AHB HOLDINGS BERHAD

[Registration No. 199301020171 (274909-A)]

ANNUAL REPORT 2019

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.

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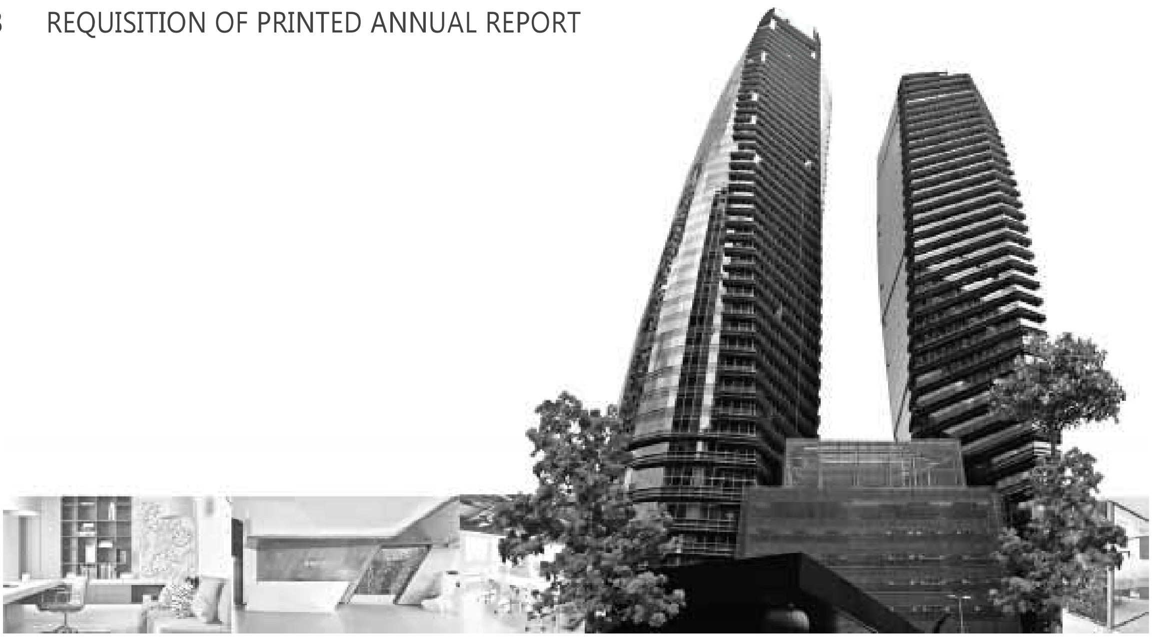

AHB Headquarters - 10 Persiaran KLCC - Level 16 Naza Tower Platinum Park, 50088 Kuala Lumpur

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)
Thien Lee Mee (LS0009760)

REGISTERED OFFICE

Suite 10.02, Level 10, The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel : 03-2298 0263
Fax : 03-2298 0268

CORPORATE ADDRESS

10 Persiaran KLCC - Level 16,
Naza Tower Platinum Park
50088 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia
Tel : 03-9212 0822
Fax : 03-9212 0823
Web : www.artwright.com
Email : mailbox@artwright.com

SHARE REGISTRARS

Boardroom Share Registrars Sdn Bhd
(Formerly known as Symphony Share Registrars Sdn Bhd)
11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
Tel : 03-7890 4700
Fax : 03-7890 4670

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
Tel : 03-2279 3088
Fax : 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

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

- 100% **AHB Technology Sdn Bhd**
  Registration No. 198701007756 (166474-X)
- 100% **AHB Marketing Sdn Bhd**
  Registration No. 198701007717 (166435-A)
- 100% **AHB Distribution Sdn Bhd**
  Registration No. 199601032789 (405141-V)
- 100% **Create Space Sdn Bhd**
  Registration No. 198701007757 (166475-W)

Group Corporate Structure


right®

Board of Director's Profile

Yong Yoke Keong

Managing Director and Chief Executive Officer
60 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
60 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
58 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 Jee Yoong 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 Jee Yoong is also a Director of Lion Corporation Berhad and Parlo 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
63 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 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.

Profile of Key Senior Management

The Management team is headed by our Managing Director. He is the Key Senior Management and his profile as set out in the Board of Directors.

Management Discussions and Analysis

We plan to forge ahead on an upward trajectory in an increasingly competitive business sector by rethinking our brands from a fresh perspective by engaging end-users, customers, dealers, and employees throughout the process while we re-evaluate who we are as a company and what the AHB brands represent going forward, all of which entails shifting our focus to quality and customer experience.

In this regard, our AHB professionals have created a benchmark of excellence not just for the furniture we represent but also for the services we render to our clients. We understand only too well that good customer service is as important as high-quality solutions. All our decisions are geared toward making customer satisfaction our top priority.

During the year in review, AHB has entered into new competitiveness by acquiring brands for distribution to spearhead revenue growth. The Artwright brand continues to represent the state-of-the-art designs and qualities, while we continue to expand Spacecom range of attractive affordable collections. With all these complete and relevant office interior solutions, AHB looks forward to sustainable revenue growth.

The Artwright booth at Orgatec Exhibition in October 2018, Cologne Germany, the world's leading office furniture fair.

Management Discussions and Analysis

AHB's extensive list of clients is testament to this ethic. We are heartened to see continued support from our client base and from our consistent and reliable supply chain. Moreover, our core values have ensured that we have withstood the test of time.

AHB's high-performing, yet streamlined and easy-to-use furniture range also includes executive premium desking system, bench desking system, ergonomic seating, and modular open-space furniture. The company's expertise in design and manufacturing process to create and deliver innovative products has also resulted in developing environmentally responsible work environments and minimal adverse environmental impact.

Materials used in production are safe, healthy and ecologically sound throughout their life cycle, with over 80% of these materials used being recyclable. 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.

With its products already meeting these needs, AHB has launched a brand identity that will further embolden its core capabilities for a growing market that aspires to a healthy work environment.

Our management efforts include a renewed vision, a new website and a three-in-one communication centre that is an invitation to experience the AHB brands with all the senses and highlights the Group's ability to motivate end-users with wellness while they work.

In the local market, many of the purchasing decisions for the office interiors for the customers has been a "wait and see" approach for clearer visibility of the economic growth. In the international economic environment, our main markets in the middle east has been affected for reasons such as relatively lower crude oil prices and changes in the political scenes such as the change of political environment in Saudi Arabia. "Hence our Group has recorded a revenue of RM23,024,274 and a loss of RM3,705,085 for the financial period 18 months ended 30 September 2019 compared to RM17,626,938 and profit of RM1,338,821 respectively for the previous financial year 12 months ended 31 March 2018. In addition, we have provided for various expenses and impairment losses following our implementation of the Share Issuance Scheme ('SIS') and the adoption of MFRS 9.

During the financial period ended 30 September 2019, our company has been resilient despite a difficult economic environment locally and overseas. This is reflected in our management, IT, and sales infrastructure invested and ready for our next growth path.

