AHB HOLDINGS BERHAD

274909A

ANNUAL REPORT 2017

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.

** ISO 9002 first certified 1998, ISO 9001 certified 2016, ISO 14001 certified 2016.

Table of Contents

AR 4	CORPORATE INFORMATION
AR 5	GROUP CORPORATE STRUCTURE
AR 6	MANAGEMENT DISCUSSION & ANALYSIS
AR 10	BOARD OF DIRECTORS' PROFILE
AR 14	CORPORATE SUSTAINABILITY STATEMENT
AR 17	STATEMENT OF CORPORATE GOVERNANCE
AR 37	STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS
AR 38	STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
AR 40	REPORT OF THE AUDIT COMITTEE
AR 42	ADDITIONAL COMPLIANCE INFORMATION
AR 43	FINANCIAL STATEMENTS (Finacial Statements Page 1 to 70)
AR 44	ANALYSIS OF SHAREHOLDINGS AND ANALYSIS WARRANT HOLDINGS
AR 48	NOTICE OF ANNUAL GENERAL MEETING
AR 50	STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
AR 52	FORM OF PROXY

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 PBP 11
Pusat Bandar Puchong
47100 Puchong
Selangor, Malaysia
Tel : +603 5891 2222
Fax : +603 5882 2222
Web : www.ahb.com
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 : +03 7720 1188
Fax : +03 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

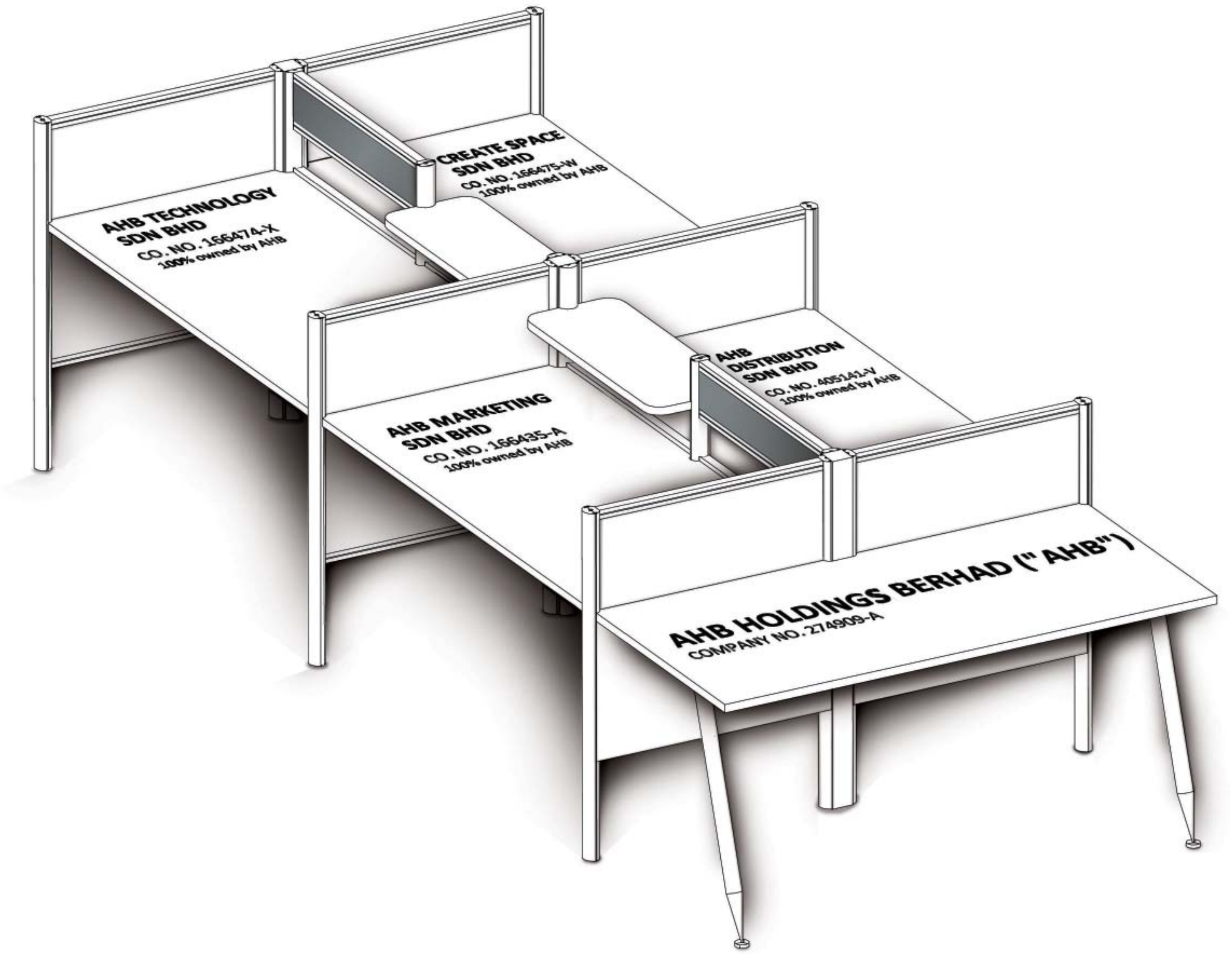
PRINCIPAL BANKER
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Stock Name : AHB
Stock Code : 7315

Warrant A : AHB-WA
Stock Code : 7315WA

Warrant B : AHB-WB
Stock Code : 7315WB

Group Corporate Structure



AHB HOLDINGS BERHAD

- 100% AHB Technology Sdn Bhd
- 100% AHB Marketing Sdn Bhd
- 100% AHB Distribution Sdn Bhd
- 100% Create Space Sdn Bhd

Management Discussions and Analysis

Our new product introduction, including our System T1 premium desking system is now making traction in the architects and designers market segment.

Artwright New Ergonomic Task Seating Introduction

EX21 series | EX22 series | EX30 series

Our System T1 is NEW PRODUCT AWARD WINNER of the architect's professional exhibition Archidex17 in July 2017

Management Discussions and Analysis (continued)

AHB has increased its R&D resources and plans to introduce new dynamic furniture programs and new products to improve financial performance. We had just introduced a range of premium office seating known as EX21, EX22 and VTor series and a range of collaborative modular office furniture known as Cube, Chat and Chess.

CUBE modular furniture for modern office settings

AHB is also diversifying its market base, including improving the local market share of the office furniture market. The board is confident that financial performance will improve because of these positive actions, barring any unforeseen circumstances. We are now ready to fully exert our Groups' knowhow and resources.

The office space in Malaysia is facing an oversupply situation with many new office towers coming on-stream in the near future. In addition, many very high-end office towers are to be completed in the near future, leading to much space availability and pressure to lower price on grade A offices spaces. The local economic outlook is stable, barring any unforeseen circumstances. This has an effect on our market segment. The availability of office spaces encourages movement of offices to new office spaces, creating a market for premium office interiors. Our Group looks forward to improve local performance. Our Group had contracted with a major corporation in Malaysia for substantial refurbishment works in the next 3 years, commencing during financial year ending 31 March 2018. This contract will form a part of our local market segment expansion plans.

Because of the relatively small share of our Group's revenue base in the global and local market, our prudent growth strategies within our Group will create a good viable room for growth in profits and revenue.

The business environment had continually changed the economic comparative advantages and the competitive inputs in the Malaysian office furniture industry. 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 an ASSET LIGHT business model that focuses on high value activities such as investment into new product development, testing, prototyping, quality assurance, cost control, customer experience, and superior project fulfilment.

We enhanced our competitiveness by our investment in R&D, and we focused on positioning our Group in 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. Malaysia is a competitive player in the world market, and is expected to export more than RM10 billion worth of furniture during 2017.

Management Discussions and Analysis (continued)

Our Group had unfortunately been affected by reduced demands from our overseas key market, the Middle East, because the lower crude oil prices had reduced or had caused review of their corporate spending budgets. This had consequently led to lower revenue RM12,496,395/- and a profit after tax of RM513,644/- for the group for the financial year ended 31 March 2017 compared to RM16,662,310/- and RM1,829,079/- respectively for the previous financial year ended 31 March 2016.

However, with the aforesaid strategies being implemented, we look forward to an improved performance during the financial year ending 31 March 2018.

The Group continues to have no bank borrowings or liabilities. The Group's net cash position is approximately RM2 million for the year ended 31 March 2017.

Dr. Folk Jee Yoong, our Audit Committee Chairman, has a vast experience in the financial background and a PHD in business administration. He contributes towards the financial aspects of the Group. Mr. Hee Teck Ming has strong technical background, and contributes towards to technical aspects of the Group. Our new board director Architect Vincent Lee, a professional practising architect, has an innovative and creative design background, and contributes towards the design aspects of the Group. Mr. Yong Yoke Keong, the Managing Director cum CEO, contributes towards the overall strategy and 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 high corporate success level.

SYSTEM B2 - the quinessential desking system

Management Discussions and Analysis (continued)

Our Group takes our customers as our key focus, and we believe that customer experience 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.

We continue to focus on environmental responsibility and awareness in our operations. We ensure a safe and healthy workplace for our employees and endeavour to minimize potential adverse impacts on the environment. Our commitment to environmental protection includes consistently being certified ISO14001 International Environmental Management compliant by an international body to ensure every environmental aspect in our organization is taken into consideration. In addition, we believe 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 listed Syariah compliant on the Main Market of Bursa Malaysia stock exchange.

Our Management wishes to extend our sincere appreciation to the AHB Team for their continuing hard work to grow our Group, and their commitment and dedication to our corporate, social, and earthly environment.

The management takes this opportunity to thank all our shareholders, advisors, business associates, customers and relevant government authorities. The Group sincerely treasures your invaluable support and confidence over the years.

CHESS seat


right®

Board of Director's Profile

Yong Yoke Keong

Managing Director and Chief Executive Officer
58 years of age, Malaysian, Male

Yong Yoke Keong, was appointed as Director of AHB on 3 May 1994.

