

AHB HOLDINGS BERHAD

274909A

ANNUAL REPORT 2016





Artwright is an ISO 14001 certified environmentally responsible company; and an ISO 9001 quality certified company **.

Environmental Responsibilities.

Artwright environment is a careful blend of materials, resources, technology and fine design. We apply our expertise in design and manufacturing process to create and deliver innovative products with minimal adverse environmental impact. In our production, we carefully select materials that are safe, healthy and ecologically sound throughout their life cycle. Over 80% of materials used are recyclable.

Wood used in the Artwright environment is an ecologically sensitive choice. The hevea brasiliensis, commonly known as the rubber trees, are rapidly renewable, and are harvested from expired matured rubber latex plantations. Therefore, we have provided extra use for the trees, and eliminated the usage of natural forest timber.

Our commitment to environmental protection includes being an ISO14001 Environmental Management System standards certified company. This ensures every environmental aspect in the organization is taken into consideration.

Appealing Design.

The Artwright office environment is clearly defined by the sleek lines and superior design. Curves blend to form functional units to create optimum offices.

Superior Standards.

Research on ergonomics is reflected in our integrated office environment with efficient space usage. All Artwright products are manufactured according to international standards.

Value Investments.

Your investment is fully protected by a guarantee against any manufacturing defect for 10 years. The system is also modular and consistently adaptable. Engineered for durability, Artwright's timeless design assures you of a high value investment.

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Corporate Information

BOARD OF DIRECTORS

Yong Yoke Keong
Managing Director and Chief Executive Officer

Dr Folk Jee Yoong
Independent Non-Executive Director

Hee Teck Ming
Independent Non-Executive Director

Ar. Vincent Lee Kon Keong
Independent Non-Executive Director

COMPANY SECRETARIES

Tan Tong Lang (MAICSA 7045482)
Chong Voon Wah (MAICSA 7055003)

REGISTERED OFFICE

Suite 10.03, Level 10, The Gardens
South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur
Telephone : 03-2279 3080
Facsimile : 03-2279 3090

CORPORATE ADDRESS

17 Jalan Industri PBP 11
Pusat Bandar Puchong
47100 Puchong
Selangor, Malaysia
Tel : +603 5891 2222
Fax : +603 5882 2222
Web : www.ahb.com.my
Email : mailbox@ahb.com.my

SHARE REGISTRARS

Boardroom Corporate Services (KL)
Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor, Malaysia
Tel : +603 7720 1188
Fax: +603 7720 1111

BOARD COMMITTEES

AUDIT COMMITTEE

Dr Folk Jee Yoong (Chairman)
Hee Teck Ming
Ar. Vincent Lee Kon Keong

REMUNERATION COMMITTEE

Dr Folk Jee Yoong (Chairman)
Hee Teck Ming
Ar. Vincent Lee Kon Keong

NOMINATION COMMITTEE

Dr Folk Jee Yoong (Chairman)
Hee Teck Ming
Ar. Vincent Lee Kon Keong

AUDITORS

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur
Telephone : 03-2279 3088
Facsimile : 03-2279 3099

PRINCIPAL BANKER

HSBC Bank Malaysia Berhad

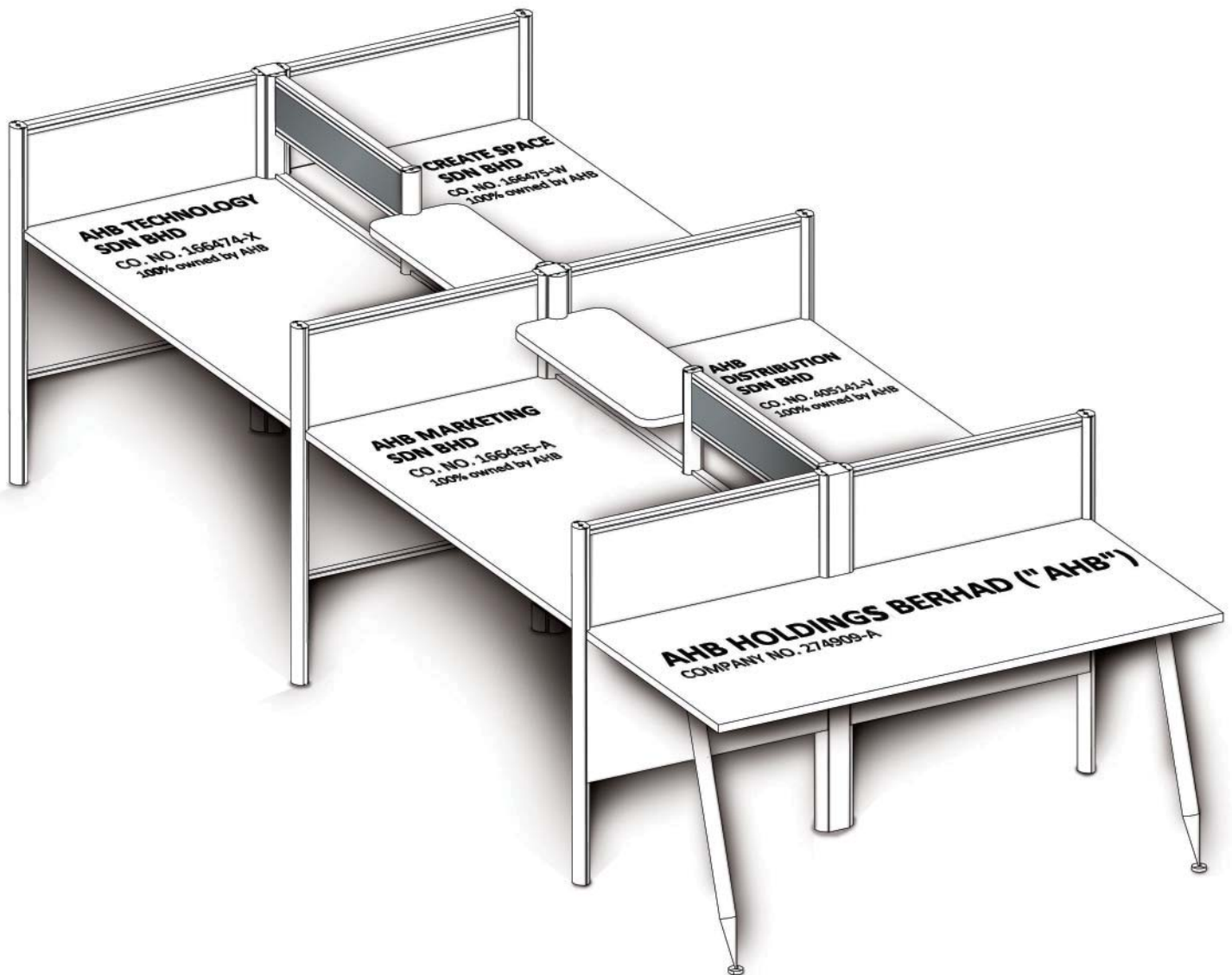
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : AHB
Stock Code : 7315

Warrant B : AHB-WB
Stock Code : 7315WB

Group Corporate Structure



Managing Director's Statement

Dear Shareholders,

On behalf of our Board of Directors, I am pleased to present to you the 2016 Annual Report and Financial Statements of AHB Holdings Berhad and its subsidiaries ("AHB or Group") for the financial year ended 31 March 2016 ("FY2016").

We are pleased that AHB on 15 April 2016 had successfully exited the classification of PN17 listing status. While being classified as PN17, we had been quiet to execute any aggressive growth plans. We are now ready to fully exert our Groups' knowhow and resources in the months ahead to project a more profitable financial year ending 31 March 2017.

The international and local economic outlook appears to be a challenge. However, these uncertainties are not expected to have any downward effect on our profit growth, barring any unforeseen circumstances. Because of the relatively small share of our Group's revenue base in the global and local market, prudent growth strategies within our Group are still plenty and feasible, and we will be engaged in them during the next months.

As previously noted, the business environment had continually changed the economic comparative advantages and the competitive inputs in the Malaysian office furniture industry. We are pleased our Group had kept up to such changes with innovativeness and creativity.

Taking advantage of the global village concept and the available IT infrastructure, AHB adopts a business model that focuses on high value activities such as investment into new product development, testing, prototyping, quality assurance, cost control, customer satisfaction, and superior order fulfilment. We enhanced our competitiveness by our investment in R&D, and we focused on positioning our Group into the premium office furniture segment to improve our margins and our international marketing reach. The potential of the furniture industry is evidenced by the global production volume of approximately USD400 billion per year.

During the year FY2016 under review, we continued to improved our financial performance to a profit after tax of approximately RM1.8 million for FY2016 from approximately RM1.1 million for the comparative year of 30 April 2014 to 31 March 2015, and we improved to a revenue of approximately RM17 million from approximately RM14 million respectively.

The Group's cash position has improved to approximately RM3.5 million for the financial year ended 31 March 2016 from approximately RM2.5 million for the financial year ended 31 March 2015, and we continue to have no bank borrowings.

Dr. Folk Jee Yoong, our Audit Committee Chairman, has a vast experience in the financial background and contributes towards to financial aspects of the Group. Mr. Hee Teck Ming has a strong technical background, and contributes towards to technical aspects of the Group. Our new board member, AR Vincent Lee, a professional practising architect, has an innovative and creative design background, and contributes towards the design aspects of the Group. I have a business and technical background, and contribute towards the overall workings of the Group. The four of us are actively engaging the Group's business processes and strategies, and together we are very excited to move this Group to a new corporate success level. I am confident that this stronger line up of our existing board composition will definitely contribute positively towards the Group.

As always, our Group has upheld our customers as our key focus, and we believe that customer satisfaction and partnerships are vital for long-term growth. Our usual dedication to the exacting standards of our products and our commitment to premium professional service set our customers' experience apart from our rivals. Our Group's commitment to continually explore new ideas and to improve our product offerings is the advantage to our corporate strategy.

As before, we continue to focus on environmental responsibility and awareness in our operations. We ensure a safe and healthy workplace for our employees and endeavor to minimize potential adverse impacts on the environment. We are pleased to announce that our commitment to environmental protection includes successfully achieving ISO14001 International Environmental Management System certification during the year. This ensures every environmental aspect in the organization is taken into consideration.

We in AHB believe that we must do business with integrity wherever we are. As such, we will continue our efforts to inculcate a culture of good corporate governance within AHB. For the benefit of Islamic investors, we are pleased to note that we are Syariah compliant.

I take this opportunity to thank all our shareholders, advisors, business associates, customers and relevant government authorities. We sincerely treasure your invaluable support and confidence over the years.

Last but not least, I put on record my unreserved gratitude and appreciation to you for your kind financial investment, to my fellow board directors for their wise counsel and consultation, and to our management and staff of the Group, for their continuing hard work, commitment and dedication to our corporate, social, and earthly environment.

Yong Yoke Keong
Managing Director



Board of Director's Profile





Board of Director's Profile



Yong Yoke Keong , Malaysian, aged 56, was appointed as Director of AHB on 3 May 1994 and is currently the Managing Director and Chief Executive Officer of the Group.

He graduated with a Bachelor of Mechanical Engineering Degree in 1982 and post-graduated with a Masters in Business Administration with multiple concentrations in Finance, Management Information Systems and International Business in 1985 from McGill University, Canada.

Yong Yoke Keong has guided the Group since 1988 when it was a small operation to be a public listed company on the Kuala Lumpur Stock Exchange Second Board in 1996.

He was a council member of the Federation of Malaysian Manufacturers and he was also the founding Joint Chairman of Institut Perakabentuk Dalaman Malaysia Industry Partners (Institute of Interior Design Malaysia - Industry Partners).

Yong Yoke Keong is a substantial shareholder of AHB, with direct holding of 30,364,557 ordinary shares and 22,276,091 warrants.

He does not have any family relationship with other Directors and/or major shareholders of the Company nor does he has any conflict of interest with the Company. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

Yong Yoke Keong attended five (5) out of five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 March 2016.

Board of Director's Profile (continued)

Hee Teck Ming, Malaysian, aged 57, was appointed as Independent Non-Executive Director of AHB on 28 May 2013. At present, he is a member of the Audit Committee, Nomination Committee and Remuneration Committee of AHB.

He has a Higher National Diploma in Mechanical Engineering from Humberside College of Higher Education, United Kingdom. After his graduation in 1982, he worked for several years in aluminium fabrication in the United Kingdom.

On his return to Malaysia in 1988, he worked with United Technologies Carrier from 1988 to 2000 where his last held position of General Manager, Services. From 2000 to 2006, he was the Chief Operating Officer of Paracorp Technology Sdn Bhd. He joined Urusharta Cemerlang Sdn Bhd from 2007 to 2012 as the Director of Operations and was appointed as the Asset Manager to Pavilion REIT Sdn Bhd from 2011 to 2012.

Mr Hee Teck Ming is currently the Building Director of Pan Asia Property Management Sdn Bhd since joining the company in 2012.

He served on the Board of Directors of AHB Holdings Bhd as an Independent Non-Executive Director from 1996 to 2007.

He does not have any family relationship with other Directors and/or major shareholders of the Company nor does he has any conflict of interest with the Company. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

Hee Teck Ming attended five (5) out of five (5) Board of Directors' Meeting of the Company held during the financial year ended 31 March 2016.



Board of Director's Profile (continued)



Dr Folk Jee Yoong, Malaysian, aged 55, was appointed as Independent Non-Executive Director of AHB on 28 May 2013. At present, he is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of AHB.

He holds a Bachelor of Business degree in Accounting and Secretarial Administration from the Curtin University of Technology in Perth, Western Australia and a Bachelor of Economics degree from the University of Western Australia. In addition, he holds a Master of Commerce degree in Accounting from the University of Auckland, New Zealand. He obtained a Doctor of Business Administration from the University of South Australia and a Doctor of Philosophy from the University of Malaya. He is a Fellow of the Australian Society of Certified Practising Accountants and the Malaysian Institute of Accountants. He also holds a Certificate in Investor Relations from the IR Society, United Kingdom.