AHB is pleased to announce that our new communication centre has won the prestigious Malaysia Institute of Interior Design REKA Gold Award 2019 for the AHB new corporate showroom, and Silver Award 2019 for the AHB new corporate office at 10 Persiaran KLCC -Level 16, Naza Tower Platinum Park, 50088 Kuala Lumpur. We positively look forward to an improved performance during the financial year ending 30 September 2020.

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 customers, corporate, social, and earthly environment.

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

Corporate Sustainability Statement

Corporate Social Responsibility Activities

AHB held a **"Pink Party' event at the new showroom on 22 November 2018** as a fund raising initiative for National Cancer Council Malaysia ("MAKNA"). The Company managed to raise more than RM5,000 from the initiative.

We later gathered the soft toys donated by the actioners after the Pink Party, together with some contributions from the AHB members who shared their love and kindness, and presented these gifts to the Childhood Cancer Resources Center, Pediatric Institute, Hospital Kuala Lumpur, before the festive seasons of Christmas and New Year 2019.

Corporate Sustainability Statement

AHB sponsored the space for **"Office of Tomorrow" in the recent Archidex 2019**, held at Kuala Lumpur Convention Centre, **3-6th July 2019.** AHB brought together the new ideas in office interiors inspired by the concept of 'rewilding'. A deeper understanding about rewilding revolves around letting nature take care of itself, enabling naturalprocesses to restore the biodynamic rhythms in our environment. This reconnects the modern society to a healthier, more natural way of life. Artwright takes cue from this ideal, using rewilding as a basis in creating the "Office of Tomorrow", pulling together technology integration, flexible work spaces, humanized work flow, collaborative opportunities and eco-friendly design to offer users an inspiring, and effective work environment that uplifts their well-being at the same time.

Corporate Governance Overview Statement

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

The Board recognises the importance of good corporate governance and fully supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance ("MCCG") 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.

Below is a 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 period ended 30 September 2019 pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The detailed application for each practice as set out in the MCCG is disclosed in the Corporate Governance Report ("CG Report") which is available at the Corporate's website at www.ahb.com.my.

PART I - BOARD RESPONSIBILITIES

1. Board's Leadership on Objectives and Goals

1.1 - Strategic Aims, Values and Standards

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. Hence, to develop corporate objectives and position descriptions including the limits to management's responsibilities, which the management is aware and is 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 systems in place that effectively monitor and manage these risks with a view to the long term viability of the Group.

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 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 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 include financial condition of the business, operational, regulatory compliance as well as risk management matters.

Corporate Governance Overview Statement

- To Formulate Succession Planning

The Board is responsible to formulate an appropriate succession planning and has entrusted the Nomination Committee and Remuneration Committee with the duty of reviewing the appointment, training and determination of compensation for senior management of the Group, as well as assessing the performance of Directors and Committee members and, where appropriate, the appointment of new member of the Board and Executive Directors.

The Board, together with the Management, put in place informal structure and practice to ensure the key roles within the Group are supported by competent and caliber second-inline in order 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.

- Developing and Implementing an Investor Relations Program or Shareholder Communications Policy for The Group.

Shareholders and other stakeholders are entitled to be informed in a timely basis of all material information concerning the Company through a series of regular disclosure events during the financial period. Hence, the Group's website is the primary medium in providing information to all shareholders and stakeholders, including announcements to Bursa Malaysia Securities Berhad ("Bursa Securities"). Shareholders and other stakeholders are also able to subscribe to e-mail alerts from the Group via the Group's website.

1.1.1 - Clear Roles and Responsibilities

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

The roles and responsibilities of the Independent Non-Executive Directors and Executive Director are clearly defined and 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 judgement. This offers a strong check and balance on the Board's deliberations.

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

The Board will normally hold meetings not less than 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 problem and opportunities for the Company, if any; and
(v) Quarterly financial statements for announcement to authorities.

Corporate Governance Overview Statement

In addition, the Board will, at an interval of not more than one (1) year to:

(i) Approve annual financial statements, and other reports to the shareholders;
(ii) Consider and, if appropriate, declare or recommend the payment of dividends;
(iii) Review the Board composition, structure and succession plan;
(iv) Review the performance of, and composition of Board committees;
(v) Review Board remuneration; and
(vi) Review risk assessment policies and controls and compliance with legal and regulatory requirements.

The Executive Director 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's, assisted by the Executive Director, are also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Executive Director is responsible for the overall performance and operations as well as the corporate affairs and administrations of the Group. He is 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 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 Director 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.

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 their own terms of reference and have the authority to act on behalf of the Board within the authority as laid out in the terms of reference and report to the Board with the necessary recommendation.

Corporate Governance Overview Statement

1.1.2 - Clear Functions of the Board and Management

There is a clear distinction between the roles and responsibilities of the Board, Chairman and Executive Director which are set out in the Board Charter. The respective roles and responsibilities of the Board and the management are clearly set out and understood by both parties to ensure accountability.

The Board retains full and effective control of the Company. Matters specifically referred to the Board for approval include, inter-alia reviewing and approving corporate proposals, plans and annual budgets, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decisions and changes to the management and control structure within the Group, including key policies and procedures and delegated authority limits.

The Board has adopted a schedule of matters reserved to it for decision, a copy of which can be found on the Group's website at www.ahb.com.my.

1.1.3 - Strategies Promoting Sustainability

The Board is aware of the importance of business sustainability and reviews operational practices that affect 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 eff orts are set out in the "Corporate Sustainability Statement" of this Annual Report.

1.2 - The Chairman

The Chairman holds a Non-Executive position and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. The Chairman is committed to good corporate governance practices and has been leading the Board towards high performing culture.

Dr Folk Jee Yoong was appointed as the Independent Non-Executive Chairman of the Company. Dr Folk Jee Yoong has been acting as facilitator at meetings of the Board to ensure the discussion takes place effectively and constructively, the opinion of all directors relevant to the subject under discussion are solicited and freely expressed, and that Board discussions lead to appropriate decision.

Dr Folk Jee Yoong has also from time to time communicate with the Executive Director and senior management to ensure that the Company complies with all relevant laws and regulations. He plays an important role to promote and lead the Company to apply the recommended best practices relevant to the Company.

1.3 - The positions of Chairman and Managing Director

The Company practices a division of responsibilities between the Chairman of the Board and the Managing Director. Their roles are separately and clearly defined to ensure a balance of power and authority, increase accountability and greater capacity of the Board for independent decision.

The Chairman 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 Chairman, assisted by the Executive Director, is also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

Corporate Governance Overview Statement

The management, including the Executive Director of the Company, are responsible for managing the day-to-day running of the business activities in accordance with the direction and delegation of the Board. The management meets regularly to discuss and resolve operational issues. The Chairman briefs the Board on business performance and operations as well as the management initiatives during quarterly Board meetings.