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 Perekabentuk Dalaman Malaysia Industry Partners (Institute of Interior Design Malaysia - Industry Partners).

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 5 years.

Board of Director's Profile (continued)

Hee Teck Ming

Independent Non-Executive Director
58 years of age, Malaysian, Male

Member of Audit Committee, Nomination Committee and Remuneration Committee

Hee Teck Ming, was appointed as Independent Non-Executive Director of AHB on 28 May 2013.

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.

Mr Hee Teck Ming 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 5 years.

Board of Director's Profile (continued)

Dr Folk Jee Yoong

Independent Non-Executive Director
56 years of age, Malaysian, Male

Nominated as Chairman of all Board of Directors Meetings.

Chairman of Audit Committee, Nomination Committee and Remuneration Committee.

Dr Folk Jee Yoong, was appointed as Independent Non-Executive Director of AHB on 28 May 2013.

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.

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 5 years.

Board of Director's Profile (continued)

Ar Vincent Lee Kon Keong

Independent Non-Executive Director
61 years of age, Malaysian, Male

Member of Audit Committee, Nomination Committee and Remuneration Committee

Ar Vincent Lee Kon Keong, was appointed as Director of AHB on 29 February 2016 as the Independent Non-Executive Director of the Company.

He holds a Bachelor of Architecture (B.Arch.) from the South Bank Universities (Formerly known as Polytechnic of the South Bank, London). He is a Fellow Member of Malaysia Institute of Interior Designers ("MIID") and a Member of Malaysian Institute of Architects.

He is a Principal of an Architectural Practice and the Managing Director of Interior Design Consultancy and Renovation Company for 26 years. He is also a Board member of Ministry of Culture, Arts and Tourism, Hotel Rating Panel.

Over the years, he has been awarded with many achievements such as The Edge: My Dream Home 2010, IPDM's MIDA Awards 2010, PAM Awards 2009, Commendable Design and IPDM Awards for Excellence.

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 5 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.

Wood used in the AHB 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 our achievement in the certification of ISO14001 Environmental Management System standards. With the ISO 14001, every environmental aspect in the organization is taken into consideration.

Appealing Design

The AHB 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 AHB 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, AHB's timeless design assures you of a high value investment.

Moving Forward

We are committed to promote good corporate governance standards and building sustainability.

Corporate Sustainability Statement (continued)

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.

As part of our Group's social responsibility, we play an active role in the education of the Architects & Designers ("A&D") community to help the community keep abreast of the latest technologies and development of the architectural and design industry, as well as the green environment discussions which has become an integral part of a modern building architecture today.

AHB organized an event 'Exchange, Explore, Enjoy' in Kuala Lumpur on 21 July 2016 delivered by Dato' Dr Ken Yeong, a world renowned ecoarchitect, who is also named by 'The Guardian' as one of the 50 people who can save the planet. The event gave an informative presentation on latest in green designs; was well attended by hundreds of architects, designers, project managers from the industry.

Corporate Sustainability Statement (continued)

Corporate Social Responsibility Statement

On 23 September 2016, AHB sponsored a Dragon Boat Race in Singapore to gather the A&D community together for a day of camaraderie. It was also well attended by hundreds of A&D members. The event was organized to promote the communication and coordination of the various groups such as architecture, interior design, and project management.

Statement of Corporate Governance

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") 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 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 throughout the financial year ended 31 March 2017 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 respective roles and responsibilities of the Board and management are clearly set out and understood by both parties to ensure accountability.

The Board is responsible for the oversight and overall management of the Group including assessing and agreeing with the Group's corporate objectives, and the goals and targets to be met by the management.

The Board has a formal scheduled of matters reserved to itself for decision, which includes the overall Group strategy and direction, investment policy, major capital expenditure, consideration of significant financial matters and review of financial and operating performance of the Group.

1.2 Clear Roles and Responsibilities in Discharging Fiduciary and Leadership Functions

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. Hence, to develope corporate objectives and position descriptions including the limits to management's responsibilities, which the management are aware and are responsible for meeting.

The Board understands the principal risks of all aspects of the business that the Group is engaged in recognising that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are in place systems that effectively monitor and manage these risks with a view to the long term viability of the Group.

Statement of Corporate Governance (continued)

The principal roles and responsibility assumed by the Board are as follows:

. **Review and Adopt Strategic Plan of the Group**

The Board plays an active role in the development of the Group's overall corporate strategy, marketing plan and financial plan. The Board is presented with the short and long term strategy of the Group together with its proposed business plans for the forthcoming year. The Board also monitor budgetary exercise which to supports the Group's business plan and budget plan.

. **Implementation of Internal Compliance Controls and Justify Measure to Address Principle Risks**

The Board is fully alert of the responsibilities to maintain a proper internal control system.

The Board's responsibilities for the Group's system of internal controls including financial condition of the business, operational, regulatory compliance as well as risk management matters.

. **Developing and Implementing an Investor Relations Program or Shareholder Communications Policy for the Group**

The Board recognises that shareholder and other stakeholder are entitled to be informed in a timely and readily accessible manner of all material information concerning the Company through a series of regular disclosure events during the financial year. Hence, the Company website is the primary medium in providing information to all shareholders and stakeholders.

. **Succession Planning**

The Board has entrusted the Nomination Committee and Remuneration Committee with the duty to review candidates for the Board and key management positions and to determine remuneration packages for these appointments, and to formulate nomination, selection, remuneration and succession policies for the Group.

The Board, together with the Management, put in place informal structure and practice to ensure key roles within the Group are supported by competent and caliber second-inline to reduce the impact of abrupt departure of key personnel to the minimum possible.

The succession planning of the Group is enhanced by the policies and standard operating procedures as well as job descriptions established for key business processes within the Group. In addition, during the review of the performance and strategies presented, at times, the Board reviews on the adequacy of caliber and competent human resources that are put in place for daily management and control of operations as well as proper execution of approved strategies.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company at www.ahb.com.my.

The roles of responsibilities of the Independent Non-Executive Directors and Managing Director and Chief Executive Officer are properly segregated. All the Independent Non-Executive Directors are independent of the management, and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent

Statement of Corporate Governance (continued)

The Managing Director and Chief Executive Officer 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.

The Board will normally hold meetings at least four (4) times in each financial year to consider:-

i) relevant operational reports from the management;
ii) reports on the financial performance;
iii) specific proposals for capital expenditure and acquisitions, if any;
iv) major issues and opportunities for the Company, if any; and
v) quarterly financial statements for announcement to authorities.

The following are matters reserved for Board deliberation and decision, which are non-exhaustive and may be varied from time to time:-

- delegation of powers to Board Committees;
- receiving and approving reports and recommendations from Board Committees;
- approving strategic business plans, mergers and acquisitions of a substantial value;
- major investment or divestment of current businesses;
- changes to the group structure;
- provision of indemnities or corporate guarantees; and
- appointment of a senior independent director amongst the Board members.

The Managing Director and Chief Executive Officer is responsible for the overall performance and operations as well as the corporate affairs and administrations of the Group. They are assisted by the senior management personnel of the Group in managing the business activities of the Group in the manner that is consistent with the policies, standards, guidelines, procedures and/or practices of the Group and in accordance with the specific plans, instructions and directions set by the Board.

The Managing Director and Chief Executive Officer holds the principal obligations in focusing, guiding, addressing, supervising, regulating, managing and controlling as well as communicating the Company's goals and objectives, as well as all significant corporate matters, corporate restructuring plans, business extension plans and proposals. The Independent Non-Executive Director, assisted by the Managing Director and Chief Executive Officer, is also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

Statement of Corporate Governance (continued)

In discharging its fiduciary duties, the Board has delegated specific tasks to three (3) Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee. All the Board Committees have its own terms of reference and has the authority to act on behalf of the Board within the authority as lay out in the terms of reference and to report to the Board with the necessary recommendation.

1.3 Strategies Promoting Sustainability

The Board is aware of the importance of business sustainability and reviews operational practices which impact on sustainability of environment, governance and social aspects of its business on a regular basis.

The Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and other stakeholders' interest. The details of the sustainability efforts are set out in the "Corporate Sustainability Statement" of this Annual Report.

1.4 Access to Information and Advice

Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers shall be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers comprising of due notice of issues to be discussed and supporting information and documentations were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board paper and seek for any clarification as and when they may need advisers or further explanation from management and Company Secretaries. The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries.

The Board has access to all information within the Company as a full Board to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties.

In addition, all Directors have direct access to the advice and services of the Company Secretaries who is responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulatory are complied with. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. Senior management team from different business units will also be invited to participate in the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the senior management team. The Chairman of the Board Committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee briefs the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.

When necessary, Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Board, and depending on the quantum of the fees involved.

Statement of Corporate Governance (continued)

1.5 Qualified and Competent Company Secretaries

The Board is supported by qualified and competent Company Secretaries who are responsible for ensuring that the Company's Constitution (previously known as Memorandum and Articles of Association), procedures and policies and regulations are complied with. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretaries in discharge of their functions.

The Company Secretaries attend all Board and all Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

1.6 Board Charter

As part of governance process, the Board had adopted the Board Charter. This Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

The Board Charter is reviewed as and when the need arises to ensure that the dynamic needs of the Group are consistently met. A copy of the Board Charter is 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, how ever, lies with the entire Board.

2.1.1 Audit Committee

Composition of the Audit Committee, duties and responsibilities, term of reference and a summary of its activities are set out on pages AR 38 to AR 39 of this Annual Report.

Statement of Corporate Governance (continued)

2.1.2 Nomination Committee

The Board has established a Nomination Committee ("NC") comprises 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 Terms of Reference of the NC can be viewed at the Company's website at www.ahb.com.my

The NC shall meet at least once a year unless otherwise determine by the NC. The Quorum for meeting and/or for the sanction and endorsement of approvals in writing shall be at least two (2) members, of which at least one (1) shall be an independent director.