Dr Folk has over 20 years of experience in academic, corporate finance, restructuring, audit and financial management in diversified industries such as mortgage banking, property development, construction, seafood trawling and processing, pulp and paper, jewellery, office furniture, multi-level marketing, plastic injection moulding, timber plantation and processing, hospitality and thermo vacuum forming. Between 1984 and 1990, amongst other public accounting firms, he was attached to Deloitte, Haskins & Sells, New Zealand and McLaren & Stewart, Perth, Australia. He has also worked with multi-national firms such as Sinar Mas Group, Raja Garuda Mas Group and Fletcher Challenge Group in various countries such as New Zealand, India and Indonesia.

Dr Folk is also a Director of Lion Corporation Berhad and Cybertowers Berhad, which are public listed companies.

He does not have any family relationship with other Directors and/or major shareholders of the Company nor does he has any conflict of interest with the Company. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.

Dr Folk attended five (5) out of five (5) Board of Directors' Meeting of the Company held during the financial year ended 31 March 2016.

Board of Director's Profile (continued)

Ar. Vincent Lee Kon Keong, Malaysian, aged 60, was appointed as Director of AHB on 29 February 2016 as the Independent Non-Executive Director of the Company. He is also appointed as a member of the Audit Committee, Nomination Committee and Remuneration Committee of AHB.

He holds a Bachelor of Arts and Diploma in Architecture from the South Bank Universities (Formerly known as Polytechnic of the South Bank, London). He is a registered architect (LAM -A/L 174) and Interior Designer (LAM-ID/L 26) of Lembaga Arkitek Malaysia .

He is a Member of Malaysia Institute of Architects (PAM-M974) and a Fellow Member of Malaysian Institute of Interior Designers (MIID-F1).

He is a Principal of an Architectural Practice. He has been the Managing Director of Interior Design Consultancy and Renovation Company for 26 years.

He was a founding member and was appointed twice as a President of IPDM (Institut Perekabentuk Dalaman Malaysia), a founding member of MIID (Malaysian Institute of Interior Designers, Honorary Treasurer and a fellow member of MIID. He was also a member of Ministry of Culture and Tourism- Hotel Rating Panel.

Over the years, he has been awarded with many achievements such as The Edge: My Dream Home 2010, (Category Detached/Semi Detached), IPDM's MIDA Awards 2010 (Category Home & Apartments), PAM Awards 2009 (Category Interior Design- Shortlisted: Allianz's Office at Plaza Sentral, Commendable Design (the 1st MSG/MSID Commercial Interior & Display Award 1991-Canon Showroom and Legend Dischotheque) and IPDM Awards for Excellence (Category Retail & Exhibition – Lion Suzuki Motor Showroom).

Ar. Vincent Lee does not hold directorships in any other public companies. He does not have any family relationship with other Directors and/or major shareholders of the Company nor does he has any conflict of interest with the Company. He has not been convicted for any offences, other than traffic offences (if any), within the past 10 years.



Corporate Sustainability Statement

Environmental Responsibilities

The AHB environment is a careful blend of materials, resources, technology and fine design. We apply our expertise in design and manufacturing process to create and deliver innovative products with minimal adverse environmental impact. In our production, we carefully select materials that are safe, healthy and ecologically sound throughout their life cycle. Over 80% of materials used are recyclable.

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Corporate Social Responsibility Statement

The Company recognises its corporate social responsibility commitments to its various stakeholders, which include investors, clients, suppliers, members of the local communities as well as its employees in which it operates. The Board of Directors of the Company and the Group will ensure that all pertinent matters relating to Corporate Social Responsibility are considered and supported in the Group's operations and administrative processes and are consistent with the Group's stakeholders' best interest.

Corporate Governance Statement

The Board of Directors (“the Board”) of AHB Holdings Berhad (“the Company” or “AHB”) is committed towards achieving excellence in corporate governance and acknowledges that the prime responsibility lies with the Board. The Board is fully committed to ensure that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to create, protect and enhance shareholders’ value and the performance of the Group.

The Board recognises the importance of good corporate governance and fully supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance (“MCCG 2012”) to enhance business prosperity and maximize shareholders’ value. The Board will continuously evaluate the Group’s corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in MCCG 2012 to the best interest of the shareholders of the Company.

This statement and description in general on how the Group has applied the principles and complied with the best practice provisions as laid out in MCCG 2012 throughout the financial year ended 31 March 2016 pursuant to Paragraph 15.25 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and those delegated to Management

The Board provides overall stewardship over the management of the Group and reserves appropriate strategic, financial and organisational matters for its collective decision. Key matters such as approval of annual and quarterly results, acquisition and disposals of material investments, material agreements, major capital expenditures, budgets and long term plans and succession planning for top management are reserved for the Board.

1.2 Clear Roles and Responsibilities in Discharging Fiduciary and Leadership Functions

The Board provides stewardship to the Group’s strategic direction and operations, and ultimately the enhancement of long-term shareholders’ value. The Board is primarily responsible for:

Corporate Governance Statement (continued)

- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Succession planning including appointing and reviewing the compensation of the top management;
- Overseeing the development and implementation of a shareholder communication policy;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and integrity of the Company's internal control systems and management information systems for compliance with applicable laws, regulations, rules, directive and guidelines.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

The Managing Director would lead the discussion at the Board meeting on the strategic plan of the Company. The Board participates actively on the discussion and continues to monitor the implementation of the plan through its quarterly meetings.

1.3 Strategies Promoting Sustainability

The Board would ensure that the Company's strategy promotes sustainability. The Board would continue to monitor the Company's strategy on an annual basis. The details of the sustainability efforts are set out in the Corporate Sustainability Statement in this Annual Report.

1.4 Access to Information and Advice

The Board would formulate the Company's Board Charter to include a procedure to access to information and independent advice by the Board and Committees. The Management is tasked to supply the Board and Committees with timely and sufficient information to enable the Board to effectively discharge its duties. The Directors are provided with meeting papers to give them the necessary information on matters. The Directors can always request for any additional information as they consider necessary prior to considering a matter. The Company allows a Director to seek independent legal, financial or other advice as he considers necessary at the expense of the Company in the furtherance of his duties.

1.5 Qualified and Competent Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations.

The Company Secretary attends and ensures that all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.

Corporate Governance Statement (continued)

1.6 Board Charter

As at the date of this Statement, the Board has adopted a Board Charter, which set out the role, composition and responsibilities of the Board embodying the principles of the MCGG 2012 and serves as a source of reference for new Board members.

The Board Charter will be reviewed from time to time and updated in accordance with the requirements of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities. The salient term of the charter are made available at the Company's website at www.ahb.com.my.

1.7 Code of Ethics

The Directors shall be guided by the Code of Ethics for Directors issued by the Companies Commission of Malaysia. The Directors shall observe the Code of Ethics in performance of their duties.

PRINCIPLE 2 – STRENGTHEN COMPOSITION

2.1 Board Committees

The following committees have been established to assist the Board to discharge its duties and responsibilities. The Board has delegated certain powers and duties to these committees, which operate within the defined Terms of Reference. The final decision on all matters, however, lies with the entire Board.

2.1.1 Nomination Committee

The Board has established a Nomination Committee and exclusively of Independent Non-Executive Directors. The present members are:-

Chairman : Dr. Folk Jee Yoong
Member : Hee Teck Ming
Member : Ar. Vincent Lee Kon Keong

The Nomination Committee is responsible for reviewing the Board's structure, size and composition regularly, as well as making recommendations to the Board with regards to changes that are deemed necessary. It also recommends the appointment of Directors to committees of the Board and reviews the required mix of skills, experience, competence and other qualities which Non-Executive Directors should bring to the Board. For this purpose, the Nomination Committee meets at least once a year or at such other times as the Chairman of the Nomination Committee decides.

Corporate Governance Statement (continued)

The summary activities undertaken by the Nomination Committee during the financial year ended 31 March 2016 included the following:

- Reviewed the composition of the Board and makes recommendations to the Board accordingly, with a view to meeting current and future requirements of the Group;
- Reviewed the annual assessment of the effectiveness of the Board, committees and individual Directors; and
- Reviewed and recommended to the Board concerning the re-election by shareholders of any director under the “retirement by rotation” provisions in the Company’s Article of Association.

A formal procedure is in place for appointments to the Board. The Nomination Committee is empowered with the responsibility of identifying and recommending candidates to the Board. However, the ultimate responsibility to approve the appointment of new Directors is the responsibility of the full Board after considering the recommendations of the Nomination Committee.

In general, the process for the appointment of director to the Board is as follows:

- The Nomination Committee reviews the Board’s composition through Board assessment/evaluation;
- The Nomination Committee determines skills matrix;
- The Nomination Committee evaluates and matches the criteria of the candidates, and will consider diversity, including gender, where appropriate;
- The Nomination Committee recommends to the Board for appointment; and
- The Board approves the appointment of the candidates.

Factors considered by the Nomination Committee when recommending a person for appointment as a director include:

- The merits and time commitment required for a Director to effectively discharge his or her duties to the Company;
- The outside commitments of a candidate to be appointed or elected as a Director and the need for that person to acknowledge that they have sufficient time to effectively discharge their duties; and
- The extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

The Nomination Committee would conduct an assessment on the performance of the Board, as a whole, based on a self and peer assessment approach. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board considers and approves recommendations by the Nomination Committee on the re-election and re-appointment of Directors at the Company’s forthcoming annual general meeting. The Nomination Committee is satisfied with the current size of the Board, and with the mix of qualifications, skills & experience among the Board members. Among other evaluation criteria is the commitment displayed, the depth of contribution, ability to communicate and undertake assignments on behalf of the Board.

Corporate Governance Statement (continued)

2.1.2 Audit Committee

The principal objective of the Audit Committee is to assist the Board in carrying out its statutory duties and responsibilities relating to the accounting and reporting practices of the Group. This includes reviewing the quarterly financial results and yearly financial statements to be disclosed, the scope of works, management letter of the external auditors and undertake any such other functions as may be determined by the Board from time to time.

A report detailing the membership, attendance, role, activities and Terms of Reference of the Audit Committee is presented on pages AR31 to AR37 of this Annual Report.

2.1.3 Remuneration Committee

The Board has established a Remuneration Committee. Its members are mainly of Non-Executive Directors. The present members of the Remuneration Committees are:-

Chairman : Dr. Folk Jee Yoong
Member : Hee Teck Ming
Member : Ar. Vincent Lee Kon Keong

The remuneration package are structured according to the skills, experience and performance of the Executive Director to ensure the Group attracts and retains the Directors needed to run the Group successfully. The remuneration package of the Non-Executive Directors depends on their contribution to the Group in terms of their knowledge and experience.

The Remuneration Committee recommends to the Board the policy framework of executive remuneration and its cost, and the remuneration package for each executive Director. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of these Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. For this purpose, the Remuneration Committee meets at least once a year or at such other times as the Chairman of the Remuneration Committee decides.

2.2 Appointments to the Board

The Nomination Committee makes independent recommendations for appointments to the Board. In making these recommendations, the Nomination Committee assesses the suitability of candidates, taking into account the character, integrity, competence, time commitment and other qualities of the candidates, before recommending their appointment to the Board for approval.

Corporate Governance Statement (continued)

2.3 Re-election of Directors and re-appointment of Directors who are over the age of 70

In accordance with the Articles of Association of the Company, at least one third of the Board shall retire from office at least once in every three (3) years, but shall be eligible for re-election, and that the retiring Director shall retain office until the close of the annual general meeting at which he retires. This is also in compliance with Main Market Listing Requirements of Bursa Securities.

Pursuant to Section 129 of the Companies Act, 1965, the office of a director of or over the age of 70 years become vacant at every AGM unless he is reappointed by a resolution passed at such an AGM of which no shorter notice than that required for the AGM has been given and the majority by which such resolution is passed is not less than three-fourths of all members present and voting at such AGM.

2.4 Gender Diversity

The Board has not set a gender diversity targets as of the reporting period as it is of the view the Board membership should be determined based on a candidate's skills, experience and other qualities regardless of gender but will nevertheless considers appointing more directors of the female gender where suitable.

The Board believes that candidature to the Board should be based on a candidate's merits but in line with the MCCG 2012, the board will consider more females onto the Board in due course to bring about a more diverse perspective.

2.5 Remuneration Policies

The detail and range of the Directors' Remuneration of the Company during the financial year ended 31 March 2016 are as follows:-

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salary	428,318.18		428,318.18
Fees	24,000.00	64,000.00	88,000.00
Defined Contribution Plan	51,399.00		51,399.00
Total	503,717.18	64,000.00	567,717.18

The number of Directors whose total remuneration falls within the respective bands is as follows:-

Range of remuneration	Number of Executive Directors	Number of Non-Executive Directors
RM50,000 and below		3
RM500,001 to RM550,000	1	
Total	1	3

Note: Successive bands of RM50,000 are not shown entirely as these are not represented.

Corporate Governance Statement (continued)

PRINCIPLE 3 – REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board, through the Nomination Committee, shall assess the independence of Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

3.2 Tenure of Independent Directors

As recommended by the MCCG 2012, the Board has adopted a nine-year policy for Independent Non-Executive Directors. An Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. Otherwise, the Board will justify and seek shareholders' approval at the AGM in the event it retains the director as an Independent Director.

The Board currently has one Director who has served exceeding the tenure of 9 years. Mr Hee Teck Ming has in cumulative more than 9 years of service.

The Nominating Committee has assessed the independence of Mr Hee Teck Ming, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, and recommended him to continue act as an Independent Non-Executive Director of the Company based on the following justifications:

1. He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
2. His vast experience in the industry and background would enable him to provide the Board with a diverse set of experience, expertise and independent judgment to better manager and run the Group;
3. He has been with the Company for more than 9 years from 1996 to 2007 and from 2013 to 2015, therefore familiar with the Company's business operations; and
4. He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

3.3 Shareholders' Approval for the Continuance Office as Independent Directors

The Board would seek shareholders' approval at the AGM if an Independent Director who has served in that capacity for more than nine years shall remain as an Independent Director.