Currently, the Board is chaired by Dr Folk Jee Yoong, one of the Independent Non-Executive Directors of AHB and Mr Yong Yoke Keong is the Executive Director/ Managing Director of AHB Group. Therefore, there is a clear division between the Chairman of the Board and the Managing Director which ultimately allows the Chairman of the Board to have the time and capacity to focus on his role and responsibility whilst ensuring clear balance of power and authority and to provide a clear demarcation of power between the strategy and policy making process and the day-to-day management of AHB Group.

1.4 - 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, 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 are 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 the 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.

1.5 - 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 not 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 are provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and to seek clarification or further explanation from the 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 to enable them to discharge their duties and responsibilities. The Board 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 are responsible for ensuring the Board's meeting procedures are adhered to, and that applicable rules and regulations are complied with. External advisers are invited to attend meetings to provide insights and professional views, advice and explanations on specific items on the meeting agenda, when required. The Chairman of the Board Committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.

Corporate Governance Overview Statement

2. Demarcation of Responsibilities

2.1 - Board Charter

As part of governance process, the Board has formalised and adopted the Board Charter. This Board Charter serves as a reference point for the Board activities. The Board Charter provides guidance to the Board and management regarding responsibilities of the Board and 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 periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. The Board Charter is available for reference at the Company's website at www.ahb.com.my.

3. Good Business Conduct and Corporate Culture

3.1 - Code of Conduct and Ethics

The Board is committed in maintaining a corporate culture which engenders ethical conduct. The Board has formalised the Code of Conducts and Ethics to promote corporate culture which engenders ethical conduct that permeates throughout the Group. It summarises the Company's commitment to increase corporate value and describes the areas in daily activities that require caution in order to minimise any risks that may occur. The Code of Conduct and Ethics provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during the appointment.

The Board will review the Code of Conduct and Ethics when necessary to ensure it remains relevant and appropriate. The details of the Code of Conduct and Ethics are available for reference at the Company's website at www.ahb.com.my.

3.2 - Whistle-Blowing Policy

The Board always encourages employees and stakeholders to report any grievances and raise concerns about misconduct, wrongdoings and malpractices involving the Company. However, the Board together with the management has yet to develop formal policies and procedures on whistle blowing due to lack of resources and suitable personnel oversee the whistle blowing function. The Board is always mindful of the importance of having formal whistle blowing policies as a way to create the conditions necessary for the effective management of whistle blowing and shall adopt a policy on whistle blowing as soon as practicable.

PART II – BOARD COMPOSITION

In order to achieve the intended outcome of the MCCG, the Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights, our Group has met most of the good practices recommended by the MCCG as follows:-

4.1 - Board Balance

The Company is managed by a well-balanced Board, which consists of members with wide range of business, technical and financial background. This brings diversity and insightful depth to the Company's leadership and management.

The Board currently has four (4) members comprising one (1) Executive Director and three (3) Independent Non-Executive Directors.

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.

The current Board composition are persons with high calibre, experienced and professionals in their respective fields. The Board is of opinion that the directors, with their different background and specializations, collectively bring with them the required expertise and experience to discharge the Board's duties and responsibilities.

4.2 - 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 during the year are subject to re-election by shareholders at the first meeting after their appointment. The Constitution also provide that at least one third (1/3) of the Directors, or if their number is not three (3) or a multiple of three, then the number nearest to 1/3, are subject to retirement by rotation at every AGM but are eligible for e-election provided always that each Directors shall retire from office at least once in every 3 years.

4.3 - Time Commitment and 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 Chairman 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 fulfill their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships for more than five (5) public listed companies as prescribed in Para 15.06 of the Listing Requirements of Bursa Securities.

Each Board member is required to achieve at least 50% attendance of total Board Meetings in any applicable financial year. Any director shall notify the Chairman and/or Company Secretaries, where applicable with appropriate leave of absence.

Corporate Governance Overview Statement

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. The attendance record of the Directors as set out in the section below.

During the financial period under review, six (6) Board Meetings were held and the attendance record of the current Board members are reflected as follows:-

	Name of Directors	Total Meetings Attended	Percentage of Attendance
(A)	Dr. Folk Jee Yoong	6/6	100%
(B)	Hee Teck Ming	6/6	100%
(C)	Ar. Vincent Lee Kon Keong	5/6	83.33%
(D)	Yong Yoke Keong	6/6	100%

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. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

The Company Secretaries will, well in advance towards the end of the previous year, 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. The Company Secretaries will circulate the tentative dates for Board and Board Committee meetings for the year. At the end of each Board and Audit Committee meetings, the date of the next meetings is to be re-confirmed.

4.4 - Continuing Education Programs/Director's Training

All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/ conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

The Board has undertaken an assessment of the training needs of each Director and ensured that all the Directors undergo the necessary training programme to enable them to effectively discharge their duties.

Corporate Governance Overview Statement

Details of seminars/conferences/training programmes attended by the Board members during the financial period as listed below:

Directors	Date	Programmes attended
Dr. Folk Jee Yoong	16 April 2018	Trade & Customs, Merger Control
	17 April 2018	A.I & Machine Learning for SME
	24 April 2018	Transfer Pricing Development
	26 April 2018	Malaysian Code on Corporate Governance
	9 July 2018	Cybersecurity Risk
	18 July 2018	Code of Ethics - A Key to Public Trust
	29 August 2018	Transformative LEAN Financial Performance Indicators
	10 October 2018	IFRS Update : Recent Standards And Future Development
	29 November 2018	Management Budget Seminar 2019
	4 December 2019	Companies of the Future - The Role for Boards
	29 January 2019	MIA - ACCA Business and Economic Outlook Report 2019
	3 April 2019	Corporate & Directors Liability for Corrupt Practices/ ICO Guidelines
	11 April 2019	Cryptocurrency 101 and the New Regulation
	6 August 2019	Audit Committee Institute Breakfast Roundtable 2019
	14 August 2019	Demystifying The Diversity Conundrum : the Road to Business Excellence
	23 August 2019	The Convergence of Digitisation and Sustainable
	12 September 2019	Managing stress the natural way

Save as disclosed above, the remaining Directors did not attend any conference, trainings and/or seminars during the financial period ended 30 September due to their busy schedule. However, they have kept themselves abreast on financial and business matters through readings and attending meetings to enable them to contribute to the Board. They are also aware of the 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.

In addition to the above, the External Auditors, the Internal Auditors and the Company Secretaries would update the Directors on recent developments in the areas of statutory and regulatory requirements from the briefing during the Committee and/or Board meetings.

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During the financial period under review, the Directors have attended the necessary training programmes as required under the Para 15.08 of the Listing Requirements of Bursa Securities.

In addition to the above, the External Auditors, the Internal Auditors and the Company Secretaries would update the Directors on recent developments in the areas of statutory and regulatory requirements from the briefing during the Committee and/or Board meetings.

4.5 - Tenure of Independent Director

Currently, the Board does not have a policy on the tenure for Independent Directors. The Board is of the view that a term of more than nine (9) years may not necessary impair independence and judgement of an Independent Director and therefore the Board does not deem it appropriate to impose a fixed term limit for Independent Directors at this juncture.