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

i) to regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;

ii) to evaluate the effectiveness of the Board as a whole, the various Committees and each individual Director's contribution to the effectiveness on the decision making process of the Board;

iii) give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future;

iv) prepare a description of the role and capabilities required for a particular appointment;

v) identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

vi) in determining the process for the identification of suitable new candidates, the NC will ensure that an appropriate review or search is undertaken by an independent third party to ensure the requirement and qualification of the candidate nominated;

vii) to make recommendations to the Board on candidates it considers appropriate for appointment; and

viii) to recommend to the Board concerning the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's Constitution.

Statement of Corporate Governance (continued)

The summary of activities undertaken by the NC during the financial year included the following :

i) Reviewed the effectiveness of the Board, as a whole, Board Committees and individual Directors and make appropriate recommendation to the Board; and

ii) Reviewed and recommended the retirement and re-election of Directors at the forthcoming Annual General Meeting in accordance with the Company's Constitution.

2.1.3 Remuneration Committee

The Board has established a Remuneration Committee ("RC") comprises exclusively of Independent 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 Terms of Reference of the RC can be viewed at the Company's website at www.ahb.com.my

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The RC also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.

The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organizations, adjusted for the experience and levels of responsibilities undertaken by the particular Non-Executive Directors concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the Non-Executive Directors in the course of their duties as Directors of the Company. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board.

Statement of Corporate Governance (continued)

The summary of activities undertaken by the RC during the financial year included the following :

(a) Reviewed and recommended the payment of Directors' fees to Non-Executive Directors.

2.2 Appointments to the Board

The NC makes independent recommendations for appointments to the Board. In making these recommendations, the NC 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.

2.3 Criteria for Recruitment

The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the NC. As a whole, the Company maintains a very lean number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. The NC will help assess and recommend to the Board, the candidature of directors, appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.

In assessing suitability of candidates, consideration will be given to the core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of skills, experience and diversity (including gender diversity) represented in addition to an understanding of the Business, the Markets and the industry in which the Group operates and the accounting, finance and legal matters.

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

(i) The NC reviews the Board's composition through Board assessment/evaluation;
(ii) The NC determines skills matrix;
(iii) The NC evaluates and matches the criteria of the candidates, and will consider diversity, including gender, where appropriate;
(iv) The NC recommends to the Board for appointment; and
(v) The Board approves the appointment of the candidates.

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

Statement of Corporate Governance (continued)

(i) the merits and time commitment required for a Non-Executive Director to effectively discharge his or her duties to the Company;

(ii) the outside commitments of a candidate to be appointed or elected as a Non-Executive Director and the need for that person to acknowledge that they have sufficient time to effectively discharge their duties; and

(iii) the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

2.4 Criteria for Board Assessment

The NC would conduct an assessment of the performance of the Board, as a whole, Board Committees and individual Directors, based on a self-assessment approach on an annuallybasis. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board will consider and approve the recommendations on the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting, with a view to meeting current and future requirements of the Group.

The criteria used by the NC in evaluating the performance of individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. Each of the Directors will perform a self assessment on an annually basis. The Board did not engage any external party to undertake an independent assessment of the Directors.

Based on the assessment conducted for the financial year 2017, the Board and the NC is satisfied with the current size, composition as well as the mix of qualifications, skills and experience among the Board members and the independence of its Independent Non-Executive Directors.

2.5 Re-election of Directors and re-appointment of Directors by Rotation

In accordance with the Company's Constitution, all Directors who are appointed by the Board may only hold office until the next following Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM. The Articles also provide that one-third of the Directors, or if their number is not three or a multiple of three, then the number nearest to one-third, are subject to retirement by rotation at every AGM but are eligible for re-election provided always that each Directors shall retire from office at least once in every three years.

2.6 Boardroom and Gender Diversity

The Board recognizes the importance of diversity in its composition in ensuring its effectiveness and good corporate governance. Although the Board has yet to establish any diversity policy, the Board will consider females onto the Board in due course to bring about a more diverse perspective.

Statement of Corporate Governance (continued)

2.7 Directors' Remuneration Procedures and Policies

The Directors' fee and other benefit payable including Non-Executive Directors if any, have to be endorsed by the Board and would seek approval from the shareholders of the Company at the Annual General Meeting. The compensations for Non-Executive Directors are linked to their experience and level of responsibility taken.

The Board believes that AHB should have a fair remuneration policy to attract, retain and motivate directors. It has established a RC to review and ensure that the remuneration of its members fairly reflect the Board's and members' responsibilities, the expertise required by AHB and the complexity of its operations. The said remuneration should also be in line with the business strategy and long term objectives of AHB.

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorized into appropriate components for the financial year ended 31 March 2017 are as follows:

i) Aggregate Directors' Remuneration

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salary	464,318.18		464,318.18
Fees	30,000.00	84,000.00	114,000.00
Defined Contribution Plan	55,315.00		55,315.00
Total	549,633.18	84,000.00	633,633.18

ii) Analysis of Directors' Remuneration

The number of Directors whose remuneration falls into the following bands is as follows:

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

Details of the individual Director's remuneration are not disclosed in this report as the Board is of the view that the above remuneration disclosure by band and analysis between Executive and Non-Executive Directors satisfies the accountability and transparency aspects of the MCCG.

Statement of Corporate Governance (continued)

PRINCIPLE 3 – REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board has set out policies and procedures to ensure effectiveness of the Independent Directors on the Board, including new appointment. The Board assesses the independence of the Independent Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.

The Independent Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinize the performance of Management in meeting approved goals and objectives, and monitor risk profile of the Company's business and the reporting of monthly business performance.

Based on the assessment carried out during the financial year ended 31 March 2017, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company during the financial year under review, and that each of them continues to fulfill the definition of independence as set out in the Listing Requirements of Bursa Securities.

3.2 Tenure of Independent Non-Executive Director

The Non-Executive Directors are not employees of the Group and do not participate in the day to day management of the Group. All the Non-Executive Directors of the Company, are independent directors and are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. The NC has reviewed the performance of the independent directors and is satisfied they have been able to discharge their responsibilities in an independent manner.

As recommended by the MCCG, 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. In the event that the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting, normally the annual general meeting of the Company.

The Board noted that Mr. Hee Teck Ming has in cumulative served the Board as independent Non-Executive Directorfor more than 9 years. The NC has assessed the independence of Mr. Hee Teck Mingand recommended him to continue act as an Independent Non-Executive Director of the Company based on the following justifications:

Statement of Corporate Governance (continued)

a) He fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities, 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 manager and run the Group;

c) He was previouslyserved the Board as Independent Non-Executive Director between the period from year 1996 to 2007 before he left and re-joined the Company in year2013 until todate, therefore 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.

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

3.4 Composition of the Board

The Board of AHB currently comprises four (4) Board members, which includes one (1) Managing Director and Chief Executive Officer, and three (3) Independent Non-Executive Directors. The profile of the Directors is presented from pages AR 10 to AR 13 of this 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 MCCG.

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.

Statement of Corporate Governance (continued)

There is a clear division of responsibilities of the Managing Director and Chief Executive Officer, 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

During the financial year ended 31 March 2017, the Board met a total of five (5) times. Details of each Director's attendance at the Board meetings are as below:

Director	Position	No. of Board Meetings Attended
Yong Yoke Keong	Managing Director & CEO	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	Independent Non-Executive Director	5/5

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

Each Board member is expected to achieve at least fifty percent (50%) attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

All the Directors are required to devote sufficient time and efforts to carry out their responsibilities. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

Statement of Corporate Governance (continued)

The Board meets on a quarterly basis, with amongst others, review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings maybe convened by the Company Secretaries, after consultation with the Board.

The tentative dates for Board and Board Committee meetings for the year will be circulated by the Company Secretaries well in advance towards the end of the previous year to ensure that each of the Directors is able to attend the planned Board and/or Board Committee meetings including that of the Annual General Meeting.

At the end of each Board and Audit Committee meetings, the date of the next meetings is to be re-confirmed.

4.2 Directorship in Other Public Listed Companies

Under the Board Charter, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his responsibilities. Directors are required to notify the Board before accepting any new directorship(s). The notification would include an indication of time that will be spent on the new appointment(s).

Any Director is, while holding office, at liberty to accept other Board appointment in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. To ensure the Directors have the time to focus and fulfil their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships at more than five (5) public listed companies (as prescribed in Paragraph 15.06 of Listing Requirements).

4.3 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 Securities 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, 2016 (previously known as Companies Act, 1965) and the Listing Requirements of Bursa Securities were given by the Company Secretary to all Directors to facilitate knowledge enhancement in the areas of the Corporate Governance and relevant compliance areas.

Statement of Corporate Governance (continued)

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 2017, the following training programmes and seminars were attended by the Directors:-

HEE TECK MING

No.	Training Courses Attended	Date
1	Sustainability Engagement Series for Directors/Chief Executive Officers 2017	13 Mar 2017

AR. VINCENT LEE KON KEONG

No.	Training Courses Attended	Date
1	Mandatory Accreditation Programme for Directors of Public Listed Companies (MAP)	06 April 2016 - 07 April 2016
2	Comprehending Financial Statements for Directors and Senior Management	13 Jan 2017

DR. FOLK JEE YOONG

No.	Training Courses Attended	Date
1	What does Brexit mean to the Accounting & Finance profession	25 Aug 2016
2	Integrated reporting Conference	10 Oct 2016
3	Colored Brain Communication for Accountans	19 Oct 2016
4	Introduction to Finance Business Partnering-Creative Value, Staying relevant	17 Feb 2017
5	Digital Disruption and Accounting	15 Apr 2017

Remarks : Mr Yong Yoke Keong did not attend any conference, trainings and /or seminars during the financial year ended 31 March 2017 due to his busy schedule. However he has kept himself abreast on financial and business matters through readings and attending overseas meetings to enable him to contribute to the board. He is also aware of his 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.

Statement of Corporate Governance (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, 2016 (previously known as 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 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 Company has established a transparent arrangement with the auditors to meet their professional requirements. From time to time, the auditors highlight to the Audit Committee and Board of Directors on matters that require the Board's attention.

The Audit Committee is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The Audit Committee has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the Audit Committee.