The Nomination Committee will assess the independence of the Independent Director based on the assessment criteria developed by the Nomination Committee, and recommended to the Board for recommendation to shareholders for approval. Justification for the Board's recommendation would be provided to shareholders.

Corporate Governance Statement (continued)

3.3 Composition of the Board

The Board of AHB currently comprises Four (4) Board members, which includes one (1) Managing Director, and three (3) Independent Non-Executive Directors. The profile of the Directors is presented from pages AR8 to AR13 of the Annual Report.

The three (3) Independent Directors represent compliance with the requirement for one – third (1/3) Independent Directors in the Board, pursuant to Paragraph 15.02(1) of the Listing Requirements of Bursa Securities and the adoption of best practices set out in the Code.

The members of the Board are professionals with calibre and entrepreneurs equipped with a mix of industry specific knowledge with broad business and commercial experience. This wide spectrum of skills and experience provide the strength that is needed to lead the Company to meet its objectives. The Board is of the opinion that the directors, with their different background and specializations, collectively bring with them a wide range of experience and expertise required to discharge the Board's duties and responsibilities.

There is a clear division of responsibilities of the Managing Director, having direct responsibilities for business operations, assisted by the management staff being primarily responsible for the conduct of the Board while overseeing the implementation of the Board's decisions and policies.

The Non-Executive Directors are responsible for providing independent objective judgment of the Board's decisions while ensuring that strategies and business plans prepared by the management are fully discussed and examined in the long term interests of the shareholders.

PRINCIPLE 4 – FOSTER COMMITMENT

4.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. The Board met five (5) times during the year under review and all Directors attended more than 50% of the total Board meetings held during the financial period ended 31 March 2016, thus fulfilling the requirement of the Listing Requirements of Bursa Securities.

During these meetings, the Board reviews, amongst others, the Group's quarterly financial results, reports and updates on the Group's operations, minutes of meetings of Board Committees and any other strategic issues relating to the Group's businesses.

In advance of and during each Board Meeting, members are each provided with relevant documents and information to enable them to make an informed decision. All proceedings at the Board meetings are minuted and recorded including the issues discussed and decisions arrived at.

Corporate Governance Statement (continued)

The attendance of the Directors at the Board Meetings held during the financial period ended 31 March 2016 are as follows:-

Directors	Position	Attendance
Yong Yoke Keong	Managing Director/Chief Executive Officer	5/5
Dr Folk Jee Yoong	Independent Non-Executive Director	5/5
Hee Teck Ming	Independent Non-Executive Director	5/5
Ar. Vincent Lee Kon Keong (Appointed on 29 February 2016)	Independent Non-Executive Director	N/A
Chan Chow Hun (Resigned on 31 August 2015)	Independent Non-Executive Director	2/3

4.2 Directors' Training

All Directors have attended the Mandatory Accreditation Programme. The Directors shall be committed to continuous education to equip themselves with the knowledge and understanding of various provisions, rules, regulations and the latest development in the industries to effectively discharge their duties and obligations.

The Directors are briefed by the Company Secretary on the letters and circulars issued by Bursa Malaysia at every Board Meeting. The Directors also will continue to undergo training and education programmes in order to keep themselves abreast on the various issues facing the changing business environment within which the company operates in order to discharge their duties and responsibilities more effectively.

Updates on the Code, Companies Act, 1965 and the Bursa Malaysia Listing Requirements were given by the Company Secretary to all Directors to facilitate knowledge enhancement in the areas of the Corporate Governance and relevant compliance areas.

All Directors have full opportunity to attend seminars, trainings, workshops and conference to update their knowledge and skills to contribute and to carry out their roles and duties in line with the directors' responsibility.

All Directors have complied with the Continuous Training Programme prescribed by Bursa Securities. The Directors have participated in conferences, seminars and training programmes and during the financial year ended 31 March 2016, the following training programmes and seminars were attended by the Directors:-

Corporate Governance Statement (continued)

No	Date of Training	Subject
MR YONG YOKE KEONG		
1	14 April 2015	ISO 9001:2008 Awareness Training
2	08 May 2015	ISO 14001:2004 Awareness Training
3	18 February 2016	ISO 9001: 2008 Internal Auditor Training
DR FOLK JEE YOONG		
1	28 April 2015	Islamic Wealth Management Symposium
2	8 May 2015	Lead the Change: Getting Women on Boards
3	25 May 2015	Islamic Finance Asia Forum: Sustainability, Innovation and Performance
4	9 June 2015	Workshop for Audit Committee on Risk Management and Internal Controls
5	11 July 2015	Global Market Outlook Seminar 2015
6	2 September 2015	Labuan IBFC's Business Succession Solutions
7	3 September 2015	Board Chairman Series Part 2. Leadership Excellence from the Chair
8	10 September 2015	Nominating Committee Programme 2: Effective Board
9	8 October 2015	Sustainability Symposium
10	18 November 2015	Managing Risks in Islamic Finance Industry Symposium 2015
11	18 November 2015	Enhancing Client Relationships
12	24 November 2015	Changing Scope of Capital Market Regulations
13	26 November 2015	Board Reward & Recognition
14	26 November 2015	Economic Insight : SEA Q4 Briefings
15	13 January 2016	Audit Oversight Board: New Auditor's Report-Sharing the UK Experience
16	20 January 2016	Finance for Non Finance- "Finance Language in the Boardroom"
17	11 March 2016	Ring the Bell for Gender Equality
18	15 March 2016	Listing in London Workshop

Remarks: Mr Hee Teck Ming and Mr Ar. Vincent Lee Kon Keong did not attend any conference, trainings and/or seminars during the financial period ended 31 March 2016 due to their busy schedule. However, they have kept themselves abreast on financial and business matters through readings and attending overseas meetings to enable them to contribute to the Board. They are also aware of their duties and responsibilities and will continue to undergo other relevant training programmes to keep abreast with new regulatory developments and requirements in compliance with the Listing Requirements on continuing education.

Corporate Governance Statement (continued)

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board take responsibility to present a balanced and meaningful assessment of the Group's position and prospect and to ensure that the financial statements are drawn up in accordance with the provision of Companies Act, 1965 and applicable accounting standards in Malaysia. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Responsibility Statement by the Directors pursuant to Main Market Listing Requirements of Bursa Securities is set out in this Annual Report.

In addition to the above, the Company also undertook an independent assessment of the internal control system and the Audit Committee has been assured that no material issue and major deficiency had been detected which posed a high risk to the overall internal control under review.

5.2 Assessment of Suitability and Independence of External Auditors

The Board has maintained an appropriate and transparent relationship with the External Auditors through the Audit Committee. The Audit Committee has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. Both the External Auditors and Internal Auditors are invited to attend the Audit Committee Meetings to facilitate the exchange of view on issues requiring attention. A full Audit Committee Report is set out in pages AR31 to AR37 of this Annual Report.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risk

The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group's system of internal controls. The Board defines the level of risk appetite, approving and overseeing the operation of the Group's Risk Management Framework, assessing its effectiveness and reviewing any major/ significant risk facing the Group.

The Audit Committee oversees the risk management framework of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation.

The Audit Committee also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks. The Company continues to maintain and review its internal control procedures to safeguard its assets and businesses.

6.2 Internal Audit Function

The Company has its in house internal audit department to assist the Audit Committee in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The Statement on Risk Management and Internal Control as included on pages 29 to 30 of this Annual Report provides the overview of the internal control framework adopted by the Company during the financial period ended 31 March 2016.

Corporate Governance Statement (continued)

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policies

The Board shall ensure that all communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws. The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels for the management and disclosure of information. These investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decision.

The Management are responsible for determining the materiality of the information and ensuring timely, complete, and accurate disclosure of material information to the investing public in accordance with securities laws and stock exchange rules and regulations, monitoring compliance with this policy and overseeing the disclosure controls and procedures.

Sufficient information would be provided to the Company Secretary for drafting of the necessary announcement. The Board is mindful that information which is expected to be material must be announced immediately, and that the confidential information should be handled properly to avoid leakage and improper use of such information.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Company's website incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by the public. This Investor Relation section enhances the Investor Relations function by including all announcements made by the Company. The announcement of the quarterly financial results is also made via Bursa Link immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meetings

In an effort to encourage greater shareholders' participation at AGMs, the Board takes cognisance in serving longer than the required minimum notice period for AGMs, when possible. The Managing Director shall ensure that the Board is accessible to shareholders and an open channel of communication is cultivated.

AHB encloses the Annual Report and Notice of AGM with regard to, amongst others, details of the AGM, their entitlement to attend the AGM, the right to appoint proxy and also the qualification of proxy.

Notice of the AGM and the Annual Report are sent out more than 21 days prior to the date of the AGM and it is also advertised in a local daily newspaper. Any item of the Special Business included in the Notice of the AGM will be accompanied by a full explanation of the effects of the proposed resolution. Shareholders are given the opportunity to participate in the question and answer session on the proposed resolutions and the Group's operations. Separate resolutions are prepared for different transactions and the outcome of the resolutions voted upon will be declared by the Chairman during the AGM and will be announced to Bursa Malaysia on the same Meeting day.

Corporate Governance Statement (continued)

8.2 Encourage Poll Voting

At the commencement of the annual general meeting after the calling of the meeting to order, the Chairman would remind the shareholders, proxies and corporate representatives on their rights to demand for a poll in accordance with the provisions of the Articles of Association of the Company for any resolutions. The Chairman is also aware that he could demand for a poll for substantive resolution to be tabled at the shareholders' meetings.

The Company's share registrar is well equipped to facilitate the conduct a poll should the need arises.

Pursuant to the recent amendments to the Main Market Listing Requirements of Bursa Securities, poll voting is required for any resolutions set out in the notice of general meetings, or notice of resolutions and its related amendments for any general meetings held on or after 1 July 2016.

8.3 Effective Communication and Proactive Engagement

The Board places importance of shareholders' meetings as important events for the Board to meet the shareholders. The Chairman would allot sufficient time to encourage the shareholders, proxies and the corporate representatives to ask questions pertaining to the matters tabled at the general meetings. The senior management and External Auditors are present at the shareholders' meetings to answer any query that the shareholders, proxies and corporate representatives may ask. The Company also maintain a website at www.artwright.com from which shareholders and stakeholders can access for information.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement on Corporate Governance. The Board considers that the Statement on Corporate Governance provides the information necessary to enables shareholders to evaluate how the Code has been applied. The Board considers and is satisfied that the Company has fulfilled its obligation under the Code, the Listing Requirements of Bursa Securities and all applicable laws and regulations throughout the financial year ended 31 March 2016.

This Statement is made in accordance with a resolution of the Board of Directors dated 22 June 2016.

Statement of Directors' Responsibility in relation to the Financial Statements

The Directors are required to lay before the Company at its Annual General Meeting, the financial statements, which includes the consolidated statement of financial position and the consolidated statement of comprehensive income of the Company and its subsidiaries ("the Group") for each financial period made out in accordance with the applicable approved accounting standards and the provisions of the Act. This is also in line with Paragraph 15.26(a) of Main Market Listing Requirements of Bursa Securities.

The Directors are required to take reasonable steps in ensuring that the consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial period ended 31 March 2016.

The financial statements of the Company and the Group for the financial year under review are set out from pages 1 to 65 of this Annual Report.

During the preparation of financial statements, the Directors have considered the following:-

- Appropriate accounting policies have been used and are consistently applied;
- Reasonable and prudent judgments and estimates were made; and
- All applicable approved accounting standards in Malaysia have been followed.

The Directors are required under the Companies Act, 1965 to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and to cause such records to be kept in such manner as to enable them to be conveniently and properly audited.



Statement on Risk Management and Internal Control

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities requires the Board of Directors of the Company to make a statement in this Annual Report about the state of risk management and internal control in the Company as a Group. The Board is pleased to provide the following Statement on Internal Control which has been prepared in accordance with the “Statement on Internal Control – Guidance for Directors of Public Listed Companies”.

THE BOARD’S RESPONSIBILITY

The Board of Directors recognizes the importance of a sound internal control system and effective risk management practices to good corporate governance. The Board also affirms its overall responsibility for the Group’s system of internal control and risk management.

In view of the limitations inherent in any internal control system, it is recognized that such system is designed to manage rather than eliminate risk. Evaluation and implementation of the system can only provide reasonable assurance of the Group achieving its objectives. The system will not provide absolute assurance against any material loss occurrence.

The Board is satisfied that the internal control system was generally satisfactory for the financial period under review, and there was a continual process for identifying, evaluating and managing the significant risks faced by the Group.

RISK MANAGEMENT

During the financial period, the Internal Audit Department assisted the Audit Committee and Board of Directors on internal control assessments and checks. This provided assessments and feedback through:

- a. Documenting policies, procedures and process flows in the Working Guidelines and responding to queries from the Audit Committee; and
- b. Promoting risk awareness and the value and nature of an effective internal control system.

The Internal Audit Department assisted the Audit Committee and Board of Directors by providing assessment and feedback the areas of:

- a. Checking on compliance with laws, regulations, corporate policies and procedures; and
- b. Evaluating the effectiveness of risk management and corporate governance.

The Company Secretary also briefed the Audit Committee and Board of Directors on the updates to the relevant laws and regulations, where applicable.

Statement on Risk Management and Internal Control (continued)

INTERNAL CONTROL SYSTEM

The key elements of the Group's Internal Control System are as follows:-

- a. Regular reviews and discussions are held to identify and resolve business, financial, and other management issues.
- b. Roles and responsibilities of delegated authority are clearly defined and set out in the Group's policies and guidelines. These policies and guidelines are reviewed regularly and updated when needed. They can be accessed by all employees to facilitate awareness and compliance.
- c. The Audit Committee with the assistance of the Internal Audit Department monitors remedial actions on internal control issues identified.