However, as recommended by the MCCG, the tenure of an independent director should not exceed cumulative term of nine (9) years. Upon completion of the nine (9) years, 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 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.

As at the date of this statement, Mr Hee Teck Ming had served the Company for more than nine (9) years. The NC has assessed the independence of Mr. Hee Teck Ming and recommended him to continue act as an Independent Non-Executive Director of the Company based on the following justifications:

(a) He fulfilled the criteria of Independent Director as stated in the Listing Requirements of Bursa Securities;
(b) He always provides independent views at the Board meetings and exercises his unbiased judgement in decision making. Thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;
(c) His background and vast experience in the industry would enable him to provide the Board with a diverse set of experience and expertise to better manage and run the Group;
(d) He previously served the Board as an Independent Non-Executive Director from year 1996 to 2007 before he left and re-joined the Company in year 2013 until to-date, therefore he is familiar with the Companys business operations. Nevertheless, his independence has never been compromised by his long-term relationship with the Board; and
(e) He has exercised due care during his tenure as an Independent Non-Executive Director and carried out his professional duties in the best interest of the Company and shareholders.

Corporate Governance Overview Statement

4.6 - Policy of Independent Director's Tenure

The Company does not have a policy which limits the tenure of its independent directors to 9 years.

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 of the individual Director's ability to exercise its independent judgment at all times and contribution 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, scrutinise 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 period, the Board was satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company. Each of them continues to fulfill the definition of independence as set out in the Listing Requirements of Bursa Securities.

4.7 - Diverse Board and Senior Management Team

The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at leadership and employee level.

Having a range of diversity dimensions brings different perspectives to the boardroom and to various levels of Management within the Group.

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

In determining the process for the identification of suitable new candidates, the Nomination Committee does not solely rely on recommendations from existing board members, management or major shareholders. The Board 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.

Corporate Governance Overview Statement

4.8 - Criteria for Recruitment

The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the Nomination Committee. As a whole, the Company maintains an adequate number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries 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 Nomination Committee will help to 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 based on the core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of professional knowledge, skills, experience and diversity (including gender diversity), 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 Nomination Committee reviews the Board's composition through Board assessment/evaluation;
(ii) The Nomination Committee determines skills matrix;
(iii) The Nomination Committee evaluates and matches the criteria of the candidates, and will consider diversity, including gender, where appropriate;
(iv) The Nomination Committee recommends to the Board for appointment; and
(v) The Board approves the appointment of the candidates.

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

(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.

Corporate Governance Overview Statement

4.9 - Gender Diversity

The Board recognises 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. However, the Board will consider females onto the Board in due course to bring about a more diverse perspective.

4.10 - New Candidates for Board Appointment

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. The Nomination Committee will help assesses and recommends 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, experiences 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.

4.11 - Nomination Committee

The Company has established the Nomination Committee comprising exclusively of Non-Executive Directors, with the responsibilities of assessing the balance composition of Board members, nominate the proposed Board member by looking into his skills and expertise for contribution to the Company on an ongoing basis.

The present members of the Nomination Committee are as follows:

Chairman	-	Dr Folk Jee Yoong (Chairman, Independent Non-Executive Director)
Member	-	Hee Teck Ming (Independent Non-Executive Director)
Member	-	Ar. Vincent Lee Kon Keong (Independent Non-Executive Director)

The Nomination Committee is responsible for reviewing the Board's succession plans, training for Directors and assessing the effectiveness of the Board and Board Committees. Details of its Terms of Reference are available on the Group's website at www.ahb.com.my.

Corporate Governance Overview Statement

The summary of activities undertaken by the Nomination Committe during the financial period 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.

5. Overall Effectiveness of the Board and Individual Directors

5.1 - Annual evaluation

The Nomination Committee 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 annual basis. 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 Nomination Committee 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 annual 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 period under review, the Board and the Nomination Committee 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.

PART III – REMUNERATION

The Board acknowledges the level and composition of remuneration of directors and senior management take into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the Company's long-term objectives. In order to achieve the aim, the Board has established Remuneration Committee and developed the remuneration policy to assist the Board in discharging its duties and responsibilities in the matters relating to the remuneration of the Board and senior management.

6.1 - Remuneration Policy

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

6.2 - Remuneration Committee

In line with the best practices of the Code, the Board has set up a Remuneration Committee which comprises a majority of Independent Non-Executive Directors in order to assist the Board in determining the Directors' remuneration. The present members of the Remuneration Committee are as follows:-

Chairman	–	Dr Folk Jee Yoong (Chairman, Independent Non-Executive Director)
Member	–	Hee Teck Ming (Independent Non-Executive Director)
Member	–	Ar. Vincent Lee Kon Keong (Independent Non-Executive Director)

The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The Remuneration Committee shall meet at least once a year and at such time, the Chairman of the Remuneration Committee may request for a meeting as and when deemed necessary. The quorum of the Remuneration Committee meeting shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors.

The Remuneration Committee's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Director that is fairly guided by market norms and industry practice. The Remuneration Committee also recommends the Executive Director's remuneration and benefits based on his 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.

The summary of activities undertaken by the Remuneration Committee during the financial period under review included the following :

(a) reviewed and recommended the payment of Directors' fees to Non-Executive Directors; and

(b) reviewed and recommended the remuneration packages of Executive Director.

Corporate Governance Overview Statement

7. Remuneration of Directors

7.1 - Directors' Remuneration

The details of the remuneration of the Directors for financial period under review are as follows:

(i) Aggregate Directors' Remuneration

Directorship	Fees (RM)	Salary (RM)	Share Based Payment (RM)	Defined Contribution Plan (RM)	Total (RM)
Company					
Yong Yoke Keong	36,000.00	-	43,102.00	-	79,102.00
Dr Folk Jee Yoong	45,000.00	-	10,682.00	-	55,682.00
Hee Teck Ming	36,000.00	-	10,682.00	-	46,682.00
Ar. Vincent Lee Kon Keong	36,000.00	-	7,121.00	-	43,121.00
Total	153,000.00	-	71,587.00	-	224,587.00
Group					
Yong Yoke Keong	45,000.00	815,182.00	43,102.00	97,822.00	1,001,106.00
Dr Folk Jee Yoong	45,000.00	-	10,682.00	-	55,682.00
Hee Teck Ming	45,000.00	-	10,682.00	-	55,682.00
Ar. Vincent Lee Kon Keong	36,000.00	-	7,121.00	-	43,121.00
Total	171,000.00	815,182.00	71,587.00	97,822.00	1,155,591.00

7.2 - Remuneration of Top Five (5) Senior Management

The Group is aware of the importance of transparency in disclosing the remuneration of its senior management. Due to the competitive human resource environment for personnel with requisite knowledge and experience in the industry, the Company is in the opinion that specific disclosure on named basis will be considered as unfavorable towards the Group.