In assess or determine the suitability and independence of the External Auditors, the Audit Committee has taken into consideration of the following:

(i) the adequacy of the experience and resources of the External Auditors;

(ii) 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;

(iii) the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and

(iv) 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 Auditors.

Statement of Corporate Governance (continued)

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the Board. The External Auditors are being invited to attend the Annual General Meeting of the Company to response and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the Audit Committee will meet with the External Auditors without the presence of Executive Directors and members of management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the Audit Committee are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the Audit Committee, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors.

In compliance with the Malaysian Institute of Accountants, the audit firm rotates its audit partners every five (5) years to ensure objectivity, independence and integrity of the audit opinions.

The External Auditors have provided the required independence declaration to the Audit Committee and the Board for the financial year ended 31 March 2017. The Audit Committee is satisfied with the competence and independence of the External Auditors for the financial year under review.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS

6.1 Risk Management and Internal Control

The Board is fully aware of its overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to identify the risks to which the Group is exposed and mitigate the impacts thereof to meet the particular needs of the Group.

The Company had 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.

This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

Statement of Corporate Governance (continued)

As an ongoing process, signifi cant business risks faced by the Group are identifi ed and evaluated and consideration is given on the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

Information on the Group's internal control is presented in the Statement on Risk Management and Internal Control set out on pages AR 38 to AR 39 of this Annual Report.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policies and Procedures

The Board recognises the need for transparency and accountability to the Company's shareholders as well as regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. The Company ensures that timely releases of the quarterly financial results, press releases and corporate announcements are made to its shareholders and investors, which are clear, unambiguous, succinct, accurate and contains sufficient and relevant information.

In order to maintain its commitment of effective communication with shareholders, the Group embraced the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.

The practice of disclosure of information is to adopt the best practices recommended in the MCCG with regard to strengthening engagement and communication with shareholders, it is not only established just to comply with the Listing Requirements.

The Group also endeavours to provide additional disclosures of information on a voluntary basis, where necessary. The management believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

Besides the above, the Company's Annual Report and financial results are dispatched on annually basis to the shareholders to provide an overview of the Group's business activities and performances. The Share Registrar is available to attend to administrative matters relating to shareholders' interests. The Company strived to provide a high level of transparency reporting in order to provide value for its shareholders and investors.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Company's website at www.ahb.com.my incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public.

This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports. The quarterly financial results are announced via Bursa LINK after the Board's approval. This is important in ensuring equal and fair access to information

Statement of Corporate Governance (continued)

Shareholders and investors may also forward their queries to the Company via email to mailbox@ahb.com.my

PRINCIPLE 8–STRENGTHEN RELATIONSHIP BETWEEN AND SHAREHOLDERS

8.1 Annual General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue with the shareholders. The shareholders will be notified of the meeting together with a copy of the Company's Annual Report at least twenty one (21) days before the meeting. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution. At the AGM, the shareholders are encouraged to participate in the questions and answers session there at, where they will be given the opportunity to raise questions or seek more information during the AGM. Informal discussions between the Directors, senior management staff, the shareholders and investors are always active before and after the general meetings.

Apart from contacts at general meetings, currently there is no other formal program or schedule of meetings with investors, shareholders, stakeholders and the public generally. However, the management has the option of calling for meetings with investors/analysts if it deems necessary. Thus far, the management is of the opinion that the existing arrangement has been satisfactory.

8.2 Poll Voting

In line with Paragraph 8.29A of the Listing Requirements, the Company will ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company will appoint at least one (1) scrutineer to validate the votes cast at the general meeting.

8.3 Effective Communication and Proactive Engagement

The Group maintains its effective communication with shareholders by adopting timely, comprehensive, and continuing disclosures of information to its shareholders as well as the general investing public and adopts the best practices recommended by the MCCG with regards to strengthening engagement and communication with shareholders.

To this end, the Group relies on the following channels for effective communication with the shareholders and stakeholders:

i) Interim financial reports to provide updates on the Group's operations and business developments on aquarterly basis;

Statement of Corporate Governance (continued)

ii) Annual audited financial statements and annual report to provide an overview of the Group's state ofgovernance, state of affairs, financial performance and cash flows for the relevant financial year;

iii) Corporate announcements to Bursa Securities on material developments of the Group, as and when necessary and mandated by the Listing Requirements; and

iv) Annual General Meetings.

Shareholders and stakeholders may raise their concerns and queries by contacting the Registered Office of the Group, the details of which as provided under the "Corporate Information" section of this Annual Report. The Share Registrar is also available to attend to administrative matters relating to shareholder interests.

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 MCCG has been applied. The Board considers and is satisfied that the Company has fulfilled its obligation under the MCCG, the Listing Requirements of Bursa Securities and all applicable laws and regulations throughout the financial year ended 31 March 2017.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 July 2017 The Directors are responsible for the preparation of financial statements prepared for each financial year to give a true and accurate view of the state of the Group and the Company of the results and cash flows of the Group and the Company for the financial year then ended.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

i) Overseeing the overall conduct of the Company's business and that of the Group;

ii) Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;

iii) Reviewing the adequacy and integrity of Internal Controls System and Management Information System in the Company and within the Group;

iv) Adopting suitable accounting policies and apply them consistently;

v) Making judgments and estimates that are reasonable and prudent; and

vi) Ensuring compliance with application Approved Accounting Standards in Malaysia.

Statement of Directors' Responsibility in relation to the Financial Statements

The Directors are responsible for ensuring that proper accounting and other records which are closed with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements comply with the Listing Requirements, the provisions of the Companies Act, 2016 (previously known as Companies Act, 1965) and applicable Approved Accounting Standards in Malaysia. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 March 2017, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

Statement on Risk Management and Internal Control

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements ("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 recognises 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 recognised 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 year, 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:

i) Checking on compliance with laws, regulations, corporate policies and procedures; and

ii) Evaluating the effectiveness of risk management and corporate governance.

The Company Secretaries 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

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 RM 27,900.00 for the internal audit work conducted within the Group for the financial year ended 31 March 2017, including the salaries for internal audit function performed.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the 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 year ended 31 March 2017.

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 Managing Director and 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 28 July 2017.

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 2017.

MEMBERS OF AUDIT COMMITTEE

The Audit Committee ("AC") 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	Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference of the AC which laid down its duties and responsibilities are accessible via the Company's website at www.ahb.com.my

Meetings held during the financial year ended 31 March 2017

The AC met five (5) times during the financial year ended 31 March 2017 and the details of attendance are as follows:-

Names	N0. of AC Meetings Attended
Dr. Folk Jee Yoong	5/5
Hee Teck Ming	5/5
Ar. Vincent Lee Kon Keong	5/5

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.

Report of the Audit Committee

Summary of Activities During the Financial Year Ended 31 March 2017

The principal activities undertaken by the AC during the financial year are summarised as follows:-

a) Reviewed the unaudited quarterly financial results prior to submission to the Board for consideration and approval for the announcement to be released.

b) Reviewed the annual audited financial statements, Directors' and Auditors' Reports and other significant accounting issues arising from the audit of the financial year ended 31 March 2017.

c) Reviewed with the External Auditors their audit plans for the financial year ended 31 March 2017 and conducted private meetings with them without the presence of the Managing Director and Chief Executive Officer and management.

d) Reviewed with the Internal Auditors their audit plans, audit reports and status of pending matters.

e) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to submission to the Board for approval and inclusion in the 2017 annual report.

Additional Compliance Information

1. AUDIT AND NON AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 31 March 2017 were as follows:

		Company (RM)	Group (RM)
Audit Services Rendered		30,000.00	78,000.00
Non-Audit Services Rendered			
(a)	Review of statement on Risk Management and Internal Control	5,000.00	-

2. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

There was no recurrent related party transaction of revenue or trading nature during the financial year ended 31 March 2017.

3. REVALUATION POLICY

The Company does not have a revaluation policy on landed properties.

4. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

There was no other material contract and/or contracts relating to loan entered into by the Company and/or its subsidiary companies involving Directors and Major Shareholders' interests.

AHB HOLDINGS BERHAD

(Company No 274909A)
(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

REPORTS AND FINANCIAL STATEMENTS
for the financial year ended
31 MARCH 2017

(In Ringgit Malaysia)

AHB HOLDINGS BERHAD

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

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2017

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

Company No.	274909	A

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2017

INDEX
*****

	Page No.
DIRECTORS' REPORT	1 - 5
STATEMENT BY DIRECTORS	6
STATUTORY DECLARATION	7
STATEMENTS OF FINANCIAL POSITION	8 - 9
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
STATEMENTS OF CHANGES IN EQUITY	11 - 14
STATEMENTS OF CASH FLOWS	15 - 16
NOTES TO THE FINANCIAL STATEMENTS	17 - 63
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	64 - 70

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

Principal Activities

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 during the financial year.

Financial Results

	Group RM	Company RM
Net profit/(loss) for the financial year		
- attributable to owners of the Parent	513,644	(319,369)

Reserves and Provisions

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

Dividend

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

Issue of Shares and Debentures

There was no issuance of shares 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 2017, the total number of warrant that remain unexcercise 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 during the financial year until the date of this report are:

Yong Yoke Keong
Dr. Folk Jee Yoong
Hee Teck Ming
AR. Vincent Lee Kon Keong

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			
	At 1.4.2016	**Bought**	**Sold**	**At 31.3.2017**
Interests in the Company				
Direct interests				
Yong Yoke Keong	30,364,557	-	-	30,364,557
Hee Teck Ming	1,500	-	-	1,500

	Number of warrants 2014 / 2019			
	At 1.4.2016	**Granted**	**Exercised**	**At 31.3.2017**
Interests in the Company				
Direct interests				
Yong Yoke Keong	22,276,091	-	-	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 8 of the Companies Act, 2016.

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 year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 24 to 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, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 25 to the financial statements.

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 financial statements of the Group and of the Company were prepared, 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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; 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 it necessary to write off any 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 or of the Company which has arisen since the end of the financial year which secures the liability 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 Event

The significant event is disclosed in Note 30 to the financial statements.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 6 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are set out in Note 21 to the financial statements.