INTERNAL AUDIT FUNCTIONS

The Group has an Internal Audit Department to perform its internal audit function and reports directly to the Audit Committee to review the adequacy and integrity of the internal control system of the Group.

The internal audit function performed reviews on key processes within the Group and assessed the effectiveness of the internal control system. The Audit Committee is kept informed of the audit process, from the annual audit plan to the audit findings and reporting, and would thereafter report and make recommendation to the Board of Directors. The Management is responsible for ensuring that corrective actions are taken within the stipulated time frame on the reported weaknesses.

The Company has incurred approximately RM36,900.00 for the internal audit work conducted within the Group for the financial year ended 31 March 2016, including the salaries for internal audit function performed.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement of Risk Management and Internal Control for inclusion in the Group's Annual Report for the financial period ended 31 March 2016.

CONCLUSION

The Board is satisfied that, during the period under review and up to the date of this report, the systems of risk management and internal control being instituted throughout the Group are in all material aspects, adequate and effective and have received the same assurance from the Chief Executive Officer. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

This statement is made in accordance with the resolution of the Board of Directors dated 22 June 2016.

Report of the Audit Committee

The Board of Directors of AHB is pleased to present the Audit Committee Report for the financial year ended 31 March 2016.

MEMBERS OF AUDIT COMMITTEE

The Audit Committee (“AC” or “Committee”) consists of three (3) members, whom are Independent Non-Executive Directors. The present members of the AC are: -

Director	Position
Dr. Folk Jee Yoong (Chairman)	Independent Non-Executive Director
Hee Teck Ming	Independent Non-Executive Director
Ar. Vincent Lee Kon Keong (Appointed on 29 February 2016)	Independent Non-Executive Director
Chan Chow Hun (Resigned on 31 August 2015)	Independent Non-Executive Director

TERMS OF REFERENCE

1. OBJECTIVE

The primary objective of the Audit Committee are :

- a. To establish a documented, formal and transparent procedure to assists the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations;
- b. To provide greater transparency on the audit functions by increasing the objectivity and independence of external and internal auditors and providing a forum for discussion that is independent of the management; and
- c. To maintain open communication through regularly scheduled meetings a direct line of communication between the Board and the external auditors, internal auditors and financial management.

2. COMPOSITION

The primary objective of the Audit Committee are :

- a. The members of Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent. The Board shall at all the times ensure that at least one (1) member of the Audit Committee:
 - i. Must be a member of the Malaysian Institute of Accountants (“MIA”); or
 - ii. If he is not a member of the MIA, he must have at least three (3) years’ working experience and:
 - a. Passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - b. Must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii. Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

Report of the Audit Committee (continued)

- b. The Audit Committee shall elect a Chairman from among its members and the elected Chairman shall be an Independent Director.
- c. No alternate director shall be appointed as a member of the Audit Committee.
- d. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.
- e. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit Committee cease to be a Director of the Company, his membership in the Audit Committee would cease forthwith.
- f. If a member of the Audit Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. AUTHORITY

- a. The Audit Committee is authorised by the Board to investigate any matter within the Audit Committee's terms of reference. It shall have full and unrestricted access to any information pertaining to the Group and shall have the resources it requires to perform its duties. All employees of the Group are required to comply with the requests made by the Audit Committee.
- b. The Audit Committee is authorised by the Board to obtain external legal or independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, the expenses of which will be borne by the Company.
- c. The Audit Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.
- d. The Audit Committee shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary, in order to enable the Audit Committee and the external auditors or the internal auditors or both, to discuss problems and reservations and any other matter the external auditors or internal auditors may wish to bring up to the attention of the Audit Committee.
- e. The Internal Auditors report directly to the Audit Committee and shall have direct access to the Chairman of the Audit Committee on all matters of control and audit. All proposals by management regarding the appointment, transfer and removal of senior staff members of the Internal Audit of the Group shall require prior approval of the Audit Committee. The Audit Committee is also authorised by the Board to obtain information on any resignation of internal audit staff members and provide the staff member an opportunity to submit his reasons for resigning.

4. DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Audit Committee shall undertake, amongst others, the following duties and responsibilities:

a. Financial Reporting

To review the quarterly and annual financial statements of the Group prepared by the management, where necessary, together with the external auditor, focusing particularly on:

Report of the Audit Committee (continued)

- i. Any significant changes to accounting policies and practices;
- ii. Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- iii. Significant adjustments arising from the audit;
- iv. Compliance with accounting standards and other legal requirements; and
- v. Going concern assumption.

b. Risk Management and Internal Control

- i. To consider the effectiveness of the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximize opportunities;
- ii. To assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- iii. To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- iv. To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures;
- v. To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Group;
- vi. To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself; and
- vii. To report to the Board of Directors any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

c. Internal Audit Function

- i. To review the effectiveness of internal audit function, including the ability, competency and qualification of the internal audit team and/or outsourced internal auditors (if any) to perform its duties;
- ii. To review the adequacy of the scope, functions competency and resources, and that it has the necessary authority to carry out its work;
- iii. To review and approve the internal audit plan and the internal audit report and, where necessary, ensure that appropriate actions are taken on the recommendations made by the internal audit function;
- iv. To receive and review on a regular basis the reports, findings and recommendations of the internal audit team and/or outsourced internal auditors and to ensure that appropriate actions have been taken to implement the audit recommendations;
- v. To ensure the internal audit team and/or outsourced internal auditors has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties;
- vi. To review any matters concerning the employment or appointment (and re-appointment) of the in-house and/or the outsourced internal auditors (as the case may be) and the reasons for resignation or termination of either party; and
- vii. To request and review any special audit which the Committee deems necessary.

Report of the Audit Committee (continued)

d. External Audit

- i. To review the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the external auditors;
- ii. To review the annual performance assessment, including the suitability and independence of the external auditors and make recommendations to the Board, the appointment or re-appointment of the external auditors;
- iii. In assess or determine the suitability and independence of the external auditors, the Audit Committee shall take into consideration of the following :
 - The adequacy of the experience and resources of the external auditors;
 - The external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
 - The nature of the non-audit services provided by the external auditor and fees paid for such services relative to the audit fee; and
 - Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditor.
- iv. To review any matters arising concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors;
- v. To review the external auditor's audit report, and management letter and management's response to the management letter;
- vi. To be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised;
- vii. To review the external auditors' findings arising from audits, particularly any comments and responses in audit recommendations as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken; and
- viii. To review with the external auditors for the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report.

e. Related Party Transactions / Conflict of Interest Situations

To review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

f. Audit Reports

To prepare the annual Audit Committee report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of internal audit services and summary of the activities for inclusion in the Annual Report and to review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the Annual Report.

g. Other matters

- i. To verify the allocation of options pursuant to the Share Issuance Scheme or the allocation of shares pursuant to any incentive plan for employees of the Group at the end of each financial years as being in compliance with the criteria which is disclosed to the employees and make a statement in the Annual Report that such allocation has been verified;

Report of the Audit Committee (continued)

- ii. To exercise its powers and carry out its responsibilities as may be required from time to time under the Whistleblower Policy of the Group; and
- iii. To carry out any other function that may be mutually agreed upon by the Audit Committee and the Board.

5. MEETINGS OF THE COMMITTEE

The Audit Committee shall meet at least four (4) times in a financial year, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. Other than in circumstances which the Chairman of the Audit Committee considers inappropriate, the Executive Directors, Group Accountants, the representatives of the internal auditors and external auditors will attend any meeting of the Audit Committee to make known their views on any matter under consideration by the Audit Committee or which in their opinion, should be brought to the attention of the Audit Committee. Other Board members, employees and external professional advisers shall attend any particular meetings upon invitation by the Audit Committee. Where necessary, the Audit Committee shall meet with the external auditors without the present of any Executive Directors and members of the management.

In the event the elected Chairman is not able to attend a meeting, a member of the Audit Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Audit Committee may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

6. QUORUM

The quorum for a meeting of the Audit Committee shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors.

7. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

8. SECRETARY AND MINUTES

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Audit Committee. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Audit Committee and ensure that the minutes are properly kept and produced for inspection if required. The Audit Committee shall report to the Board and the minutes of each meeting shall be tabled to the Board for notation.

Report of the Audit Committee (continued)

9. CIRCULAR RESOLUTION

A resolution in writing, signed by a majority of the Audit Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Audit Committee, shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Audit Committee.

Internal Audit Function

It is the intention of the Internal Audit Department to provide the Audit Committee of the Company, with assessment of the efficiency and adequacy of the internal control systems of the Group. This is done by reviewing and reporting on any material deviations and non-compliances of policies and control procedures implemented by Management and the Board. The Internal Audit Department will also strive to recommend sound and practical improvement to Management on existing control system wherever necessary after conducting an audit of the various department and operational systems, so as to safeguard the assets of the Company.

On quarterly basis, the Internal Auditors report to the Audit Committee on their audit findings, their recommendations of the corrective actions to be taken by the Management together with the Management's responses in relation thereto. Periodically, the Internal Auditors will follow up to determine the extent of their recommendations that have been implemented by the Management.

Report of the Audit Committee (continued)

The summary of activities of the Internal Auditors for the year under review is as follows:-

- a. Prepared the annual audit plan for the approval of the Audit Committee.
- b. Performed risk based audits on strategic business units of the Company and the Group.
- c. Issued audit reports to the Audit Committee and Management identifying weaknesses and issues as well as highlighting recommendations for improvements.
- d. Acted on suggestions made by the Audit Committee and/or senior management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.
- e. Reported to the Audit Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor information technology management and the processes of procurement, inventory receiving and payment.
- f. Attended Audit Committee meetings to table and discuss the audit reports and followed up on matters raised.

The cost incurred for the internal audit function in respect of the financial year ended 31 March 2016 was approximately RM36,900.00.

Meetings held during the financial year ended 31 March 2016

The Committee met five (5) times during the financial year ended 31 March 2016 and the details of attendance are as follows:-

Director	Total meetings attended
Yong Yoke Keong	5/5
Dr. Folk Jee Yoong	5/5
Hee Teck Ming	5/5
Ar. Vincent Lee Kon Keong (Appointed on 29 February 2016)	N/A
Chan Chow Hun (Resigned on 31 August 2015)	2/3

Other Board members, Director of Corporate Affairs, Chief Administrative Office, Finance Manager and representatives of the External Auditors and Internal Auditors were present by invitation to brief the Committee on specific issues, as and when necessary, with the Company Secretaries in attendance.

Additional Compliance Information

1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

There were no proceeds raised from any corporate proposal during the financial year ended 31 March 2016.

2. MATERIAL CONTRACTS

During the financial year ended 31 March 2016, there were no material contracts entered into by the Company and/or its subsidiaries involving directors and major shareholders' interests (not being contracts entered into in the ordinary course of business).

3. SHARE BUY-BACK

The Company did not enter into any share buy-backs transactions during the financial period.

4. OPTIONS OR CONVERTIBLE SECURITIES

The Company has not issued any options, warrants or convertible securities in respect of the financial period under review.

5. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial period.

6. SANCTIONS AND/OR PENALTIES

During the financial period under review, there were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management by relevant regulatory bodies arising from any significant breach of rules/guidelines/legislation during the financial year ended 31 March 2016.

7. NON-AUDIT FEE

There was no non-audit fee paid during the financial year ended 31 March 2016.

8. VARIATION IN RESULTS

There was no material variations between the results for the financial period and the unaudited results previously announced.

9. PROFIT GUARANTEE

The Company did not provide any profit guarantee during the financial period.

10. RECURRENT RELATED PARTY TRANSACTIONS

The Group did not have any recurrent related party transactions during the financial period.



AHB HOLDINGS BERHAD

(Company No 274909A)
(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

REPORTS AND FINANCIAL STATEMENTS for the financial year ended 30 JUNE 2016

(In Ringgit Malaysia)

AHB HOLDINGS BERHAD
(Company No.: 274909-A)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2016

Registered office:
Suite 10.03, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Principal place of business:
No. 17, Jalan Industri PBP 11
Pusat Bandar Puchong
41700 Puchong
Selangor Darul Ehsan

AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2016

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AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	Company RM
Net profit/(loss) for the financial year, attributable to the owners of the Parent	<u>1,829,079</u>	<u>(474,469)</u>

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period. The Board of Directors do not recommend any dividend in respect of the current financial year.

Issue of Shares, Warrants and Debentures

There was no issuance of shares, warrants or debentures during the financial year.

Warrants 2014 / 2019

The Warrants 2014 / 2019 are constitute by a deed poll dated 22 July 2014 as disclosed in Note 14(c) to the financial statements.

As at 31 March 2016, the total number of warrant that remain unexercised were 71,126,961.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors in office since the date of the last report are as follows:

Yong Yoke Keong
Dr. Folk Jee Yoong
Hee Teck Ming
AR. Vincent Lee Kon Keong (appointed on 29.02.2016)
Chan Chow Hun (resigned on 31.08.2015)

Directors' Interests

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouse or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.20 each			
	At 1.4.2015	Addition	Disposal	At 31.3.2016
Interests in the Company				
Direct interests				
Yong Yoke Keong	21,671,511	8,693,046	-	30,364,557
Hee Teck Ming	1,500	-	-	1,500
	Number of warrants 2014 / 2019			
	At 1.4.2015	Granted	Exercised	At 31.3.2016
Interests in the Company				
Direct interest				
Yong Yoke Keong	9,803,782	12,472,309	-	22,276,091

Directors' Interests (Cont'd)

By virtue of his interests in the shares of the Company, Yong Yoke Keong is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, in companies which traded with certain companies in the Group in the ordinary course of business.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other Statutory Information

- (a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
 - (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Significant Events

The significant events are disclosed in Note 29 to the financial statements.