B. Effective Audit And Risk Management

I - Audit Committee

8.1 - Composition of Audit Committee

The Company has established the Audit Committee comprising exclusively of Non-Executive Directors. The Audit Committee is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group.

The present members of the Audit Committee are as follows:

Chairman	–	Dr Folk Jee Yoong (Chairman, Independent Non-Executive Director)
Member	–	Hee Teck Ming (Independent Non-Executive Director)
Member	–	Ar. Vincent Lee Kon Keong (Independent Non-Executive Director)

The Audit Committee is chaired by an Independent Director who is distinct from the Chairman of the Board. One of the Audit Committee members is a member of the Malaysian Institute of Accountants. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The role of the Audit Committee and the number of meetings held during the financial period as well as the attendance record of each member are set out in the Audit Committee Report of the Annual Report.

8.2 - Assessment of Suitability and Independence of External Auditors

The Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External 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 assessing or determining the suitability and independence of the External Auditors, the Audit Committee has taken into consideration of the followings:

i) The adequacy of the experience and resources of the External Auditors;
ii) The External Auditors'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 he audit arising from the provision of non-audit services or tenure of the External Auditors.

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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 statements.

Every year, the Audit Committee will meet with the External Auditors without the presence of the Executive Director 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. The External Auditors have also provided the required independence declaration to the Audit Committee and the Board for the financial period under review.

The Audit Committee is satisfied with the competence and independence of the External Auditors for the financial period under review.

8.3 - Cooling-off Period for Appointment of Former Key Audit Partner

The Board took note of Practice 8.2 of the MCCG to have a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee and would consider adopting such recommendation in due course.

8.4 - Qualifications and Skills of Audit Committee

The composition of the Audit Committee meets the requirements of Paragraph 15.09(1)(a) and (b) of the Listing Requirements of Bursa Securities. All members of the Audit Committee are believed to be able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as member of the Audit Committee.

The Nominating Committee is satisfied that the Audit Committee and its members have discharged their functions, duties and responsibilities in accordance with the Audit Committee's Terms of Reference and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

All members of the Audit Committee are mindful that they should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The composition of the Audit Committee, its terms of reference, attendance of meetings by the individual members and the summary of activities are set out in the Audit Committee Report on pages AR 39 to AR 40 of the Annual Report.

II - Risk Management And Internal Control Framework

9.1 - Effective Risk Management and Internal Control Framework

The Board is entrusted with the 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 assess current and emerging risks and to respond to risks affecting the Group.

Corporate Governance Overview Statement

As an effort to enhance the system of internal control, the Board adopted an on-going monitoring and review of the existing risk management process in the various business operations, with the aim of formalising the risk management functions across the Group. 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.

As an ongoing process, significant business risks faced by the Group are identified 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.

9.2 - Adequacy and Effectiveness of the Risk Management and Internal Control

The internal audit function of the Company is effective and remains independent all the time. The internal audit function is set out in the Statement on Risk Management and Internal Control and Audit Committee Report.

Internal Auditors reports functionally to the Audit Committee and has unrestricted access to the Audit Committee. Its function is independent of the activities or operations of other operating units. Internal Auditors periodically evaluates the effectiveness of the risk management process, reviews the operating effectiveness of the internal controls system and compliance control within the Group. The Head of Internal Audit is invited to attend the Audit Committee meetings to facilitate the deliberation of audit reports. The minutes of the Audit Committee meetings are tabled to the Board for information and serves as a reference especially when there are pertinent points should any of the Board members

The information on the Group's internal control is further elaborated in page AR 42 to AR 43 on the Statement on Risk Management and Internal Control of this Annual Report.

9.3 - Internal Audit Function

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 RM31,478.00 for the internal audit work conducted within the Group for the financial period under review, including the salaries for internal audit function performed.

C. Interrity in Corporate Reporting and Maeningful Relationship With Shareholders

I - Communication with Stakeholders

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

Corporate Governance Overview Statement

10.1 - Continuous Communication between Company and Stakeholders

The Board recognises that shareholder and other stakeholders 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 period. Hence, the company website is the primary medium in providing information to all shareholders and stakeholders.

In this regard, the Group strictly adheres to the disclosure requirements of Bursa Securities. The Group practices open communication with its investors.

In order to maintain its commitment of effective communication with shareholders, the Group embraces 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 and it is not only established just to comply with the Listing requirements of Bursa Securities.

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.

II - Conduct of General Meetings

General meetings are the important and effective platforms for directors and senior management to communicate with the shareholders. Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

11.1 - Encourage Shareholder Participation at General Meetings

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 within the prescribed time in compliance with the Listing Requirements before the meeting, to allow the shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements. The Notice of AGM, which sets out the business 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 general meeting accompanied by a full explanation of the effects of any proposed resolution. At the AGM, the Board will present to the shareholders with a comprehensive report on the progress and performance of the Group and the shareholders are encouraged to participate in the questions and answers session thereat, where they will be given the opportunity to raise questions or seek more information during the AGM. Informal discussions between the Directors, the shareholders and investors are always active before and after the general meetings.

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board views that the annual and any general meetings as ideal opportunities to communicate with the shareholders.

The Chairman or the Managing Director of the Group will brief shareholders on the Group's projects and elaborate further on proposals for which the approval of shareholders is being sought at the general meeting.

Whilst the Company aims to provide as much information as possible to its shareholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Corporate Governance Overview Statement

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 on 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 a quarterly basis;
(ii) Annual audited financial statements and annual report to provide an overview of the Group's state of governance, 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 of Bursa Securities; and
(iv) Annual General Meetings.

11.2 - Poll Voting

In line with Paragraph 8.29A of the Listing Requirements of Bursa Securities, 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.

11.3 - Attendance of the Chair of the Board Committees at the AGM

The Board took note that the presence of all directors will provide opportunity for shareholders to effectively engage each director. Besides, having the chair of the Board subcommittees present facilitates these conversations and allows shareholders to raise questions and concerns directly to those responsible. Accordingly, barring unforeseen circumstances, all directors as well as the Chairman of respective Board Committees (i.e. Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee) will present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to those responsible.

11.4 - Voting in Absentia and Remote Shareholders, Participation at General Meeting

The Company allows a member to appoint a proxy who may not be a member of the Company. If the proxy is not a member of the Company, he/she need not be an advocate, an approved company auditor or a person approved by the Companies Commission of Malaysia. AHB has not set the limit on the number of proxies to be appointed by an exempt authorised nominee with shares in the Company for Omnibus account to allow greater participation of beneficial owners of shares at general meetings of the Company. The Articles of Constitution of the Company further accord proxies the same rights as members to speak at the general meeting. Essentially, a corporate representative, proxy or attorney is entitled to attend, speak and vote both on a show of hands and on a poll as if they were a member of the Company.

Despite the recommendation of Practice 12.3 of MCCG that the Company with large number of shareholders should have meetings in remote locations and in leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at the general meeting, the Board assessed and of the opinion that meetings in remote locations is not necessary and costly to the Company in view of the current numbers of shareholders of the Company.