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 28 July 2017.

YONG YOKE KEONG	DR. FOLK JEE YOONG

KUALA LUMPUR

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2 of the Companies Act, 2016

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 8 to 62 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 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 2017 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 33 to the financial statements on page 63 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 28 July 2017.

YONG YOKE KEONG	DR. FOLK JEE YOONG

KUALA LUMPUR

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act, 2016

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 8 to 63 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 28 July 2017	)))	
		YONG YOKE KEONG

Before me,

No. W 710
MOHAN A.S. MANIAM

COMMISSIONER FOR OATHS

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Non-Current Assets					
Property, plant and equipment	4	6,026,509	6,533,881	-	-
Goodwill on consolidation	5	1,935,486	1,935,486	-	-
Investment in subsidiary companies	6	-	-	21,800,425	21,800,425
Deferred tax assets	7	2,500,000	2,500,000	-	-
		10,461,995	10,969,367	21,800,425	21,800,425
Current Assets					
Inventories	8	6,271,657	6,152,247	-	-
Trade receivables	9	10,550,650	7,166,878	-	-
Other receivables	10	2,618,110	3,704,838	31,800	31,800
Amount due from subsidiary companies	11	-	-	36,570,568	36,961,588
Tax recoverable		134,925	137,340	-	-
Fixed deposit with a licensed bank	12	-	2,222,581	-	-
Cash and bank balances		1,847,984	1,235,650	26,196	2,457
		21,423,326	20,619,534	36,628,564	36,995,845
Total Assets		31,885,321	31,588,901	58,428,989	58,796,270

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (CONT'D)

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Note	**RM**	**RM**	**RM**	**RM**
Equity					
Share capital	13	34,899,182	32,007,239	34,899,182	32,007,239
Reserves	14	(5,201,614)	(2,823,315)	19,200,479	22,411,791
Total Equity		29,697,568	29,183,924	54,099,661	54,419,030
Non-Current Liability					
Deferred tax liabilities	15	-	-	-	-
Current Liabilities					
Trade payables	16	1,407,622	1,699,321	-	-
Other payables	17	638,431	611,556	110,059	203,171
Amount due to subsidiary companies	11	-	-	4,081,269	4,081,269
Amount due to Directors	18	141,700	92,800	138,000	92,800
Tax payables		-	1,300	-	-
		2,187,753	2,404,977	4,329,328	4,377,240
Total Liabilities		2,187,753	2,404,977	4,329,328	4,377,240
Total Equity and Liabilities		31,885,321	31,588,901	58,428,989	58,796,270

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Revenue	19	12,496,395	16,662,310	-	-
Other operating income		498,874	1,080,067	-	40,991
Purchase of trading merchandise		(6,967,610)	(10,340,469)	-	-
Changes in trading merchandise		255,000	536,269	-	-
Directors' remuneration	21, 24	(633,633)	(567,717)	(114,000)	(88,000)
Staff costs	24	(2,263,916)	(2,395,855)	-	-
Depreciation of property, plant and equipment		(725,811)	(458,251)	-	-
Finance costs	20	(48)	(24)	-	-
Other operating expenses		(2,127,645)	(2,690,054)	(205,352)	(427,763)
Profit/(Loss) before taxation	21	531,606	1,826,276	(319,352)	(474,772)
Taxation	22	(17,962)	2,803	(17)	303
Net profit/(loss) for the financial year, representing total comprehensive income/ (loss) for the financial year		513,644	1,829,079	(319,369)	(474,469)
Earnings per share (sen)	23				
Basic		1.60	5.71		
Diluted		-	-		

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		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
Group								
At 1 April 2016		32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(27,020,664)	29,183,924
Net profit for the financial year, representing total comprehensive profit for the financial year		-	-	-	-	-	513,644	513,644
Reclassification pursuant to Section 618 (2) of the Companies Act 2016	13, 14	2,891,943	(2,891,943)	-	-	-	-	-
At 31 March 2017		34,899,182	-	21,305,406	11,095,806	(11,095,806)	(26,507,020)	29,697,568

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)

	Attributable to Owners of the Parent						
	Non-distributable						
	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
Group							
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
Net 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 2017 (CONT'D)

		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
Company								
At 1 April 2016		32,007,239	2,891,943	21,305,406	11,095,806	(11,095,806)	(1,785,558)	54,419,030
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(319,369)	(319,369)
Reclassification pursuant to Section 618 (2) of the Companies Act 2016	13, 14	2,891,943	(2,891,943)	-	-	-	-	-
At 31 March 2017		34,899,182	-	21,305,406	11,095,806	(11,095,806)	(2,104,927)	54,099,661

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)

	Attributable to Owners of the Parent						
	Non-distributable						
	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
Company							
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
Net loss for the financial year, representing total comprehensive loss 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

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 2017

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash Flows From Operating Activities				
Profit/(Loss) before taxation	531,606	1,826,276	(319,352)	(474,772)
Adjustments for:				
Bad debts written off	-	36,093	-	-
Depreciation of property, plant and equipment	725,811	458,252	-	-
Interest expenses	48	24	-	-
Impairment on slow moving inventories	53,102	130,000	-	-
Impairment loss on:				
- trade receivables	51,299	126,953	-	-
- other receivables	167,071	29,389	-	-
Interest income	(43,189)	(13,453)	-	(8,342)
Reversal of impairment on trade receivables	-	(3,343,024)	-	-
Unrealised gain on foreign exchange	(368,618)	(762,528)	-	-
Waiver of debts	-	(31,400)	-	(31,400)
Operating profit/(loss) before working capital changes	1,117,130	(1,543,418)	(319,352)	(514,514)
Changes in working capital:				
Inventories	(232,743)	94,959	-	-
Trade receivables	(2,991,823)	8,601,976	-	(31,800)
Other receivables	972,703	365,351	-	-
Trade payables	(477,697)	65,302	-	-
Other payables	26,875	(162,713)	(93,112)	104,803
Amount due from/to subsidiary companies	-	-	391,020	(919,909)
Amount due to Directors	48,900	7,610	45,200	38,800
	(2,653,785)	8,972,485	343,108	(808,106)

AHB HOLDINGS BERHAD
(Incorporated In Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Cash (used in)/generated from operation	(1,536,655)	7,429,067	23,756	(1,322,620)
Interest received	43,189	13,453	-	8,342
Interest paid	(48)	(24)	-	-
Tax paid	(16,847)	-	(17)	-
	26,294	13,429	(17)	8,342
Net cash (used in)/from operating activities	(1,510,361)	7,442,496	23,739	(1,314,278)
Cash Flows From Investing Activity				
Purchase of property, plant and equipment, representing net cash used in investing activity	(158,208)	(6,403,757)	-	-
Net (decrease)/increase in cash and cash equivalents	(1,668,569)	1,038,739	23,739	(1,314,278)
Cash and cash equivalents at the beginning of the financial year	3,458,231	2,477,814	2,457	1,316,735
Effect of exchange translation difference on cash and cash equivalent	58,322	(58,322)	-	-
Cash and cash equivalents at the end of the financial year	1,847,984	3,458,231	26,196	2,457
Cash and cash equivalents at the end of the financial year comprise:				
Cash and bank balances	1,847,984	1,235,650	26,196	2,457
Fixed deposit with a licensed bank	-	2,222,581	-	-
	1,847,984	3,458,231	26,196	2,457

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2017

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, 2016 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:

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012–2014 Cycle	

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

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendment to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
• Amendments to MFRS 12		1 January 2017
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
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 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018

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 have not applied the following new MFRSs, new interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	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	Deferred until further notice

Note:

* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

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:

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

(i) 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.

(ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. 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.

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

(iii) <u>MFRS 16 *Leases*</u>

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

(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 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.

2. **Basis of Preparation (Cont'd)**

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

Judgements

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

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. The carrying value of deferred tax assets are disclosed in Note 7.

2. **Basis of Preparation (Cont'd)**

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

Key sources of estimation uncertainty (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 and 10 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 2017, the Group has tax recoverable and payable of RM134,925 (2016: RM137,340) and Nil (2016: RM1,300) 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 fair value 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(j) to the financial statements on impairment of non-financial assets.

(ii) 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.

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(j) 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(j).

(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) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

<u>As lessee</u>

<u>Operating lease</u>

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognized on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

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

(d) Leases (Cont'd)

As lessee (Cont'd)

Operating lease (Cont'd)

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expenses, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(e) 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 and amount due from subsidiary companies 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.

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.

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

(e) Financial assets (Cont'd)

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.

(f) 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, amount due to subsidiary companies and amount due to Directors.

Trade and other payables, amount due to subsidiary companies and amount due to Directors 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.

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.

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

(g) 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.

(h) Inventories

Inventories are valued at the lower of cost and net realisable 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 realisable value, due allowance is made for all obsolete and slow moving inventories.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and demand deposits 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.

(j) 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.

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

(j) Impairment of assets (Cont'd)

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

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)**

(j) 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)**

(j) 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.

(k) 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 measures at the fair value of the cash or other resources received or receivable. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any income tax effect. Ordinary shares are classified as equity.

Equity is reduced for the amount of distributions to the holders of equity instruments. Dividend distribution to the owners is recognised as a liability in the reporting period they have been appropriately authorised. For distribution of non-cash assets to owners, dividend payable is measured at the fair value of the assets to be distributed.

(l) 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)**

(l) 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.

(m) 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)**

(n) 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.

(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 financial 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 financial years.

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.

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

(o) Income taxes (Cont'd)

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.