Company No.

274909	A
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Auditors

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 June 2016

YONG YOKE KEONG

DR. FOLK JEE YOONG

KUALA LUMPUR

AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 11 to 64 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 31 to the financial statements on page 65 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 June 2016

YONG YOKE KEONG

DR. FOLK JEE YOONG

KUALA LUMPUR

Company No.

274909	A
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AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, YONG YOKE KEONG, being the Director primarily responsible for the financial management of AHB Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 11 to 65 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 29 June 2016)

YONG YOKE KEONG

Before me,

No. W 710
MOHAN A.S. MANIAM

COMMISSIONER FOR OATHS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AHB HOLDINGS BERHAD**

(Company No: 274909-A)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of AHB Holdings Berhad, which comprise statements of financial position as at 31 March 2016 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 64.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AHB HOLDINGS BERHAD (CONT'D)**

(Company No: 274909-A)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on in Note 31 on page 65 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AHB HOLDINGS BERHAD (CONT'D)**

(Company No: 274909-A)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY

Firm Number: AF 1411
Chartered Accountants

NG WEE TEIK

Approved Number: 1817/12/16 (J)
Chartered Accountant

KUALA LUMPUR

29 June 2016

AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
Non-Current Assets					
Property, plant and equipment	4	6,533,881	277,066	-	-
Goodwill on consolidation	5	1,935,486	1,935,486	-	-
Investment in subsidiary companies	6	-	-	21,800,425	21,800,425
Deferred tax asset	7	2,500,000	2,500,000	-	-
		<u>10,969,367</u>	<u>4,712,552</u>	<u>21,800,425</u>	<u>21,800,425</u>
Current Assets					
Inventories	8	6,152,247	6,688,516	-	-
Trade receivables	9	7,166,878	11,769,364	-	-
Other receivables	10	3,704,838	4,099,578	31,800	-
Amount due from subsidiary companies	11	-	-	36,961,588	31,960,410
Tax recoverable		137,340	137,340	-	-
Fixed deposit with a licensed bank	12	2,222,581	1,017,100	-	1,017,100
Cash and bank balances	12	1,235,650	1,460,714	2,457	299,635
		<u>20,619,534</u>	<u>25,172,612</u>	<u>36,995,845</u>	<u>33,277,145</u>
Total Assets		<u>31,588,901</u>	<u>29,885,164</u>	<u>58,796,270</u>	<u>55,077,570</u>

AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016 (CONT'D)**

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
Equity					
Share capital	13	32,007,239	32,007,239	32,007,239	32,007,239
Reserves	14	(2,823,315)	(4,652,394)	22,411,791	22,886,260
Total		<u>29,183,924</u>	<u>27,354,845</u>	<u>54,419,030</u>	<u>54,893,499</u>
Non-Current Liability					
Deferred tax liability	15	-	3,800	-	-
Current Liabilities					
Trade payables	16	1,699,321	1,634,019	-	-
Other payables	17	611,556	807,007	203,171	129,768
Amount due to a subsidiary company	11	-	-	4,081,269	-
Amount due to Directors	18	92,800	85,190	92,800	54,000
Tax payables		1,300	303	-	303
		<u>2,404,977</u>	<u>2,526,519</u>	<u>4,377,240</u>	<u>184,071</u>
Total Liabilities		<u>2,404,977</u>	<u>2,530,319</u>	<u>4,377,240</u>	<u>184,071</u>
Total Equity and Liabilities		<u>31,588,901</u>	<u>29,885,164</u>	<u>58,796,270</u>	<u>55,077,570</u>

The accompanying notes form an integral part of the financial statements.

AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

	Note	Group		Company	
		1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Revenue	19	16,662,310	11,528,701	-	-
Other operating income		1,080,067	447,655	40,991	181,287
Purchase of trading merchandise		(10,340,469)	(6,883,605)	-	-
Changes in trading merchandise		536,269	62,360	-	-
Directors' remuneration	24	(567,717)	(403,746)	(88,000)	(54,000)
Staff Cost	24	(2,395,855)	(1,556,334)	-	-
Depreciation of property, plant and equipment		(458,251)	(61,240)	-	-
Finance costs	20	(24)	(58,579)	-	-
Other operating expenses		<u>(2,690,054)</u>	<u>(2,158,450)</u>	<u>(427,763)</u>	<u>(148,660)</u>
Profit/(Loss) before tax	21	1,826,276	916,762	(474,772)	(21,373)
Taxation	22	<u>2,803</u>	<u>47,895</u>	<u>303</u>	<u>-</u>
Profit/(Loss) for the financial year/period, representing total comprehensive income for the financial year/period		<u>1,829,079</u>	<u>964,657</u>	<u>(474,469)</u>	<u>(21,373)</u>
Earnings per share (sen)	23				
Basic		1.14	0.72		
Diluted		<u>1.14</u>	<u>0.72</u>		

The accompanying notes form an integral part of the financial statements.

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

Group	Attributable to Owners of the Parent						Total RM
	Share Capital RM	Share Premium RM	Non-distributable		Other Reserve RM	Accumulated Losses RM	
	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
At 1 April 2015	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(28,849,743)	27,354,845
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	1,829,079	1,829,079
At 31 March 2016	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(27,020,664)	29,183,924

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

Group	Note	Attributable to Owners of the Parent						Total RM
		Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	
At 1 July 2014		10,669,080	3,664,610	21,305,406	-	-	(29,814,400)	5,824,696
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	-	-	964,657	964,657
Transaction with owners:								
Issuance of shares pursuant to right issue	13	21,338,159	-	-	-	-	-	21,338,159
Right issue of warrant reserve		-	-	11,095,806	(11,095,806)	-	-	-
Shares issuance expenses		-	(772,667)	-	-	-	-	(772,667)
Total transactions with owners		21,338,159	(772,667)	11,095,806	(11,095,806)	-	-	20,565,492
At 31 March 2015		32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(28,849,743)	27,354,845

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

Company	Attributable to Owners of the Parent						
	Share Capital RM	Share Premium RM	Non-distributable			Accumulated Losses RM	Total RM
	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
At 1 April 2015	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(1,311,089)	54,893,499
Loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	(474,469)	(474,469)
At 31 March 2016	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(1,785,558)	54,419,030

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

Company	Attributable to Owners of the Parent									
	<-----Non-distributable----->					----->				
Note	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM	Share Capital RM	Share Premium RM	Capital Reserve RM
At 1 July 2014	10,669,080	3,664,610	21,305,406	-	-	(1,289,716)	34,349,380	-	-	-
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	(21,373)	(21,373)	-	-	-
Transaction with owners:										
Issuance of shares pursuant to right issue	13 21,338,159	-	-	-	-	-	21,338,159	-	-	-
Right issue of warrant reserve	-	-	11,095,806	(11,095,806)	-	-	-	-	-	-
Shares issuance expenses	-	(772,667)	-	-	-	-	(772,667)	-	-	-
Total transactions with owners	21,338,159	(772,667)	11,095,806	(11,095,806)	-	-	20,565,492	-	-	-
At 31 March 2015	32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(1,311,089)	54,893,499	11,095,806	(11,095,806)	(1,311,089)

The accompanying notes form an integral part of the financial statements.

AHB HOLDINGS BERHAD

(Incorporated In Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Cash Flows From Operating Activities				
Profit/(Loss) before tax	1,826,276	916,762	(474,772)	(21,373)
Adjustments for:				
Bad debt written off on receivables				
- Trade	86,959	-	-	-
- Other	75,702	167,111	-	-
Depreciation of property, plant and equipment	458,252	61,240	-	-
Finance costs	24	58,579	-	-
Impairment loss on trade receivables	101,455	377,000	-	-
Impairment loss on other receivables	29,389	-	-	-
Interest income	(13,453)	(70,837)	(8,342)	(70,837)
Inventories written down	130,000	-	-	-
Unrealised gain on foreign exchange	(762,528)	(260,232)	-	-
Waiver of debts	(31,400)	-	-	-
Operating profit/(loss) before working capital changes	1,900,676	1,249,623	(483,114)	(92,210)
Changes in working capital:				
Inventories	94,959	(62,360)	-	-
Trade receivables	5,233,584	(777,621)	(31,800)	157,957
Other receivables	289,649	(298,614)	-	-
Trade payables	65,302	(1,456,123)	73,403	(6,601,615)
Other payables	(162,713)	(8,740,235)	-	-
Subsidiaries	-	-	(919,909)	(9,667,236)
Directors	7,610	(3,216,607)	38,800	(686,788)
	5,528,391	(14,551,560)	(839,506)	(16,797,682)
Cash used in operation	7,429,067	(13,301,937)	(1,322,620)	(16,889,892)
Interest received	13,453	70,837	8,342	70,837
Tax paid	(24)	(911,231)	-	-
	13,429	(840,394)	8,342	70,837
Net cash from/(used in) operating activities	7,442,496	(14,142,331)	(1,314,278)	(16,819,055)

AHB HOLDINGS BERHAD

(Incorporated In Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Cash Flows From Investing Activity				
Purchase of property, plant and equipment	(6,403,757)	(5,320)	-	-
Net cash used in investing activity	<u>(6,403,757)</u>	<u>(5,320)</u>	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities				
Finance costs paid	-	(58,579)	-	-
Proceeds from issuance of ordinary shares	-	21,338,159	-	21,338,159
Repayment of borrowings	-	(4,843,243)	-	(2,439,709)
Share issuance expenses	-	(772,667)	-	(772,667)
Net cash from financing activities	<u>-</u>	<u>15,663,670</u>	<u>-</u>	<u>18,125,783</u>
Net increase/(decrease) in cash and cash equivalents	1,038,739	1,516,019	(1,314,278)	1,306,728
Cash and cash equivalents at the beginning of the financial year/period	2,477,814	961,795	1,316,735	10,007
Effect of exchange translation difference on cash and cash equivalent	<u>(58,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year/period	<u>3,458,231</u>	<u>2,477,814</u>	<u>2,457</u>	<u>1,316,735</u>
Cash and cash equivalents at the end of the financial year/period comprise:				
Cash and bank balances	1,235,650	1,460,714	2,457	299,635
Fixed deposit with a licensed bank	<u>2,222,581</u>	<u>1,017,100</u>	<u>-</u>	<u>1,017,100</u>
	<u>3,458,231</u>	<u>2,477,814</u>	<u>2,457</u>	<u>1,316,735</u>

The accompanying notes form an integral part of the financial statements.

AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is at No. 17, Jalan Industri PBP 11, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan.

The registered office of the Company is located at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 119 Defined Benefits Plans: Employee Contributions
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

Adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective**

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle		1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company except as mentioned below:

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Group is in the process of assessing the impact of this Standard. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(b) Functional and Presentation Currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment (Note 4)

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the recoverable amounts are disclosed in Note 5.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of the carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 7.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8.

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the end of the reporting date for loans and receivables are disclosed in Notes 9, 10 and 11 respectively.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 March 2016, the Group has tax recoverable and payable of RM137,340 (2014: RM137,340) and RM1,300 (2014: RM303) respectively.

3 Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(i)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation (Cont'd)

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(i)(i) to the financial statements on impairment of non-financial assets.

(b) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Renovation	10%
Plant and machinery	10%
Tools, equipment and moulds	10%
Office and computer equipment, furniture and fittings and air- conditioners	10% - 20%
Motor vehicle	20%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

3. Significant Accounting Policies (Cont'd)

(d) Financial assets (Cont'd)

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

(e) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify their financial liabilities at initial recognition, into other financial liabilities measured at amortised cost.

The Group's and the Company's other financial liabilities comprise trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

3. **Significant Accounting Policies (Cont'd)**

(e) **Financial liabilities (Cont'd)**

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(f) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the weighted average basis. The cost of trading merchandise comprises the original cost of purchase plus cost of bringing the inventories to their present condition and location.

In arriving at the net realizable value, due allowance is made for all obsolete and slow moving inventories.

(h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits, if any.

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

3. Significant Accounting Policies (Cont'd)

(i) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Financial assets carried at amortised cost (Cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

(j) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(k) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3. Significant Accounting Policies (Cont'd)

(k) Provisions (Cont'd)

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(l) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3. Significant Accounting Policies (Cont'd)

(m) Revenue

(i) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances and trade discount. Revenue from sale of goods is recognised when transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(o) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

3. Significant Accounting Policies (Cont'd)

(o) Income taxes (Cont'd)

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(q) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. **Property, Plant and Equipment**

Group	Renovation RM	Plant and machinery RM	Tools, equipment and moulds RM	Office and computer equipment, furniture and fittings and air-conditioners RM	Motor vehicle RM	Total RM
31.3.2016						
Cost						
At 1 April 2015	295,250	48,509	856,837	8,273,749	28,000	9,502,345
Additions	-	-	6,350,805	52,952	-	6,403,757
Transfer from inventories	-	-	311,310	-	-	311,310
At 31 March 2016	295,250	48,509	7,518,952	8,326,701	28,000	16,217,412
Accumulated depreciation						
At 1 April 2015	158,304	39,276	838,379	8,177,187	12,133	9,225,279
Charge for the financial year	16,115	1,870	420,042	15,932	4,293	458,252
At 31 March 2016	174,419	41,146	1,258,421	8,193,119	16,426	9,683,531
Carrying amount						
At 31 March 2016	120,831	7,363	6,260,531	133,582	11,574	6,533,881

4. Property, Plant and Equipment (Cont'd)

Group	Renovation RM	Plant and machinery RM	Tools, equipment and moulds RM	Office and computer equipment, furniture and fittings and air-conditioners RM	Motor vehicle RM	Total RM
31.3.2015						
Cost						
At 1 July 2014	295,250	48,509	853,437	8,271,829	28,000	9,497,025
Additions	-	-	3,400	1,920	-	5,320
At 31 March 2015	295,250	48,509	856,837	8,273,749	28,000	9,502,345
Accumulated depreciation						
At 1 July 2014	138,133	37,406	831,166	8,149,728	7,606	9,164,039
Charge for the financial period	20,171	1,870	7,213	27,459	4,527	61,240
At 31 March 2015	158,304	39,276	838,379	8,177,187	12,133	9,225,279
Carrying amount						
At 31 March 2015	136,946	9,233	18,458	96,562	15,867	277,066

5. Goodwill on Consolidation

	Group	
	2016	2015
	RM	RM
Cost		
At the beginning/end of the financial year/period	<u>1,935,486</u>	<u>1,935,486</u>

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the cash-generating unit (“CGU”), being the trading unit of the Group, is determined on a value-in-use calculation using cash flow projections covering a 7-year period. Management believes that this 7-year forecast period was justifiable due to its long-term nature of the office interior product business. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rate and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rate and changes in selling prices and direct costs are based on expectations of future changes in the market.