In line with the Practice 12.3 of the MCCG in promoting electronic voting, As at the date of this Statement, the Board assessed and of the opinion that the electronic voting is not necessary and costly to the Board of the current number of shareholders of the Company and will consider adopting such recommendation when necessary.

Statement of Director's 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 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 period ended 30 September 2019, 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.

Report of the Audit Committee

The Board of Directors of AHB is pleased to present the Audit Committee Report for the financial period ended 30 September 2019.

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 period ended 30 September 2019

The AC met Six (6) times during the financial period ended 30 September 2019 and the details of attendance are as follows:-

Names	N0. of AC Meetings Attended
Dr. Folk Jee Yoong	6/6
Hee Teck Ming	6/6
Ar. Vincent Lee Kon Keong	5/6

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

The Summary of activities undertaken by the AC during the financial period 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, Director's and Auditors' Reports and other significant accounting issues arising from the audit of the financial period ended 30 September 2019.
(c) Reviewed with the External Auditors their audit plans for the financial period ended 30 September 2019 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 2019 annual report.

Additional Compliance Information

1. AUDIT AND NON AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial period, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial period ended 30 September 2019 were as follows:

		Company (RM)	Group (RM)
Audit Services Rendered		68,000.00	165,000.00
Non-Audit Services Rendered			
(a)	Review of statement on Risk Management and Internal Control	5,000.00	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 period ended 30 September 2019.

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.

5. UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

The Company had on 11 October 2017 and 16 October 2017 issued 8,400,000 and 7,603,600 new ordinary shares respectively through private placement exercise. The placement shares were issued at an issue price of RM 0.30 per share and total proceeds of RM 2,520,000 and RM 2,281,080 respectively were received from the said placement.

The Private Placement has raised total proceeds of RM4,801,080 and the fund utilization are stated below:

Purpose	Proposed Utilisation (RM)	Actual Utilisation as of 30 September 2019 (RM)	Balance unutilised as of 30 September 2019 (RM)	Intended TimeFrame for Utilisation
Working Capital	3,616,080	3,622,635*	-	Within 12 months
Capital Expenditure	1,000,000	-	1,000,000	Within 12 months
Estimated expenses for the Proposed Private Placement	185,000	178,445*	-	Within 2 weeks
Total Proceeds	4,801,080	3,801,080	1,000,000	

* Note : Surplus from the expenses for the private placement exercise is adjusted accordingly to working capital.

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

(a) Documenting policies, procedures and process flows in the Working Guidelines and responding to queries from the Audit Committee; and
(b) Promoting risk awareness and the value and nature of an effective internal control system. The Internal Audit Department assisted the Audit Committee and Board of Directors by providing assessment and feedback the areas of:

(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 RM31,478.00 for the internal audit work conducted within the Group for the financial period ended 30 September 2019, 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 period ended 30 September 2019.

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 6 January 2020.

AHB HOLDINGS BERHAD

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

AND ITS SUBSIDIARIES

REPORTS AND FINANCIAL STATEMENTS
for the financial period ended
30 SEPTEMBER 2019

(In Ringgit Malaysia)

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

REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2019

Registered office:
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Principal place of business:
No. 10, Persiaran KLCC
Level 16 Naza Tower
Platinum Park
50088 Kuala Lumpur

Registration No. 199301020171 (274909-A)

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2019

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AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 September 2019.

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 period.

Change in Financial Year End

The financial year end of the Company was changed from 31 March to 30 September. Accordingly, the current financial statements are prepared for eighteen months from 1 April 2018 to 30 September 2019. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows and the related notes are not comparable.

Financial Results

	Group RM	Company RM
Loss for the financial period, attributable to owners of the parent	3,705,085	814,079

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial period 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 period.

Issue of Shares and Debentures

During the financial period, the Company issued 21,000 ordinary shares through the exercise of the warrants at an issue price of RM0.20 each for cash consideration.

The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial period.

Warrants 2014/2019

The Warrants 2014/2019 were constituted under the Deed Poll dated 22 July 2014 as disclosed in Note 13(b) to the financial statements.

During the current financial period, 21,000 warrants were exercised at the exercise price of RM0.20 each. As at 28 August 2019, 71,105,961 warrants were unexercised and have lapsed.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial period apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

At an Extraordinary General Meeting held on 4 September 2018, the Company's shareholders approved the establishment of SIS of not more than 15% of the issued and paid-up share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group. The salient features and other terms of the SIS are disclosed in the Note 24 to the financial statements.

As at 30 September 2019, the options offered to take up unissued ordinary shares and the exercise price are as follows:

		Number of options over ordinary shares			
Date of offer	**Exercise price**	**At 1.4.2018**	**Granted**	**Exercise**	**At 30.9.2019**
2 May 2019	0.15	-	13,010,000	-	13,010,000

Directors

The Directors in office during the financial period until the date of this report are:

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

** Director of the Company and its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

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

	Number of ordinary shares			
	At 1.4.2018	**Bought**	**Sold**	**At 30.9.2019**
Interests in the Company				
Direct interests				
Yong Yoke Keong	31,064,557	-	-	31,064,557
Hee Teck Ming	1,500	-	-	1,500

	Number of options over ordinary shares			
	At 1.4.2018	**Granted**	**Exercised**	**At 30.9.2019**
Interests in the Company				
Direct interests				
Yong Yoke Keong	-	2,300,000	-	2,300,000
Hee Teck Ming	-	570,000	-	570,000
Dr Folk Jee Yoong	-	570,000	-	570,000
AR. Vincent Lee Kon Keong	-	380,000	-	380,000

	Number of warrants 2014/2019			
	At 1.4.2018	**Exercised**	**Lapsed**	**At 30.9.2019**
Interests in the Company				
Direct interests				
Yong Yoke Keong	22,276,091	-	(22,276,091)	-

Directors' Interests in Shares (Cont'd)

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

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 25(c) 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.

Neither during nor at the end of the financial period, 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.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

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 be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets 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) 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

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.

(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 period 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 period 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 period 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 period in which this report is made.

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 19 to the financial statements.

Significant Events

The details of significant events are disclosed in Note 30 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 6 January 2020.

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 our opinion of the Directors, the financial statements set out on pages 16 to 86 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 30 September 2019 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 6 January 2020.

YONG YOKE KEONG	DR. FOLK JEE YOONG

KUALA LUMPUR

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) 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 16 to 86 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 6 January 2020.)

YONG YOKE KEONG

Before me,

No. W710
MOHAN A.S. MANIAM
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AHB HOLDINGS BERHAD
[Registration No.: 199301020171 (274909-A)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AHB Holdings Berhad, which comprise the statements of financial position as at 30 September 2019 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 period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 86.