4. **Property, Plant and Equipment**

	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
Group						
2017						
Cost						
At 1 April 2016	295,250	48,509	7,518,952	8,326,701	28,000	16,217,412
Additions	50,696	-	11,858	75,654	20,000	158,208
Transfer from inventories	-	-	-	60,231	-	60,231
At 31 March 2017	345,946	48,509	7,530,810	8,462,586	48,000	16,435,851
Accumulated depreciation						
At 1 April 2016	174,419	41,146	1,258,421	8,193,119	16,426	9,683,531
Charge for the financial year	20,052	1,870	669,124	26,472	8,293	725,811
At 31 March 2017	194,471	43,016	1,927,545	8,219,591	24,719	10,409,342
Carrying amount						
At 31 March 2017	151,475	5,493	5,603,265	242,995	23,281	6,026,509

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

	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
Group						
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

5. Goodwill on Consolidation

	Group	
	2017	**2016**
	RM	**RM**
Cost		
At the beginning/end of the financial year	1,935,486	1,935,486

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	
	2017	**2016**
	%	**%**
Growth rate	60	35
Gross margin	41	32
Discount rate	5	5

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	
	2017	**2016**
	RM	**RM**
In Malaysia		
At cost		
Unquoted shares	40,100,922	40,100,922
Less: Accumulated impairment losses	(18,300,497)	(18,300,497)
	21,800,425	21,800,425

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 2017 %	Effective interest 2016 %	Principal activities
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	
	2017	2016
	RM	RM
Unutilised tax losses		
At 1 April / 31 March	2,500,000	2,500,000

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

	Group	
	2017	2016
	RM	RM
Unutilised tax losses		
At 1 April / 31 March	2,500,000	2,500,000

8. Inventories

	Group	
	2017	2016
	RM	RM
Trading merchandise	6,271,657	6,152,247
Recognised in profit or loss:		
Inventories recognised as cost of sales	6,366,940	8,686,500
Impairment on slow moving inventories	53,102	130,000

9. Trade Receivables

	Group	
	2017	2016
	RM	RM
Trade receivables	10,882,550	7,495,333
Less: Accumulated impairment losses	(331,900)	(328,455)
	10,550,650	7,166,878

9. **Trade Receivables (Cont'd)**

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2016: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	Group	
	2017	**2016**
	RM	**RM**
At 1 April	328,455	3,694,526
Impairment losses recognised	51,299	126,953
Written off	(47,854)	(150,000)
Reversal of impairment	-	(3,343,024)
At 31 March	331,900	328,455

Analysis of the trade receivables ageing at the end of the financial year is as follows:

	Group	
	2017	**2016**
	RM	**RM**
Neither past due nor impaired	4,562,817	2,172,398
Past due but not impaired:		
More than 30 days	5,987,833	4,994,480
	10,550,650	7,166,878
Impaired	331,900	328,455
	10,882,550	7,495,333

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

As at 31 March 2017, trade receivables of RM5,987,833 (2016: RM4,994,480) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM331,900 (2016: RM328,455), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

10. **Other Receivables**

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other receivables	735,928	2,000,452	-	-
Less: Accumulated impairment losses	(167,071)	(29,389)	-	-
	568,857	1,971,063	-	-
Deposits	2,016,453	1,699,975	-	-
Prepayments	32,800	33,800	31,800	31,800
	2,618,110	3,704,838	31,800	31,800

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

	Group	
	2017	**2016**
	RM	**RM**
At 1 April	29,389	-
Impairment losses recognised	167,071	29,389
Written off	(29,389)	-
At 31 March	167,071	29,389

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

11. **Amount Due from/(to) Subsidiary Companies**

These represent unsecured, non-trade related, non-interest bearing, unsecured and repayable on demand.

12. **Fixed Deposit with a Licensed Bank**

The maturity period of fixed deposits of the Group is Nil (2016: 1 month).

The Group has withdrawn all the fixed deposits with a licensed bank during the financial year.

13. Share Capital

	Group and Company			
	Number of shares		Amount	
	2017	2016	2017	2016
	Units	Units	RM	RM
Authorised				
Ordinary shares (2016: Par value RM1.00 each)	-	5,000,000,000	-	1,000,000,000
Issued and fully paid shares:				
Ordinary share (2016: Par value of RM1.00 each)				
At beginning of financial year			32,007,239	32,007,239
Transition to no-par value regime on 31 January 2017				
- Share premium			2,891,943	-
At the end of financial year			34,899,182	32,007,239

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserves become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM2,891,943 for purposes as set out in Sections 618 (3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Share premium	(a)	-	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		(26,507,020)	(27,020,664)	(2,104,927)	(1,785,558)
		(5,201,614)	(2,823,315)	19,200,479	22,411,791

14. **Reserves (Cont'd)**

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

(a) Share premium

Pursuant to Section 618 (2) of the Companies Act 2016, the sum of RM2,891,943 standing to the credit of the Company's share premium account has been transferred and became part of the Company's share capital.

(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 year, 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 2017, the total number of warrants that remain unexercised were 71,126,961 (2016: 71,126,961).

15. Deferred Tax Liabilities

	Group	
	2017	2016
	RM	RM
At 1 April	-	3,800
Over provision in prior year	-	(3,800)
At 31 March	-	-

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

	Group	
	2017	2016
	RM	RM
Deferred tax liabilities	571,375	463,989
Deferred tax assets	(571,375)	(463,989)
	-	-

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

Deferred tax liabilities

	Group	
	2017	2016
	RM	RM
Accelerated capital allowances		
At 1 April	463,989	3,800
Recognised in profit or loss	107,386	463,989
Over provision in prior year	-	(3,800)
At 31 March	571,375	463,989

Deferred tax assets

	Group	
	2017	2016
	RM	RM
Unutilised tax losses		
At 1 April	463,989	-
Recognised in profit or loss	107,386	463,989
At 31 March	571,375	463,989

15. **Deferred Tax Liabilities (Cont'd)**

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Unutilised tax losses	25,019,300	25,233,000	630,000	414,000
Unabsorbed capital allowances	722,500	1,315,600	-	-
	25,741,800	26,548,600	630,000	414,000

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 (2016: 30 to 100 days) depending on the terms of the contracts.

17. **Other Payables**

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other payables	182,673	272,408	70,259	173,371
Accruals	455,758	339,148	39,800	29,800
	638,431	611,556	110,059	203,171

18. **Amount Due to Directors**

These represent non-interest bearing, unsecured and repayable on demand.

19. **Revenue**

This represents the invoiced value of goods sold net of returns and discounts.

20. Finance Costs

	Group 2017 RM	Group 2016 RM
Interest expenses on:		
Penalty interest	48	24

21. Profit/(Loss) before Taxation

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

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Auditors' remuneration				
- Statutory audit				
- Current year	78,000	73,000	30,000	25,000
- Over provision in prior year	-	(4,000)	-	-
- Non-statutory audit	5,000	-	5,000	-
Bad debts written off	-	36,093	-	-
Depreciation of property, plant and equipment	725,811	458,252	-	-
Impairment loss on:				
- Trade receivables	51,299	126,953	-	-
- Other receivables	167,071	29,389	-	-
Impairment on slow moving inventories	53,102	130,000	-	-
(Gain)/Loss on foreign exchange				
- Realised	(41,775)	49,420	-	-
- Unrealised	(368,618)	(762,528)	-	-
Non-executive Directors' remuneration				
- Fee	84,000	64,000	84,000	64,000
Rental of photocopier	5,980	2,340	-	-
Rental of premises	296,476	397,976	-	-
Reversal of impairment				
- Trade receivables	-	(3,343,024)	-	-
Interest income	(43,189)	(13,453)	-	(8,342)
Waiver of debts	-	(31,400)	-	(31,400)

22. Taxation

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Tax expense recognised in profit or loss				
Current income tax	9,900	1,300	-	-
Under/(Over) provision in prior years	8,062	(303)	17	(303)
	17,962	997	17	(303)
Deferred tax:				
Over provision in prior year	-	(3,800)	-	-
	17,962	(2,803)	17	(303)

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 25%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Profit/(Loss) before taxation	531,606	1,826,276	(319,352)	(474,772)
At Malaysian statutory tax rate of 24% (2016: 25%)	127,585	456,570	(76,644)	(118,693)
Expenses not deductible for tax purposes	119,670	140,078	24,976	40,980
Income not subject to tax	(626)	(214,950)	-	-
Utilisation of unutilised tax losses and unabsorbed capital allowances brought forward	(293,219)	(728,125)	-	-
Deferred tax assets not recognised	56,490	347,727	51,668	77,713
Under/(Over) provision of taxation in prior years	8,062	(303)	17	(303)
Over provision of deferred tax in prior year	-	(3,800)	-	-
Tax expense for the financial year	17,962	(2,803)	17	(303)

22. **Taxation (Cont'd)**

As at 31 March 2017, 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	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Unutilised tax losses	27,399,400	27,166,300	630,000	414,000
Unabsorbed capital allowances	722,500	1,315,600	-	-
	28,121,900	28,481,900	630,000	414,000

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 attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2017	**2016**
	RM	**RM**
Profit attributable to owners of the parents for basic earnings	513,644	1,829,079
Weighted average number of ordinary shares at 31 March	32,007,239	32,007,239
Basic earning per ordinary shares (sen)	1.60	5.71

(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	
	2017	2016	2017	2016
	RM	RM	RM	RM
Salaries, wages and other emoluments	2,302,462	2,258,396	114,000	88,000
Social security contributions	16,231	16,216	-	-
Defined contribution plans	283,651	353,965	-	-
Other benefits	211,205	334,995	-	-
	2,813,549	2,963,572	114,000	88,000

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

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Executive Directors				
Existing Directors of the Company				
Salaries and other emoluments	464,318	428,318	-	-
Fees	30,000	24,000	30,000	24,000
Defined contribution plans	55,315	51,399	-	-
	549,633	503,717	30,000	24,000

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 or joint 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 at least on 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 information based on the geographical location of customers and assets respectively are as follow:

	Revenue	
	2017	**2016**
	RM	**RM**
South-Eastern Asia	5,289,377	3,114,079
Middle East	4,853,066	12,307,354
South-Central Asia	1,172,782	1,007,022
America	1,181,170	233,855
	12,496,395	16,662,310