The key assumptions used for the value-in-use calculations are:

	Group	
	2016	2015
	%	%
Growth rate	35	38
Gross margin	32	32
Discount rate	<u>5</u>	<u>8</u>

The following describes each key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

(a) Budgeted growth rate

The budgeted growth rate is determined based on the industry trend and past performances.

(b) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(c) Discount rate

The discount rate is pre-tax and estimated based on the weighted average cost of capital of the Group plus a reasonable risk premium.

5. Goodwill on Consolidation (Cont'd)

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources.

6. Investment in Subsidiary Companies

	Company	
	2016	2015
	RM	RM
In Malaysia		
At cost		
Unquoted shares	40,100,922	40,100,922
Less: Accumulated impairment losses	<u>(18,300,497)</u>	<u>(18,300,497)</u>
	<u>21,800,425</u>	<u>21,800,425</u>

In determining value-in-use for AHB Technology Sdn. Bhd. and AHB Marketing Sdn. Bhd., the cash flows were discounted at a rate of 5% on a pre-tax basis. After considering the future prospects and profitability of the subsidiary companies, the Directors are of the opinion that no additional impairment in the value of the investment has occurred and therefore no further allowance for impairment loss is required to be made in respect of investment in subsidiary companies in the financial statements of the Company during the financial year.

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest		Principal activities
		2016	2015	
		%	%	
AHB Technology Sdn. Bhd.	Malaysia	100	100	Trading of office furniture and specialised computer furniture
AHB Marketing Sdn. Bhd.	Malaysia	100	100	Trading of office interior products
Create Space Sdn. Bhd.	Malaysia	100	100	Trading of office interior products
AHB Distribution Sdn. Bhd.	Malaysia	100	100	Trading of office interior products

7. Deferred Tax Assets

	Group	
	2016 RM	2015 RM
At the beginning/end of the financial year/period	<u>2,500,000</u>	<u>2,500,000</u>

The component of the deferred tax asset of the Group is as follows:

	Unutilised tax losses RM	Total RM
Group		
At 31 March 2016 / 31 March 2015	<u>2,500,000</u>	<u>2,500,000</u>
At 31 March 2015 / 30 June 2014	<u>2,500,000</u>	<u>2,500,000</u>

8. Inventories

	Group	
	2016 RM	2015 RM
Trading merchandise	<u>6,152,247</u>	<u>6,688,516</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	10,161,549	6,821,245
Inventories written down	<u>130,000</u>	<u>-</u>

9. Trade Receivables

	Group	
	2016 RM	2015 RM
Trade receivables	7,495,333	15,463,890
Less: Accumulated impairment losses	<u>(328,455)</u>	<u>(3,694,526)</u>
	<u>7,166,878</u>	<u>11,769,364</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days (30.6.2014: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

9. Trade Receivables (Cont'd)

Movement in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2016	2015
	RM	RM
At 1 April / 1 July	3,694,526	3,317,526
Impairment loss recognised	126,953	377,000
Amount written off	<u>(3,493,024)</u>	<u>-</u>
At 31 March	<u>328,455</u>	<u>3,694,526</u>

Analysis of the trade receivables ageing at the end of the reporting period is as follows:

	Group	
	2016	2015
	RM	RM
Neither past due nor impaired	2,172,398	1,436,445
Past due but not impaired:		
More than 30 days	<u>4,994,480</u>	<u>10,332,919</u>
	7,166,878	11,769,364
Impaired	<u>328,455</u>	<u>3,694,526</u>
	<u>7,495,333</u>	<u>15,463,890</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 March 2016, trade receivables of RM4,994,480 (2015: RM10,332,919) were past due but not impaired. The Group's historical experience in collection of trade receivables falls within the recorded allowances and management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM328,455 (2015: RM3,694,526), related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

10. Other Receivables

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other receivables	3,675,827	3,997,277	-	-
Accumulated impairment losses	(29,389)	-	-	-
	<u>3,646,438</u>	<u>3,997,277</u>	<u>-</u>	<u>-</u>
Deposits	24,600	77,702	-	-
Prepayments	33,800	24,599	31,800	-
	<u>3,704,838</u>	<u>4,099,578</u>	<u>31,800</u>	<u>-</u>

Movement in the allowance for impairment losses of other receivables are as follows:

	Group	
	2016	2015
	RM	RM
At 1 April / 1 July	-	167,111
Impairment losses recognised	105,091	-
Amount written off	(75,702)	(167,111)
At 31 March	<u>29,389</u>	<u>-</u>

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payments.

11. Amounts Due from/(to) Subsidiary Companies

Amounts due from/(to) subsidiary companies are non-trade related, non-interest bearing, unsecured and repayable on demand.

12. Deposits, Bank and Cash Balances

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash and bank balances	1,235,650	1,460,714	2,457	299,635
Fixed deposits with a licensed bank	2,222,581	1,017,100	-	1,017,100
	<u>3,458,231</u>	<u>2,477,814</u>	<u>2,457</u>	<u>1,316,735</u>

Deposits of the Group and the Company has maturity periods of 1 month (2015: 1 month).

13. Share Capital

	Group and Company			
	Number of shares		Amount	
	2016	2015	2016	2015
	Units	Units	RM	RM
Authorised				
Ordinary shares of RM0.20 each	<u>5,000,000,000</u>	<u>5,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid				
At 1 April / 1 July	160,036,194	53,345,398	32,007,239	10,669,080
Movement during the financial year/period:				
- Rights issues	-	106,690,796	-	21,338,159
At 31 March	<u>160,036,194</u>	<u>160,036,194</u>	<u>32,007,239</u>	<u>32,007,239</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. Reserves

	Note	Group		Company	
		31.3.2016	30.6.2015	31.3.2016	30.6.2015
		RM	RM	RM	RM
Share premium	(a)	2,891,943	2,891,943	2,891,943	2,891,943
Capital reserve	(b)	21,305,406	21,305,406	21,305,406	21,305,406
Warrant reserve	(c)	11,095,806	11,095,806	11,095,806	11,095,806
Other reserve	(c)	(11,095,806)	(11,095,806)	(11,095,806)	(11,095,806)
Accumulated losses		<u>(27,020,664)</u>	<u>(28,849,743)</u>	<u>(1,785,558)</u>	<u>(1,311,089)</u>
		<u>(2,823,315)</u>	<u>(4,652,394)</u>	<u>22,411,791</u>	<u>22,886,260</u>

The nature of reserve of the Group and of the Company is as follow:

(a) Share premium

Share premium arose from the issuance of shares and conversion of Irredeemable Convertible Unsecured Loan Stock ("ICULS") in prior financial years, net of bonus issue and issue expenses.

14. Reserves (Cont'd)**(b) Capital reserve**

The capital reserve arose from the Capital Reduction amounted to RM38,505,118 and was used to offset RM17,199,712 of its accumulated losses at the date when the reduction of share capital become effective in previous financial year.

The remaining credit after off-setting amounting to RM21,305,406 was credited to the capital reserve of the Group and of the Company.

(c) Warrant reserve and other reserve

Warrant reserve and other reserve represent reserve allocated to free detachable warrants issued with right issue.

During the previous financial period, the Company issued renounceable right issue of 106,690,796 new ordinary shares of RM0.20 each together with 71,126,961 free detachable new warrants on the basis of 2 New Warrants for every 3 Rights Shares. The Company executed a Deed Poll constituting the warrants and the exercise price of the warrants has been fixed at RM0.20 each.

The warrants may be exercised at any time within 5 years commencing on and including the date of first issuance of the warrants. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.

The warrant holders are not entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of new ordinary shares in the Company upon the exercise of the warrants. The warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such warrant holders exercise their warrants into new ordinary shares in the Company.

As at 31 March 2016, the total number of warrants that remain unexercised were 71,126,961 (2014: 71,126,961).

15. Deferred Tax Liabilities

	Group	
	2016	2015
	RM	RM
At 1 April / 1 July	3,800	60,790
Recognised in profit or loss	-	1,500
Over provision in prior year	(3,800)	(58,490)
At 31 March	-	3,800

15. Deferred Tax Liabilities (Cont'd)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2016	2015
	RM	RM
Deferred tax liabilities	463,989	3,800
Deferred tax assets	(463,989)	-
	<u>-</u>	<u>3,800</u>

The components and movements of deferred tax liabilities and assets are as follows:

Deferred tax liabilities

	Group	
	2016	2015
	RM	RM
Accelerated capital allowances		
At 1 April / 1 July	3,800	60,790
Recognised in profit or loss	463,989	1,500
Over provision in prior year	(3,800)	(58,490)
At 31 March	<u>463,989</u>	<u>3,800</u>

Deferred tax assets

	Group	
	2016	2015
	RM	RM
Unabsorbed capital allowances		
At 1 April / 1 July	-	-
Recognised in profit or loss	463,989	-
At 31 March	<u>463,989</u>	<u>-</u>

Deferred tax assets have not been recognised in respect of the following temporary differences due to uncertainty of its recoverability:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Unutilised tax losses	14,227,000	15,884,000	746,000	427,000
Unabsorbed capital allowances	445,000	25,000	-	-
Temporary difference arising from trade receivables	-	-	-	-
	<u>14,672,000</u>	<u>15,909,000</u>	<u>746,000</u>	<u>427,000</u>

15. Deferred Tax Liabilities (Cont'd)

Deferred tax assets are recognised to the extent of probable future taxable profits of the subsidiary companies.

16. Trade Payables

Credit terms of trade payables of the Group range from 30 to 100 days (2015: 30 to 100 days) depending on the terms of the contracts.

17. Other Payables

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Other payables	272,408	468,039	173,371	104,768
Accruals	339,148	338,968	29,800	25,000
	611,556	807,007	203,171	129,768

18. Amount Due to Directors

The amount due to Directors arose from fees payable to the Directors and advances given to the Company. The amount due are non-interest bearing, unsecured and repayable on demand.

19. Revenue

This represents invoiced value of goods sold less returns and discounts.

20. Finance Costs

	Group	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Interest expenses on:		
Term loans	-	37,377
Trade and other payables	24	21,202
	24	58,579

21. Profit/(Loss) before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Auditors' remuneration				
- Current year	73,000	80,000	25,000	25,000
- Overprovision in prior year	(4,000)	-	-	-
Depreciation of property, plant and equipment	458,252	61,240	-	-
Impairment loss on receivables				
- Trade	101,455	377,000	-	-
- Other	29,389	-	-	-
Inventories written down	130,000	-	-	-
Loss/(Gain) on foreign exchange				
- Realised	49,420	186,652	-	-
- Unrealised	(762,528)	(260,232)	-	-
Non-executive Directors' remuneration				
- Fee	64,000	36,000	64,000	36,000
Rental of premises	397,976	268,181	-	-
Rental of photocopier	2,340	-	-	-
Bad debts written off				
- Trade	86,959	-	-	-
- Other	75,702	167,111	-	-
Interest income	(13,453)	(70,837)	(8,342)	(70,837)
Waiver of debts	(31,400)	-	(31,400)	-

22. Taxation

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Tax expense recognised profit or loss				
Current income tax	1,300	-	-	-
(Over)/Under provision in prior year	(303)	9,095	(303)	-
	<u>997</u>	<u>9,095</u>	<u>(303)</u>	<u>-</u>
Deferred tax				
Origination of temporary differences	-	1,500	-	-
Over provision in prior year	(3,800)	(58,490)	-	-
	<u>(3,800)</u>	<u>(56,990)</u>	<u>-</u>	<u>-</u>
Tax expense for the financial year/period	<u>(2,803)</u>	<u>(47,895)</u>	<u>(303)</u>	<u>-</u>

Malaysian income tax is calculated at the statutory tax rate of 25% (2015: 25%) of the estimated assessable profits for the financial year/period.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are provided in the next page:

22. Taxation (Cont'd)

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Profit/(Loss) before tax	1,826,276	916,762	(474,772)	(21,373)
At Malaysian statutory tax rate of 25% (2015: 25%)	456,570	229,192	(118,693)	(5,343)
Tax effects in respect of:				
Expenses not deductible for tax purposes	140,078	106,232	40,980	5,343
Income not subject to tax	(214,950)	(9,971)	-	-
Utilisation of unutilised tax losses and unabsorbed capital allowances brought forward	(728,125)	(323,953)	-	-
Deferred tax assets not recognised	347,727	-	77,713	-
(Over)/Under provision of taxation in prior year	(303)	9,095	(303)	-
Over provision of deferred tax in prior year	(3,800)	(58,490)	-	-
Tax expense for the financial period/year	<u>(2,803)</u>	<u>(47,895)</u>	<u>(303)</u>	<u>-</u>

As at 31 March 2016, the Group and the Company have unutilised tax losses and unabsorbed capital allowances to carry forward to set-off against future taxable profits:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Unutilised tax losses	24,227,000	25,884,000	746,000	427,000
Unabsorbed capital allowances	2,195,000	25,000	-	-
	<u>26,422,000</u>	<u>25,909,000</u>	<u>746,000</u>	<u>427,000</u>

The above amounts are subject to the approval by the tax authorities.