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 30 September 2019, and of their financial performance and their cash flows for the financial period 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 Responsibilities

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)
[Registration No.: 199301020171 (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 period. 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
Net Valuation of Inventories At 30 September 2019, the Group held inventories of approximately RM6.1 million which carried at the lower of cost and net realisable value. The Directors apply judgment 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 provisions by: • Obtaining an understanding of management's process in the write-down of inventories based on the Group's Policy; • Review the valuation method of inventories in accordance with MFRS 102 *Inventories*; • Reviewing the management's estimation on net realisable value of inventories and the level of inventory written down during the financial period; and • Testing the expected price of future sales of inventory by reviewing the price of a sample of inventory sold after the reporting date.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AHB HOLDINGS BERHAD (CONT'D)
[Registration No.: 199301020171 (274909-A)]
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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 approximately RM6.5 million, representing approximately 43% of the Group's total current assets as at 30 September 2019. Given the credit exposure in its portfolio of trade receivables, the assessment of impairment which involves significant estimation, subjective assumptions and application of significant judgments could result in material changes to the financial statements of the Group.	Our audit procedures included, amongst other: Reviewing the Group's trade receivables to determine whether there are any indication of impairment. Our impairment review is focused towards trade receivables which are overdue but not impaired as at 30 September 2019. Assessing 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. Developing our understanding on trade receivables which poses a high risk of default through reviewing the trade receivables ageing analysis. Reviewing 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AHB HOLDINGS BERHAD (CONT'D)
[Registration No.: 199301020171 (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)
[Registration No.: 199301020171 (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 judgment 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)
[Registration No.: 199301020171 (274909-A)]
(Incorporated in Malaysia)

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD (CONT'D)
[Registration No.: 199301020171 (274909-A)]
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 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

DATUK TEE GUAN PIAN
Approved Number: 01886/05/2020 J
Chartered Accountant

KUALA LUMPUR

6 January 2020

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

		Group		Company	
		30.9.2019	31.3.2018	30.9.2019	31.3.2018
	Note	RM	RM	RM	RM
Non-Current Assets					
Property, plant and equipment	4	11,034,212	9,441,491	-	-
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	4,000,000	4,000,000	-	-
Amount due from subsidiary companies	8	-	-	36,238,280	33,642,168
		16,969,698	15,376,977	58,038,705	55,442,593
Current Assets					
Inventories	9	6,130,195	6,312,538	-	-
Trade receivables	10	6,468,617	10,108,760	-	-
Other receivables	11	1,089,957	2,316,758	48,931	77,170
Tax recoverable		-	140,817	-	-
Cash and bank balances		1,501,966	3,605,992	1,001,394	3,021,615
		15,190,735	22,484,865	1,050,325	3,098,785
Total Assets		32,160,433	37,861,842	59,089,030	58,541,378

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019 (CONT'D)

		Group		Company	
		30.9.2019	31.3.2018	30.9.2019	31.3.2018
	Note	RM	RM	RM	RM
Equity					
Share capital	12	39,576,908	39,572,708	39,576,908	39,572,708
Reserves	13	(11,763,091)	(3,862,793)	13,258,467	13,828,739
Total Equity		27,813,817	35,709,915	52,835,375	53,401,447
Current Liabilities					
Trade payables	14	2,456,004	1,510,459	-	-
Other payables	15	1,714,981	548,468	119,265	83,531
Amount due to subsidiary companies	8	-	-	5,963,390	4,963,400
Amount due to Directors	16	171,250	93,000	171,000	93,000
Tax payable		4,381	-	-	-
Total Liabilities		4,346,616	2,151,927	6,253,655	5,139,931
Total Equity and Liabilities		32,160,433	37,861,842	59,089,030	58,541,378

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

		Group		Company	
	Note	1.4.2018 to 30.9.2019 RM	1.4.2017 to 31.3.2018 RM	1.4.2018 to 30.9.2019 RM	1.4.2017 to 31.3.2018 RM
Revenue	17	23,024,274	17,626,938	-	-
Other operating income		604,459	53,438	36,302	28,158
Purchase of trading merchandise		(13,470,407)	(9,705,669)	-	-
Directors' remuneration	22	(1,155,591)	(674,357)	(153,000)	(114,000)
Staff costs	22	(4,471,145)	(2,749,252)	(243,807)	-
Depreciation of property, plant and equipment		(1,822,836)	(770,101)	-	-
Finance costs	18	(162)	(32)	-	-
Other operating expenses		(4,975,338)	(3,901,876)	(453,574)	(5,285,898)
Net loss on impairment of financial instruments		(1,293,141)	(35,503)	-	-
Loss before tax	19	(3,559,887)	(156,414)	(814,079)	(5,371,740)
Taxation	20	(145,198)	1,495,235	-	-
(Loss)/profit for the financial period/year, representing total comprehensive (loss)/ income for the financial period/year		(3,705,085)	1,338,821	(814,079)	(5,371,740)
(Loss)/Earnings per share (sen)	21				
Basic		(2.10)	0.80		
Diluted		(2.10)	0.80		

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

		Attributable to owners of the parent						
		Non-distributable						
	Note	Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
Group								
At 1 April 2018, as previously reported		39,572,708	21,305,406	-	11,095,806	(11,095,806)	(25,168,199)	35,709,915
Effect of adopting MFRS 9		-	-	-	-	-	(4,439,020)	(4,439,020)
At 1 April 2018, as restated		39,572,708	21,305,406	-	11,095,806	(11,095,806)	(29,607,219)	31,270,895
Net loss for the financial period, representing total comprehensive loss for the financial period		-	-	-	-	-	(3,705,085)	(3,705,085)
Transactions with owners:								
Issuance of ordinary shares:								
- conversion of warrants	12	4,200	-	-	(3,276)	3,276	-	4,200
- warrants expired	12	-	-	-	(11,092,530)	11,092,530	-	-
Grant of SIS options	13	-	-	243,807	-	-	-	243,807
Total transactions with owners		4,200	-	243,807	(11,095,806)	11,095,806	-	248,007
At 30 September 2019		39,576,908	21,305,406	243,807	-	-	(33,312,304)	27,813,817

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (CONT'D)

		Attributable to owners of the parent					
		Non-distributable					
	Note	Share Capital RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
Group							
At 1 April 2017		34,899,182	21,305,406	11,095,806	(11,095,806)	(26,507,020)	29,697,568
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	1,338,821	1,338,821
Transactions with owners:							
Issuance of ordinary shares:							
- private placement	12	4,801,080	-	-	-	-	4,801,080
- expenses on private placement	12	(127,554)	-	-	-	-	(127,554)
Total transactions with owners		4,673,526	-	-	-	-	4,673,526
At 31 March 2018		39,572,708	21,305,406	11,095,806	(11,095,806)	(25,168,199)	35,709,915

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (CONT'D)