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 major customers amount to RM6,910,071 (2016: RM14,577,788) contributed to more than 55% (2016: 87%) 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 liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Group			
2017			
Financial Assets			
Trade receivables	10,550,650	-	10,550,650
Other receivables	2,585,310	-	2,585,310
Cash and bank balances	1,847,984	-	1,847,984
	14,983,944	-	14,983,944
Financial Liabilities			
Trade payables	-	1,407,622	1,407,622
Other payables	-	638,431	638,431
Amount due to Directors	-	141,700	141,700
	-	2,187,753	2,187,753
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
	14,296,147	-	14,296,147
Financial Liabilities			
Trade payables	-	1,699,321	1,699,321
Other payables	-	611,556	611,556
Amount due to Directors	-	92,800	92,800
	-	2,403,677	2,403,677

27. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Financial liabilities measured at armotised cost RM	Total RM
Company			
2017			
Financial Assets			
Amount due from subsidiary companies	36,570,568	-	36,570,568
Cash and bank balances	26,196	-	26,196
	36,596,764	-	36,596,764
Financial Liabilities			
Other payables	-	110,059	110,059
Amount due to subsidiary companies	-	4,081,269	4,081,269
Amount due to Directors	-	138,000	138,000
	-	4,329,328	4,329,328
2016			
Financial Assets			
Amount due from subsidiary companies	36,961,588	-	36,961,588
Cash and bank balances	2,457	-	2,457
	36,964,045	-	36,964,045
Financial Liabilities			
Other payables	-	203,171	203,171
Amount due to subsidiary companies	-	4,081,269	4,081,269
Amount due to Directors	-	92,800	92,800
	-	4,377,240	4,377,240

(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 and interest rate 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	
	2017	**2016**
	RM	**RM**
South-Eastern Asia	4,118,135	4,766,561
Middle East	3,629,373	1,610,647
South-Central Asia	1,867,281	701,323
America	935,861	88,347
	10,550,650	7,166,878

At as the end of financial year, the Group had 6 customers (2016: 5 customers) that owed the Group at total amount of approximately RM9.3 million (2016: RM7.0 million) which accounted for approximately 89% (2016: 97%) 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.

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Group			
2017			
Non-derivative financial liabilities			
Trade payables	1,407,622	1,407,622	1,407,622
Other payables	638,431	638,431	638,431
Amount due to Directors	141,700	141,700	141,700
	2,187,753	2,187,753	2,187,753
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

27. **Financial Instruments (Cont'd)**

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

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2017			
Non-derivative financial liabilities			
Other payables	110,059	110,059	110,059
Amount due to subsidiary companies	4,081,269	4,081,269	4,081,269
Amount due to Directors	138,000	138,000	138,000
	4,329,328	4,329,328	4,329,328
2016			
Non-derivative financial liabilities			
Other payables	203,171	203,171	203,171
Amount due to subsidiary companies	4,081,269	4,081,269	4,081,269
Amount due to Directors	92,800	92,800	92,800
	4,377,240	4,377,240	4,377,240

(iii) Market risk

(a) Foreign currency risk

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

	Denominated in				
	USD	**EUR**	**CAD**	**SGD**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
2017					
Trade receivables	5,676,202	-	-	50,815	5,727,017
Other receivables	486,229	-	-	-	486,229
Cash and bank balances	292,909	-	-	-	292,909
Trade payables	(284,101)	-	-	(40,630)	(324,731)
	6,171,239	-	-	10,185	6,181,424
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)
	6,720,541	33,371	(3,088)	-	6,750,824

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 and Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows: (Cont'd)

	Denominated in 2017 RM	Denominated in 2016 RM
Company		
Cash and bank balances denominated in USD	442	360

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

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

	2017 Change in currency rate	2017 Effect on profit before taxation RM	2016 Change in currency rate	2016 Effect on profit before taxation RM
Group				
USD	Strengthened 5%	308,562	Strengthened 5%	336,027
	Weakened 5%	(308,562)	Weakened 5%	(336,027)
EUR	Strengthened 5%	-	Strengthened 5%	1,669
	Weakened 5%	-	Weakened 5%	(1,669)
CAD	Strengthened 5%	-	Strengthened 5%	154
	Weakened 5%	-	Weakened 5%	(154)
SGD	Strengthened 5%	509	Strengthened 5%	-
	Weakened 5%	(509)	Weakened 5%	-

27. **Financial Instruments (Cont'd)**

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

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

		2017		2016
	Change in currency rate	Effect on profit before taxation RM	Change in currency rate	Effect on profit before taxation RM
Company				
USD	Strengthened 5%	22	Strengthened 5%	18
	Weakened 5%	(22)	Weakened 5%	(18)

(b) Interest rate risk

The Group's and the Company's fixed rate deposit placed with licensed bank are exposed 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:

	2017 RM	2016 RM
Group		
Fixed rate instrument		
Financial asset		
Fixed deposit with a licensed bank	-	2,222,581

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does 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.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

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 dividends 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. **Capital Commitment**

Operating lease commitments – as lessee

The future minimum lease payments payable under non-cancellable operating leases are:

	2017 **RM**	**2016** **RM**
Within one year	298,956	252,110
Later than one year but not later than two years	950	298,956
Later than two years but not later than five years	-	950
	299,906	552,016

30. Significant Event During the Financial Year

On 15 April 2016, 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 required 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.

31. Comparative Information

The following comparative figures have been reclassified to conform with current year's presentation:

	As previously stated RM	Adjustments RM	As restated RM
Group			
Statements of Cash Flows			
Adjustments for:			
Bad debt written off on:			
- Trade receivables	86,959	(50,866)	36,093
- Other receivables	75,702	(75,702)	-
Impairment loss on:			
- Trade receivables	101,455	25,498	126,953
Impairment on slow moving inventories	-	130,000	130,000
Impairment written down	130,000	(130,000)	-
Reversal of impairment on trade receivables	-	(3,343,024)	(3,343,024)
Changes in working capital:			
Trade receivables	5,233,584	3,368,392	8,601,976
Other receivables	289,649	75,702	365,351

32. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 July 2017.

33. 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	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total accumulated losses of the Company and its subsidiary companies				
- realised	(38,216,720)	(39,124,274)	(2,104,927)	(1,785,558)
- unrealised	2,868,618	3,262,528	-	-
	(35,348,102)	(35,861,746)	(2,104,927)	(1,785,558)
Less: Consolidation adjustments	8,841,082	8,841,082	-	-
	(26,507,020)	(27,020,664)	(2,104,927)	(1,785,558)

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD
(Company No: 274909-A)
(Incorporated in Malaysia)

Report on the Financial Statements

Opinion

We have audited the financial statements of AHB Holdings Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 62.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their 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, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Requirements

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD (CONT'D)
(Company No: 274909-A)
(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
Impairment on Inventories	
At 31 March 2017, the Group held inventories of RM6.3 million which carried at the lower of cost and net realisable value. The Directors apply judgement in determining the appropriate stock written down based on an analysis of ageing inventories and net realisable value below cost for inventories to go into sale.	We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of the inventories by: • Attending inventories counts • Checking for a sample of individual products that invoiced cost have been correctly recorded • Comparing the net realisable value, obtained through a detailed review of sales subsequent to the year end using audit analytics, to the cost price of inventories. • Performing audit analytics on stock holding and movement data to identify product with indicators of low stock turn or stock ageing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD (CONT'D)
(Company No: 274909-A)
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
Impairment on Trade Receivables	
The Group's trade receivables amounting to RM10.6 million, representing approximately 49% of the Group's total current assets as at 31 March 2017.	We have reviewed the Group's trade receivables to determine whether are there any indication of impairment. Our impairment review is focused towards trade receivables which are overdue but not impaired as at 31 March 2017.
Given the credit exposure in its portfolio of trade receivables, the assessment of impairment which involves significant estimation, subjective assumptions and application of significant judgements could result in material changes to the financial statements of the Group.	We assessed the reasonableness of the methods and assumptions used by the management in estimating the recoverable amount and impairment loss. We also tested the accuracy and completeness of the data used by the management. We develop our understanding on trade receivables which poses a high risk of default through reviewing the trade receivables ageing analysis. We reviewed the adequacy of the impairment loss and enquired the management regarding the recoverability of a sample of trade receivables that are individually significant and group of receivables with similar credit risk characteristics. We examine the repayment patterns, review any settlement agreement and obtained evidence of cash receipts where these has been received. We considered the adequacy of disclosure made in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement.*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD (CONT'D)
(Company No: 274909-A)
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD (CONT'D)
(Company No: 274909-A)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD (CONT'D)
(Company No: 274909-A)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current finance year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

The supplementary information set out on in Note 33 on page 63 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 Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 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: 1817/12/2018 (J)
Chartered Accountant

KUALA LUMPUR

28 July 2017

Analysis of Shareholdings

AHB HOLDINGS BERHAD

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2017

Issued shares Capital : 160,036,194 ordinary shares
Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AT 30 JUNE 2017

Size of Holdinmg	No. of shareholders	% of shareholders	No. of shares	% of shares
1 - 99	58	3.36	2,963	0.007
100 - 1,000	183	10.62	106,537	0.06
1,001 - 10,000	751	43.56	3,293,136	2.05
10,001 - 100,000	565	32.77	23,622,523	14.75
100,001 AND ABOVE	167	9.69	133,011,035	64.15
Total	**1,724**	**100.00**	**160,036,194**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2017

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

DIRECTOR'S INTERESTS IN SHARES AS AT 30 JUNE 2017

No.	Name of Substantial Shareholder	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1.	YONG YOKE KEONG	10,611	0.01	-	-
2.	JF 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	-	-	-	-

 # Negligible

Analysis of Shareholdings (cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 30 JUNE 2017)

