) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative at the Share Registrar's Office of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
- a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (ix) For the purpose of determining a member who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 29 January 2024. Only members whose name appears on the Record of Depositors as at 29 January 2024 shall be entitled to attend the said EGM or appoint proxies to attend and/or vote on his/her behalf.
- (x) The resolution sets out in this Notice of EGM will be put to vote by poll.
- (xi) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing this Notice of EGM and convening the EGM, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.



AHB HOLDINGS BERHAD
(Registration No. 199301020171 (274909-A))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No. of shares held	

I/We (Full Name in Block Letters)

NRIC No./ Passport No./ Company Registration No.

Email address.....Contact no.

of

being a member of AHB HOLDINGS BERHAD hereby appoint:

**delete as appropriate*

Full Name (IN BLOCK LETTERS)	NRIC / Passport No.	% of shareholdings
# Contact No.	# Email Address	
Address:		

**and/or failing him/her*

Full Name (IN BLOCK LETTERS)	NRIC / Passport No.	% of shareholdings
# Contact No.	# Email Address	
Address:		

You are required to fill in the contact no. and email address in order to participate the Extraordinary General Meeting of the Company ("EGM"), otherwise, we are unable to register you as the participant of the EGM.

or failing him/her, the Chairman of the EGM as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC – D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Tuesday, 6 February 2024 at 11.00 a.m. or at any adjournment thereof.

Resolution	FOR	AGAINST
Ordinary Resolution – Proposed Bonus Issue of Warrants		

(Please indicated with an "X" or "√" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Date this day of 2024.

Signature of Member/Common Seal

Notes:

- (i) Members are to participate, speak via real time submission of typed texts only and vote remotely. Please refer to the Administrative Guide on registration, participation and voting at the EGM.
- (ii) A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
- (iii) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- (iv) Where a member of the Company is an exempt authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**") which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- (vi) The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this EGM at which the person named in the appointment proposes to vote:
 - a) In hard copy form
In the case of an appointment made in hard copy form, this form of proxy must be deposited at the Company's Share Registrar's Office at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - b) By electronic means
The form of proxy can be electronically submitted with the Share Registrar of the Company at admin@aldpro.com.my.
- (vii) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's Office of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this EGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (viii) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative at the Share Registrar's Office of the Company at Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (ix) For the purpose of determining a member who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 29 January 2024. Only members whose name appears on the Record of Depositors as at 29 January 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
- (x) The resolution sets out in this Notice of EGM will be put to vote by poll.
- (xi) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/ or disclosure of any personal data of or relating to you for the purposes of issuing this Notice of EGM and convening the EGM, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

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**Affix
Stamp**

AHB HOLDINGS BERHAD
(Registration No. 199301020171 (274909-A))
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

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