23. Earnings Per Share**(a) Basic earnings per shares**

The basic earnings per share are calculated based on the consolidated profit for the financial year/period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year/period as follows:

	Group	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Profit attributable to owners of the parents for basic earnings	1,829,079	964,657
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 April / 1 July	160,036,194	53,345,398
Effect of ordinary shares issued during the financial year/period	-	80,991,553
Weighted average number of ordinary shares at 31 March	160,036,194	134,336,951
Basic earnings per ordinary shares (in sen)	1.14	0.72

(b) Diluted earnings per share

The Group and the Company have no dilution in their earnings per ordinary share as the average market price of the ordinary shares were lower than the exercise price of the warrants. Therefore, conversions of such shares are anti-dilutive.

24. Staff Costs

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Salaries, wages and other emoluments	2,258,396	1,782,285	88,000	54,000
Social security contributions	16,216	9,691	-	-
Defined contribution plans	353,965	166,993	-	-
Other benefits	334,995	1,111	-	-
	2,963,572	1,960,080	88,000	54,000

24. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive and Non-Executive Directors of the Company and of the subsidiary companies during the financial year/period are as below:

	Group		Company	
	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM	1.4.2015 to 31.3.2016 RM	1.7.2014 to 31.3.2015 RM
Executive Directors				
<u>Existing Directors of the Company</u>				
Salaries and other emoluments	428,318	312,270	-	-
Fees	24,000	18,000	24,000	18,000
Defined contribution plans	51,399	37,476	-	-
	<u>503,717</u>	<u>367,746</u>	<u>24,000</u>	<u>18,000</u>
Non-Executive Directors				
<u>Existing Directors of the Company</u>				
Fees	<u>59,000</u>	<u>36,000</u>	<u>59,000</u>	<u>36,000</u>
<u>Past Director of the Company</u>				
Fees*	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total Directors' Remuneration	<u>567,717</u>	<u>403,746</u>	<u>88,000</u>	<u>54,000</u>

* This represents the remuneration paid to this Director until his resignation on 31 August 2015.

25. Related Party Disclosures**(a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

25. Related Party Disclosures (Cont'd)**(b) Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. The related party balances are as disclosed in Notes 11 and 18 to the financial statements.

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Note 24 to the financial statements.

26. Segment Information

The Directors reviews internal management reports on at least a quarterly basis. Operating segments are components in which separate financial information is available that is evaluated regularly by the management in deciding how to allocate resources and in assessing performance of the Group.

(a) Business segment

Information relating to business segment is not presented as the Group has identified the business of office interior products, office furniture and specialised computer furniture as its sole operating segment.

(b) Geographic information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

	Revenue	
	1.4.2015	1.7.2014
	to	to
	31.3.2016	31.3.2015
	RM	RM
South-Eastern Asia	3,114,079	2,219,079
Middle East	12,307,354	8,009,680
South-Central Asia	1,007,022	1,149,139
America	233,855	150,803
	<u>16,662,310</u>	<u>11,528,701</u>

Non-current assets information are not presented by geographical location as all the non-current assets are located in Malaysia.

(c) Major customers

Revenue from two customers of the Group amounted to RM14,577,788 (2015: RM9,391,312) contributed to more than 87% (2015: 81%) of the Group's revenues.

27. Financial Instruments**(a) Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
2016			
Financial Assets			
Trade receivables	7,166,878	-	7,166,878
Other receivables	3,671,038	-	3,671,038
Fixed deposit with a licensed bank	2,222,581	-	2,222,581
Cash and bank balances	1,235,650	-	1,235,650
	<u>14,296,147</u>	-	<u>14,296,147</u>
Financial Liabilities			
Trade payables	-	1,699,321	1,699,321
Other payables	-	611,556	611,556
Amount due to Directors	-	92,800	92,800
	-	<u>2,403,677</u>	<u>2,403,677</u>
2015			
Financial Assets			
Trade receivables	11,769,364	-	11,769,364
Other receivables	4,074,979	-	4,074,979
Fixed deposit with a licensed bank	1,017,100	-	1,017,100
Cash and bank balances	1,460,714	-	1,460,714
	<u>18,322,157</u>	-	<u>18,322,157</u>
Financial Liabilities			
Trade payables	-	1,634,019	1,634,019
Other payables	-	807,007	807,007
Amount due to Directors	-	85,190	85,190
	-	<u>2,526,216</u>	<u>2,526,216</u>

27. Financial Instruments (Cont'd)**(a) Classification of financial instruments (Cont'd)**

	Loans and receivables RM	Other financial liabilities at armotised cost RM	Total RM
Company			
2016			
Financial Assets			
Amount due from subsidiary companies	36,961,588	-	36,961,588
Cash and bank balances	2,457	-	2,457
	<u>36,964,045</u>	-	<u>36,964,045</u>
Financial Liabilities			
Other payables	-	203,171	203,171
Amount due to a subsidiary company	-	4,081,269	4,081,269
Amount due to Directors	-	92,800	92,800
	-	<u>4,377,240</u>	<u>4,377,240</u>
2015			
Financial Assets			
Amount due from subsidiary companies	31,960,410	-	31,960,410
Fixed deposit with a licensed bank	1,017,100	-	1,017,100
Cash and bank balances	299,635	-	299,635
	<u>33,277,145</u>	-	<u>33,277,145</u>
Financial Liabilities			
Other payables	-	129,768	129,768
Amount due to Directors	-	54,000	54,000
	-	<u>183,768</u>	<u>183,768</u>

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

27. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)**

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposit with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk.

The Group determines concentrations of credit risk by monitoring its trade receivables by reportable segments on an ongoing basis. The credit risk concentration profiles of the Group's trade receivables at the end of financial year are as follows::

	Group	
	2016	2015
	RM	RM
South-Eastern Asia	4,766,561	5,376,555
Middle East	1,610,647	1,966,951
South-Central Asia	701,323	4,408,519
America	88,347	17,339
	7,166,878	11,769,364

At as the end of financial year, the Group had 5 customers (2015: 6 customers) that owed the Group at total amount of approximately RM7.0 million (2015: RM9.2 million) which accounted for approximately 97% (2015: 78%) of all the receivables outstanding.

27. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk**

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Repayable on demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Group			
2016			
Non-derivative financial liabilities			
Trade payables	1,699,321	1,699,321	1,699,321
Other payables	611,556	611,556	611,556
Amount due to Directors	92,800	92,800	92,800
	2,403,677	2,403,677	2,403,677
2015			
Non-derivative financial liabilities			
Trade payables	1,634,019	1,634,019	1,634,019
Other payables	807,007	807,007	807,007
Amount due to Directors	85,190	85,190	85,190
	2,526,216	2,526,216	2,526,216

27. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	Repayable on demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2016			
Non-derivative financial liabilities			
Other payables	203,171	203,171	203,171
Amount due to a subsidiary company	4,081,269	4,081,269	4,081,269
Amount due to Directors	92,800	92,800	92,800
	<u>4,377,240</u>	<u>4,377,240</u>	<u>4,377,240</u>
2015			
Non-derivative financial liabilities			
Other payables	129,768	129,768	129,768
Amount due to Directors	54,000	54,000	54,000
	<u>183,768</u>	<u>183,768</u>	<u>183,768</u>

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD), Euro (EUR), Canadian Dollar (CAD) and Singapore Dollar (SGD).

The Group has not entered into any derivative instruments for hedging or trading purposes. However, the exposure to foreign currency risk is monitored from time to time by management.

27. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in				Total RM
	USD RM	EUR RM	CAD RM	SGD RM	
Group					
2016					
Trade receivables	1,008,757	-	-	-	1,008,757
Other receivables	4,403,180	33,371	-	-	4,436,551
Cash and bank balances	1,311,453	-	-	-	1,311,453
Trade payables	(2,849)	-	-	-	(2,849)
Other payables	-	-	(3,088)	-	(3,088)
	<u>6,720,541</u>	<u>33,371</u>	<u>(3,088)</u>	<u>-</u>	<u>6,750,824</u>
2015					
Trade receivables	6,550,492	-	-	44,716	6,595,208
Cash and bank balances	526,597	-	-	-	526,597
	<u>7,077,089</u>	<u>-</u>	<u>-</u>	<u>44,716</u>	<u>7,121,805</u>

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, EUR, CAD and SGD exchange rates against RM, with all other variable held constant.

	USD	EUR	CAD	SGD	Total
Effect on profit before tax (RM)					
31.3.2016					
- Strengthened 5%	336,027	1,669	(154)	-	337,542
- Weakened 5%	<u>(336,027)</u>	<u>(1,669)</u>	<u>154</u>	<u>-</u>	<u>(337,542)</u>
31.3.2015					
- Strengthened 5%	353,854	-	-	2,236	356,090
- Weakened 5%	<u>(353,854)</u>	<u>-</u>	<u>-</u>	<u>(2,236)</u>	<u>(356,090)</u>

27. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(b) Interest rate risk**

The Group's and the Company's fixed rate deposit placed with licensed bank are expected to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposit with licensed bank by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2016	2015
	RM	RM
Group		
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposit with a licensed bank	<u>2,222,581</u>	<u>1,017,100</u>
Company		
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposit with a licensed bank	<u>-</u>	<u>1,017,100</u>

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

27. Financial Instruments (Cont'd)

(c) Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents approximate their fair values due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

28. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital of the Company consists of issued capital and cash and cash equivalent.

There were no changes in the Group's approach to capital management during the financial year.

29. Significant Events

On 21 October 2015, the Company had submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the following:

(i) Waiver from the requirements to submit and implement a regularisation plan pursuant to Paragraph 8.04 and PN17 of the Listing Requirements; and

(ii) To uplift the designation of the Company as a PN17 issuer

("Proposed Waiver and Upliftment")

On 28 October 2015, the Company had submitted an application for an extension of time until 30 November 2015 to re-submit the Proposed Waiver and Upliftment application to Bursa Securities by 30 November 2015 with the inclusion of the Company's financial results for the six-month period ended 30 September 2015 with a limited review by an external auditor.

On 2 November 2015, Bursa Securities had informed that the suspension on the trading of the Company's securities and de-listing of the Company in accordance with Paragraph 8.04(5) of the Main Market Listing Requirements shall be deferred pending decision on the application for the extension of time.

29. Significant Events (Cont'd)

On 30 November 2015, the Company had re-submitted an application to Bursa Securities for the following:

- (i) Waiver from the requirements to submit and implement a regularisation plan pursuant to Paragraph 8.04 and PN17 of the Listing Requirements; and
- (ii) To uplift the designation of the Company as a PN17 issuer

On 15 April 2016, TA securities announced that Bursa Securities has vide its letter dated 15 April 2016 notified the Company has been granted an extension of time up to 30 November 2015 to submit the application as well as to grant the Company a waiver from complying with Paragraph 8.04(3)(a) of the Listing Requirements which requires a PN17 company to submit a regularisation plan to the relevant authority. With the waiver being granted, the Company would be uplifted from its PN17 status effective from 18 April 2016.

30. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the on 29 June 2016.

31. Supplementary Information On The Disclosure Of Realised And Unrealised Profits Or Losses

The following analysis of realised and unrealised accumulated losses of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiary companies				
- realised	(39,124,274)	(40,447,257)	(1,785,558)	(1,311,089)
- unrealised	3,262,528	2,756,432	-	-
	<u>(35,861,746)</u>	<u>(37,690,825)</u>	<u>(1,785,558)</u>	<u>(1,311,089)</u>
Less: Consolidation adjustments	8,841,082	8,841,082	-	-
	<u>(27,020,664)</u>	<u>(28,849,743)</u>	<u>(1,785,558)</u>	<u>(1,311,089)</u>

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

Analysis of Shareholdings and Warrant Holdings

AHB HOLDINGS BERHAD

ANALYSIS OF SHAREHOLDINGS AS AT 23 JUNE 2016

SHARE CAPITAL

Authorised Share Capital	:	RM200,000,000.00
Issued and Paid-up Capital	:	RM32,007,238.80 comprising of 160,036,194 ordinary shares
Class of Shares	:	Ordinary Shares of RM0.20 each
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 23 JUNE 2016

NO. OF HOLDERS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	55	2.88	2,809	0.00
100 - 1,000	176	9.21	105,945	0.07
1,001 - 10,000	787	41.20	3,505,829	2.19
10,001 - 100,000	702	36.75	30,248,381	18.90
100,001 to 8,001,808*	189	9.90	95,819,284	59.87
8,001,809 and above **	1	0.05	30,353,946	18.97
TOTAL :	1,910	100.00	160,036,194	100.00

Remark :

* - Less than 5% of Issued Shares

** - 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE) AS AT 23 JUNE 2016

No.	Name of Substantial Shareholder	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	YONG YOKE KEONG	10,611	0.01	-	-
2	JP APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yong Yoke Keong (STA 1)	30,353,946	18.97	-	-

DIRECTORS' INTERESTS IN SHARES AS AT 23 JUNE 2016

No.	Name of Director	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	YONG YOKE KEONG	10,611	0.01	-	-
2	JP APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yong Yoke Keong (STA 1)	30,353,946	18.97	-	-
3	Dr Folk Jee Yong	-	-	-	-
4	Hee Teck Ming	1,500	-	-	-
5	AR. Vincent Lee Kon Keong	-	-	-	-

Analysis of Shareholdings and Warrant Holdings

(continued)

LIST OF TOP 30 LARGEST SECURITIES HOLDERS AS AT 23 JUNE 2016 (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 23 JUNE 2016)