No.	Name of Shareholders	No. of shares	%
1	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yoke Keong (STA 1)	30,353,946	18.97
2	Omni Presence Sdn Bhd	7,931,500	4.96
3	Affin Hwang Nominess (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Roy Soon (TAN8615M)	6,000,000	4.12
4	Asia Quill Sdn Bhd	6,445,400	4.03
5	Forward Style Sdn Bhd	6,202,000	3.87
6	Trident Target Sdn Bhd	6,050,000	3.78
7	JF Apex Nominess (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock (STA 1)	4,597,430	2.87
8	JF Apex Nominess (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai (Margin)	4,142,034	2.59
9	Kok Chang Chee	2,500,000	1.56
10	Affin Hwang Nominess (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Yew (NGY0036C)	2,300,000	1.44
11	Alliancegroup Nominess (Tempatan) Sdn. Bhd. Pledged Securities Account For Ting Siew Pin (8118995)	1,500,000	0.94
12	Tang & Co Sdn. Bhd.	1,500,000	0.94
13	Lee Kok Hoong	1,230,000	0.77
14	CIMB Group Nominees (Tempatan) Sdn. Bhd.	1,220,000	0.76
15	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Commerce Trustee Berhad for Interpac Dynamic Equity Fund (50142 TR01)	1,220,000	0.76
16	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Son Tong Leong (MY1225)	1,173,500	0.73
17	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Tan Kim Heung (MY1989)	1,150,000	0.72
18	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Koh Kin Lip (MY0502)	1,142,000	0.71
19	Lim Kian Wat	1,112,900	0.69
20	M ak Tian Meng	1,100,000	0.69
21	Kalimullah Bin Masheerul Hassan	1,000,000	0.62
22	RHB Capital Nominees (Tempatan) Sdn Bhd Sim Keng Chor	1,000,000	0.62
23	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koh Kin Lip	1,000,000	0.62
24	Low Poh Ying @ Tan Luan	940,000	0.59
25	Goh Thong Beng	900,000	0.56
26	Lew Swee Lan	800,000	0.50
27	Ching Ching Kuon	750,000	0.47
28	MAYBANK Nominees (Tempatan) Sdn Bhd Julian Suresh A/L J P Amarasena	700,000	0.44
29	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Hee Yuen Sang (MY2105)	690,800	0.37
30	Tang Quee Huang	650,000	0.41
	Total	**97,901,510**	**61.17**

Analysis of Warrants Holdings (cont'd)

AHB HOLDINGS BERHAD

ANALYSIS OF WARRANTS HOLDINGS AS AT 30 JUNE 2017

Issued shares Capital	:	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 30 JUNE 2017

Size of Holdinmg	No. of warrant holders	% of warrant holders	No. of warrant holdings	% of warrant holdings
1 - 99	124	19.40	6,182	0.00
100 - 1,000	25	3.90	10,088	0.01
1,001 - 10,000	188	29.40	865,226	1.22
10,001 - 100,000	217	34.00	10,140,514	14.26
100,001 AND ABOVE	85	13.30	60,104,951	84.50
Total	**639**	**100.00**	**71,126,961**	**100.00**

SUBSTANTIAL WARRANT HOLDERS AS AT 30 JUNE 2017

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.	JF APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yong Yoke Keong (STA 1)	22,721,375	31.31	-	-
3.	DR FOLK JEE YONG	-	-	-	-
4.	HEE TECK MING	-	-	-	-
5.	AR. VINCENT LEE KON KEONG	-	-	-	-

Analysis of Warrants Holdings (cont'd)

LIST OF TOP 30 LARGEST WARRANTS HOLDERS/DEPOSITORS AS AT 30 JUNE 2017 (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 30 JUNE 2017)

No.	Name of Warrant Holders	No. of Warrants	%
1	JP Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yoke Keong (STA 1)	22,271,375	131.31
2	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ting Siew Pin (CEB)	6,337,300	8.91
3	Chai Mei Ling	3,610,000	5.07
4	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mak Hon Leong	2,050,000	2.88
5	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ting Siew Pin (8118995)	2,000,000	2.81
6	Chaang Kok Leong	1,005,000	1.41
7	Lim Teong Leong	1,000,000	1.40
8	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Siow Chock Shume	756,300	1.06
9	Maybank Nominees (Tempatan) Sdn Bhd Lim Chai Tang	750,000	1.05
10	Lin PanQian	700,000	0.98
11	Wong Mee Lin	623,600	0.88
12	Hiew Seek Ling	600,000	0.84
13	Eng Ah Guan	570,000	0.80
14	Moo Chee Chern	550,000	0.77
15	Choong Foong Ming	542,000	0.76
16	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Cheng Kuan (8070081)	500,000	0.70
17	Yee Chai Kat	495,700	0.70
18	Chan Yin Peng	492,900	0.69
19	Lyncher Wung Wei Fong	490,000	0.69
20	Tan Kok Keat	490,000	0.69
21	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hee Yuen Sang	450,000	0.63
22	Chang Kok Hua	405,000	0.57
23	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tay Moi Nin (SEGAMAT-CL)	400,000	0.56
24	Hee Yuen Sang	400,000	0.56
25	Lim Su Hui	400,000	0.56
26	Wan Ishak Bin Wan Ali	400,000	0.56
27	JP Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Trident Target Sdn Bhd (Margin)	374,666	0.53
28	Tew Wan Peng	370,500	0.52
29	Tan Cheng Seang	330,000	0.46
30	Jaikishin A/L Shewandas	320,000	0.45
	Total	**49,684,342**	**69.85**

NOTICE OF TWENTY- FOURTH ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth (24 th) Annual General Meeting ("AGM") of AHB Holdings Berhad ("the Company") will be held at 17, Jalan PBP 11, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan on Friday, 25 August 2017 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 2017 together with the Reports of the Directors and Auditors thereon.	Please refer to Explanatory Note 1
2	To approve the payment of Directors' fees and other benefits payable of up to RM 114,000.00 to the directors of the Company for the financial year ending 31 March 2018;	Ordinary Resolution 1
3	To re- elect Mr. Hee Teck Ming who is retiring pursuant to Article 85 of the Company's Constitution.	Ordinary Resolution 2
4	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.	Ordinary Resolution 3
	As Special Business To consider and if thought fit, with or without modifications to pass the following Ordinary Resolutions:-	
5	**CONTINUATION OF TERM OF OFFICE AS INDEPENDENT DIRECTOR** That approval be and is hereby given to Mr Hee Teck Ming who has served as an Independent Non-Executive Director of the Company for a cumulative term of office of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 4
6	**AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016** THAT subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Section 75 and 76 of the Act, to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 5
7	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: 31 July 2017

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

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 Constitution to issue a General Meeting Record of Depositors as at 18 August 2017. Only depositor whose name appears on the Record of Depositors as at 18 August 2017 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 shareholder of the Company and a shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the shareholder to speak at the Meeting.

(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 10.00a.m.,Wednesday,23 August 2017,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.

Explanatory Notes to Ordinary and Special Business:-

1. **Audited Financial Statements for the financial year ended 31 March 2017**
   The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. **Ordinary Resolution 4 – Continuation of Term of Office as Independent Director**
   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:-

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

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 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 was previously served the Board as Independent Non-Executive Director between the period from year 1996 to 2007 before he left and re-joined the Company in year 2013 until todate, therefore 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.

3. Ordinary Resolution 5 – Authority to Allot Shares pursuant to Section 75 and 76 of the Companies Act, 2016

The Proposed Ordinary Resolution 5, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the Twenty-Third (23th) Annual General Meeting held on 28 July 2016 and which will lapse at the conclusion of the Twenty-Fourth (24th) Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF TWENTY- FOURTH ANNUAL GENERAL MEETING

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

The Director who is standing for re-election at the Twenty-Fourth (24th) Annual General Meeting of the Company is Mr Hee Teck Ming pursuant to Article 85 of the Company's Constitution.

The profile of the Director who is seeking re-election at the Twenty-Fourth (24th) Annual General Meeting of the Company is set out in the Board of Directors' Profile on page AR10 to AR13 of this Annual Report.

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

FORM OF PROXY

No. of Shares held	
CDS Account No.	

I/We...NRIC.No..
(Full name in capital letters)
.............................of...
(Full address)
....

being a *Member/Members of **AHB HOLDINGS BERHAD (Company No. 274909-A)** hereby appoint (Proxy 1) ....(*NRIC No./Passport No..) of...and* failing him/her * (Proxy 2) .... (*NRIC No./Passport No..) of .... and* 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-Fourth (24th) Annual General Meeting of the Company to be held at 17, Jalan Industri PBP 11, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan on Friday, 25 August 2017 at 10.00 a.m. and at any adjournment thereof.

The proportion of *my/our holding to be represented by *my/our proxies are as follows:

First Proxy (1).......................%..
Second Proxy (2).......................%..

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

Resolutions	Subject	*For	*Against
1	To approve the payment of Directors' fees and other benefits payable of up to RM 114,000.00 to the directors of the Company for the financial year ending 31 March 2018.		
2	To re-elect Mr. Hee Teck Ming who is retiring pursuant to Article 85 of the Company's Constitution.		
3	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		
4	As Special Business:- To approve the continuation in office of Mr Hee Teck Ming as Independent Non-Executive Director.		
5	To approve the authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016.		

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 2017

....
Signature of shareholder(s)
or Common Seal

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 18 August 2017. Only depositor whose name appears on the Record of Depositors as at 18 August 2017 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 shareholder of the Company and a shareholder may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the shareholder to speak at the Meeting.

(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., Wednesday, 23 August 2017, or adjourned meeting at which the prson 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.

Please fold here for sealing

Boardroom Corporate Services (KL) Sdn Bhd,
Share Registrar of

AHB HOLDINGS BERHAD (643683-U)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Please fold here for sealing

STAMP

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

Fold here for sealing

Staple Here

Staple Here

Staple Here

Staple Here

REQUISITION OF PRINTED ANNUAL REPORT

To :

Boardroom Coporate Services (KL) Sdn Bhd
Lot 6.05 Level 6,KPMG Tower,
8 First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

Telephone No : (603) 7720 1147 / (603) 7720 1146
Fax No : (603) 7720 1111

Fold here for sealing

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

I/We wish to request a copy of printed Annual Report 2017 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

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 work-stations to clients around the world, including American Express, Nestle, Gilette, 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 succintly 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

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
Web : www.ahb.com.my
Email : mailbox@ahb.com.my