No.	Name	No. of Shares	%
1	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yoke Keong (sta1)	30,353,946	18.97
2	Omni Presence Sdn Bhd	7,931,500	4.96
3	Trident Target Sdn Bhd	6,738,300	4.21
4	Asia Quill Sdn Bhd	6,445,400	4.03
5	Forward Style Sdn Bhd	6,091,000	3.81
6	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai (margin)	4,571,234	2.86
7	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock (sta1)	4,463,430	2.79
8	Muhamad Aloysius Heng	2,142,400	1.34
9	Lau Chuan Hoo	1,865,000	1.17
10	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Lih Meng	1,600,000	1.00
11	Teo Kwee Hock	1,556,795	0.97
12	Lee Kok Hoong	1,370,000	0.86
13	AllianceGroup Nominees (Asing) Sdn Bhd Pledged Securities Account for Tan Hong Chee (8106281)	1,265,100	0.79
14	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Ah Moi (8060540)	1,222,000	0.76
15	Ser Chai Heng	1,200,000	0.75
16	Ching Ching Kuon	910,000	0.57
17	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yew Boon Hean (YEW0048C)	900,000	0.56
18	Ou Kwee Hua	900,000	0.56
19	Chow Hang Fatt	800,000	0.50
20	Hor Li May	770,000	0.48
21	Toh Seng Huat	750,000	0.47
22	Maybank Nominees (Tempatan) Sdn Bhd Wong Hoong Kheong	701,800	0.44
23	Lai Wei Chai	700,000	0.44
24	Maybank Nominees (Tempatan) Sdn Bhd Julian Suresh a/I J P Amarasena	700,000	0.44
25	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Seet Pak Kia	700,000	0.44
26	Cheng Kwai Lan	650,000	0.41
27	Maybank Nominees (Tempatan) Sdn Bhd Muralitharan a/I Thamodharan	650,000	0.41
28	Maybank Nominees (Tempatan) Sdn Bhd Chong Chang Kau	645,000	0.40
29	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Trident Target Sdn Bhd (Margin)	600,000	0.37
30	Tan Liang Paing	600,000	0.37
		89,792,905	56.11

Analysis of Shareholdings and Warrant Holdings (continued)

AHB HOLDINGS BERHAD

ANALYSIS OF WARRANTS HOLDINGS AS AT 23 JUNE 2016

Issued Size : 71,126,961 free detachable warrants issued pursuant to the Renounceable Rights Issue with Warrants exercise
Number of Warrants Holders : 696

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 23 JUNE 2016

SIZE OF HOLDINGS	NO OF WARRANTS HOLDERS	% OF WARRANTS HOLDERS	NO. OF WARRANTS	% OF WARRANTS
1 - 99	109	15.66	5,527	0.01
100 - 1,000	24	3.45	12,149	0.02
1,001 - 10,000	204	29.31	936,019	1.32
10,001 - 100,000	264	37.93	11,287,851	15.87
100,001 - 3,556,347 (*)	93	13.36	32,414,040	45.57
3,556,347 AND ABOVE (**)	2	0.29	26,471,375	37.22
TOTAL :	696	100.00	71,126,961	100.00

Remark:

- * Less than 5% of issued warrants
- ** 5% and above of issued warrants

SUBSTANTIAL WARRANT HOLDERS (5% AND ABOVE) AS AT 23 JUNE 2016

No.	Name of Substantial Warrant Holders	No. of Warrants held		No. of Warrants held	
		Direct	%	Indirect	%
1	YONG YOKE KEONG	4,716	0.01	-	-
2	JP APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yong Yoke Keong (STA 1)	22,271,375	31.31	-	-
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Mak Hon Leong	4,200,000	5.91	-	-

DIRECTORS' INTERESTS IN WARRANTS AS AT 23 JUNE 2016

No.	Name of Director	No. of Warrants held		No. of Warrants held	
		Direct	%	Indirect	%
1	YONG YOKE KEONG	4,716	0.01	-	-
2	JP APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yong Yoke Keong (STA 1)	22,271,375	31.31	-	-
3	Dr Folk Jee Yong	-	-	-	-
4	Hee Teck Ming	-	-	-	-
5	AR. Vincent Lee Kon Keong	-	-	-	-

Analysis of Shareholdings and Warrant Holdings

(continued)

LIST OF TOP 30 LARGEST WARRANTS HOLDERS AS AT 23 JUNE 2016 (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 23 JUNE 2016)

No.	Name	No. of Shares	%
1	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yoke Keong	22,271,375	31.31
2	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mak Hon Leong	4,200,000	5.90
3	Chai Mei Ling	2,505,000	3.52
4	Lim Cheng Ten	1,450,000	2.04
5	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Lih Meng	1,200,000	1.69
6	Chaang Kok Leong	1,150,000	1.62
7	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Alexander Gabriel (E-SS2)	1,100,000	1.55
8	Mohd Nazri Bin Misran	1,020,000	1.43
9	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Heng Ah Moi (8060540)	700,000	0.98
10	Maybank Nominees (Tempatan) Sdn Bhd Tan Cheng Seang	673,000	0.95
11	Lau Chuan Hoo	666,666	0.94
12	Julian Cheah Wai Meng	650,032	0.91
13	Wong Mee Lin	623,600	0.88
14	Chew Swee Eng	615,000	0.86
15	Tan Cheng Seang	605,300	0.85
16	Moo Chee Chern	600,000	0.84
17	Maybank Nominees (Tempatan) Sdn Bhd Chong Chang Kau	594,000	0.84
18	Lyncher Wung Wei Fung	550,000	0.77
19	Tan Kok Keat	550,000	0.77
20	Saw Kok Hooi	500,000	0.70
21	Tew Wan Peng	500,000	0.70
22	Yee Chai Kat	495,700	0.70
23	Ng Tiong Sew	470,000	0.66
24	Wan Ishak bin Wan Ali	450,000	0.63
25	Boo Nyuk Lien	400,000	0.56
26	Ng Jin Joo	385,000	0.54
27	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Trident Target Sdn bhd (margin)	374,666	0.53
28	Chaang Kok Meng	350,000	0.49
29	Saw Kok Hooi	350,000	0.49
30	Eng Ah Guan	330,000	0.46
		46,329,339	65.14

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING



AHB HOLDINGS BERHAD
(Company No: 274909-A)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Twenty-Third (23rd) Annual General Meeting (“AGM”) of AHB Holdings Berhad (“the Company”) will be held at 17, Jalan Industri PBP 11, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan on Thursday, 28 July 2016 at 10.00 a.m. for the following purposes:-

	As Ordinary Business	
1	To receive the Audited Financial Statements for the financial year ended 31 March 2016 together with the Reports of the Directors and Auditors thereon.	Please refer to Explanatory Note 1
2	To approve the payment of Directors’ Fees of RM88,000/- for the financial year ended 31 March 2016.	Resolution 1
3	To approve the payment of Directors’ Fees of RM114,000/- for the financial year ending 31 March 2017.	Resolution 2
4	To re-elect Mr. Yong Yoke Keong who is retiring pursuant to Article 85 of the Company’s Articles of Association.	Resolution 3
5	To re-elect Mr. Ar. Vincent Lee Kon Keong who is retiring pursuant to Article 92 of the Company’s Articles of Association.	Resolution 4
6	To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	Resolution 5
	As Special Business To consider and if thought fit, with or without modifications to pass the following Ordinary Resolutions:-	
7	AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 “THAT subject to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percentage (10%) of the issued and paid up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”	Resolution 6
8	RETENTION OF MR HEE TECK MING AS INDEPENDENT NON-EXECUTIVE DIRECTOR “THAT, in accordance with the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”), Mr. Hee Teck Ming be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities.”	Resolution 7
9	To transact any other ordinary business for which due notice have been given.	

BY ORDER OF THE BOARD

Tan Tong Lang (MAICSA 7045482)
Chong Voon Wah (MAICSA 7055003)
Company Secretaries

Kuala Lumpur

Dated: 4 JULY 2016

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (cont'd)

Explanatory Notes to Ordinary and Special Business:-

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this item is not put forward for voting.

2. Item 7 of the Agenda

The Proposed adoption of the Ordinary Resolution 6, if passed, will empower the Directors of the Company to issue and allot new shares at any time to such persons, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Previous Mandate granted by the shareholders had not been utilized and hence no proceed was raised therefrom.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

3. Item 8 of the Agenda

The Nomination Committee has assessed the independence of Mr Hee Teck Ming, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue act as an Independent Non-Executive Director of the Company based on the following justifications:-

- a) He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
- b) His vast experience in the industry and background would enable him to provide the Board with a diverse set of experience, expertise and independent judgment to better manage and run the Group;
- c) He has been with the Company for more than 9 years from 1996 to 2007, and from 2013 to 2015, is familiar with the Company's business operations; and
- d) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

Notes:

- (i) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 61(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 20 July 2016. Only depositor whose name appears on the Record of Depositors as at 20 July 2016 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.
- (ii) A member shall be entitled to appoint up to a maximum of two (2) proxies to attend and vote in his stead and where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportions of his shareholdings to be represented by each proxy.
- (iii) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (cont'd)

- (iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- (vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company situated at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting i.e. before 10.00 a.m., Tuesday, 26 July 2016, or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

STATEMENT ACCOMPANYING THE NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements)

The profiles of the Directors who are seeking re-election at the Twenty-Third Annual General Meeting of the Company are set out in the Board of Directors’ Profile on pages AR8 to AR13 of the Annual Report.

No individual other than the retiring Directors are seeking re-election as a Director at the Twenty-Third Annual General Meeting of the Company.



AHB HOLDINGS BERHAD
(Company No. 274909-A)

C/O BOARDROOM CORPORATE SERVICES (KL) SDN BHD
Lot 6.05 Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor, Malaysia

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REQUISITION OF PRINTED ANNUAL REPORT

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Fold Here First →

Attention : Mr. Chan Wei Heng / Mr. Kok Yik Fong

I/We wish to request a copy of printed Annual Report 2016 of AHB Holdings Berhad to be forwarded to me / us at the address started below:

Address: _____

Yours faithfully,

Signature

Thank you.

Full Name : _____

CDS Account No. : _____

Contact No. : _____

Notes:

- 1) You may direct your enquiry of annual report to the designated person(s) names as above.
- 2) The printed annual report will be forwarded to you within four (4) market days from the day of receipt of your request

PROXY FORM



AHB HOLDINGS BERHAD

(Company No: 274909-A)
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No	

I/We,NRIC/Company No.....
(Full name in block letters)
of
(Full address)
being a member(s) of AHB HOLDINGS BERHAD hereby appoint
(Full name in block letters)
ofor failing
(Full address)
whom,of
(Full name in block letters) (Full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Third (23rd) Annual General Meeting of the Company to be held at 17, Jalan Industri PBP 11, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan on Thursday, 28 July 2016 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

Resolution	Subject	* For	* Against
1	To approve the payment of Directors' Fees for the financial year ended 31 March 2016		
2	To approve the payment of Directors' Fees for the financial year ending 31 March 2017.		
3	To re-elect Mr. Yong Yoke Keong who is retiring pursuant to Article 85 of the Company's Article of Association.		
4	To re-elect Mr. Ar. Vincent Lee Kon Keong who is retiring pursuant to Article 92 of the Company's Article of Association.		
5	To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
6	As Special Business : Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
7	Retention of Mr Hee Teck Ming as Independent Non-Executive Director.		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no specific instruction is given on the voting, the proxy/proxies will vote or abstain from voting on the resolution at his/her discretion.

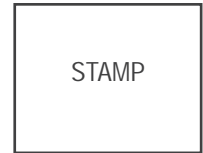
Dated this _____ day of _____ 2016

Signature of shareholder(s)
or Common Seal

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- For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 61(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 20 July 2016. Only depositor whose name appears on the Record of Depositors as at 20 July 2016 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.
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- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar of the Company situated at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting i.e. before 10.00 a.m., Tuesday, 26 July 2016, or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

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AHB HOLDINGS BERHAD

(Company No. 274909-A)

C/O BOARDROOM CORPORATE SERVICES (KL) SDN BHD
Lot 6.05 Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya,
Selangor, Malaysia

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The office environment is an essential part of a company's personality and success. Specializing in functionality, aesthetics and modularity, Arwright's innovative creations deliver fully integrated and highly flexible office furniture solutions to compliment your company's individual needs.

Since its beginnings in 1965, Artwright has supplied its unique line of products to companies and organizations in more than 25 countries worldwide.



For People & Space Around the World

Taking into consideration both the human mind and body, AHB products combine the ergonomics with the aesthetics. The sleek and clean designs are also flexible and can be adapted to satisfy necessary office requirements while gracefully complying with physical space restrictions.

AHB has a well-established local and international distribution network and a physical presence through showrooms and dealers in many locations around the world.

Having furnished more than 15,000 workstations to one of the tallest buildings in the world in Kuala Lumpur, Malaysia - the Petronas Twin Towers since 1997, AHB has delivered thousands of workstations to clients around the world, including American Express, Nestle, Gillette, Glaxo SmithKline, Bell South, Lloyds Bank, DHL, ABN Amro Bank, Phillips, IBM, Bayers and Lucent Alcatel.

The Integrative yet Adaptive AHB Business Model

Taking advantage of the global village concept and the information technology today, AHB implements a business model that focuses on research and development of office interior markets, customers, products, and on out-sourcing and contract manufacturing of office interior products.

All AHB products are manufactured in Malaysia. Our Seri Kembangan, plant is 1.2 acre in its size. We carefully studied the fulfillment processes so as to ensure production efficiency and efficient response to customer demands.

The AHB plant focuses on high value added activities such as R&D, new product testing and prototyping, quality assurance, production assembly process, warehousing, staging and loading. The entire operations are integrated by SAP R/3.0 business software.

Design is our Passion

AHB invests succinctly in Research and Development, continually striving to produce the most innovative, flexible and functional office furniture.

All AHB products have been successfully tested under various international product testing and accreditation, including ANSI, BIFMA and British Standard by independent test laboratories; and are also produced at a consistent high quality level.

AHB Holdings Berhad 274909A

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The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
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