		Attributable to Owners of the Parent						
		Non-distributable						
	Note	Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
Company								
At 1 April 2018		39,572,708	21,305,406	-	11,095,806	(11,095,806)	(7,476,667)	53,401,447
Net loss for the financial period, representing total comprehensive loss for the financial period		-	-	-	-	-	(814,079)	(814,079)
Transactions with owners:								
Issuance of ordinary shares:								
- conversion of warrants	12	4,200	-	-	(3,276)	3,276	-	4,200
- warrants expired	12	-	-	-	(11,092,530)	11,092,530	-	-
Grant of SIS options	13	-	-	243,807	-	-	-	243,807
Total transactions with owners		4,200	-	243,807	(11,095,806)	11,095,806	-	248,007
At 30 September 2019		39,576,908	21,305,406	243,807	-	-	(8,290,746)	52,835,375

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (CONT'D)

		Attributable to Owners of the Parent					
		Non-distributable					
	Note	Share Capital RM	Capital Reserve RM	Warrant Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM
Company							
At 1 April 2017		34,899,182	21,305,406	11,095,806	(11,095,806)	(2,104,927)	54,099,661
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	(5,371,740)	(5,371,740)
Transactions with owners:							
Issuance of ordinary shares:							
- private placement	12	4,801,080	-	-	-	-	4,801,080
- expenses on private placement	12	(127,554)	-	-	-	-	(127,554)
Total transactions with owners		4,673,526	-	-	-	-	4,673,526
At 31 March 2018		39,572,708	21,305,406	11,095,806	(11,095,806)	(7,476,667)	53,401,447

The accompanying notes form an integral part of the financial statements

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Group		Company	
	1.4.2019 to 30.9.2019 RM	1.4.2018 to 31.3.2018 RM	1.4.2019 to 30.9.2019 RM	1.4.2018 to 31.3.2018 RM
Cash Flows from Operating Activities				
Loss before tax	(3,559,887)	(156,414)	(814,079)	(5,371,740)
Adjustments for:				
Depreciation of property, plant and equipment	1,822,835	770,101	-	-
Interest expenses	162	32	-	-
Inventories written down	627,804	28,328	-	-
Impairment loss on:				
- trade receivables	1,293,141	35,503	-	-
- amount due from subsidiary companies	-	-	-	5,088,355
Deposit written off	15,740	-	-	-
Gain on disposal of property, plant and equipment	(175,205)	-	-	-
Interest income	(54,368)	(45,922)	(36,302)	(28,084)
Share-based payments	243,807	-	243,807	-
Unrealised (gain)/loss on foreign exchange	(326,021)	1,828,918	-	-
Operating (loss)/profit before working capital changes	(111,992)	2,460,546	(606,574)	(311,469)
Changes in working capital:				
Inventories	(445,461)	(69,209)	-	-
Trade receivables	(1,750,846)	(1,137,629)	-	-
Other receivables	1,200,406	(169,588)	28,239	(45,370)
Trade payables	930,830	288,836	-	-
Other payables	1,166,513	(89,963)	35,734	(26,528)
	1,101,442	(1,177,553)	63,973	(71,898)

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (CONT'D)

	Group		Company	
	1.4.2019 to 30.9.2019 RM	1.4.2018 to 31.3.2018 RM	1.4.2019 to 30.9.2019 RM	1.4.2018 to 31.3.2018 RM
Cash generated from/(used in) operation	989,450	1,282,993	(542,601)	(383,367)
Interest received	54,368	45,922	36,302	28,084
Interest paid	(162)	(32)	-	-
Tax paid	-	(10,657)	-	-
	54,206	35,233	36,302	28,084
Net cash from/(used in) operating activities	1,043,656	1,318,226	(506,299)	(355,283)
Cash Flows from Investing Activities				
Advance to subsidiary companies	-	-	(2,596,112)	(2,159,955)
Proceeds from disposal of property, plant and equipment	291,500	-	-	-
Purchase of property, plant and equipment	(3,531,851)	(4,185,083)	-	-
Net cash used in investing activities	(3,240,351)	(4,185,083)	(2,596,112)	(2,159,955)
Cash Flows from Financing Activities				
Advance from/(Repayment to) Directors	78,250	(48,700)	78,000	(45,000)
Advance from subsidiary companies	-	-	999,990	882,131
Proceeds from issuance of ordinary shares	4,200	4,673,526	4,200	4,673,526
Net cash from financing activities	82,450	4,624,826	1,082,190	5,510,657

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (CONT'D)

	Group		Company	
	1.4.2019 to 30.9.2019 RM	**1.4.2018 to 31.3.2018 RM**	**1.4.2019 to 30.9.2019 RM**	**1.4.2018 to 31.3.2018 RM**
Net (decrease)/increase in cash and cash equivalents	(2,114,245)	1,757,969	(2,020,221)	2,995,419
Cash and cash equivalents at the beginning of the financial period/year	3,605,992	1,847,984	3,021,615	26,196
Effect of exchange translation difference on cash and cash equivalent	10,219	39	-	-
Cash and cash equivalents at the end of the financial period/year	1,501,966	3,605,992	1,001,394	3,021,615
Cash and cash equivalents at the end of the financial period /year comprise:				
Cash and bank balances	1,501,966	3,605,992	1,001,394	3,021,615

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2019

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 located at No. 10 Persiaran KLCC, Level 16 Naza Tower, Platinum Park, 50088 Kuala Lumpur.

The registered office of the Company is located at Suite 10.02, 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. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial period.

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 year end of the Company was changed from 31 March to 30 September. Accordingly, the current financial statements are prepared for eighteen months from 1 April 2018 to 30 September 2019. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not comparable.

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

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

During the financial period, 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 period:

MFRS 9	*Financial Instruments* (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
Annual Improvements to MFRSs 2014 – 2016 Cycle:	Amendments to MFRS 1 Amendments to MFRS 128

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for:

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

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the financial statements.

The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with the provisions of this Standard, while the hedge accounting requirements under this Standard is not relevant to the Group and to the Company.

The Group and the Company applied MFRS 9 retrospectively, and have elected not to restate the comparative periods in the financial year of initial adoption as permitted under MFRS 9 transitional provision. The impact arising from MFRS 9 adoption were included in the opening retained earnings at the date of initial application, 1 April 2018.

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

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

(a) Classification of financial assets and liabilities

MFRS 9 contains three principal classification categories for financial assets: measured at amortised cost ("AC"), fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") and replaces the existing MFRS 139 Financial Instruments: Recognition and Measurement categories of loans and receivables, held-to-maturity and available-for-sale. Classification under MFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities. There were no changes to the classification and measurements of financial liabilities to the Group and the Company.

(b) Impairment

MFRS 9 requires impairment assessments to be based on an Expected Credit Loss ("ECL") model, replacing the incurred loss model under MFRS 139. The Group and the Company require to record ECL on all of its debt instruments, loans and receivables, either on a 12-months or lifetime basis. The Group and the Company applied the simplified approach and record lifetime expected losses on all receivables. Based on reality information as at the date of this report, the Group and the Company do not expect any significant increase in impairment losses.

(c) Effect of changes in classification and measurement of financial assets on 1 April 2018

Group	**As at 31.3.2018 RM**	**Re-measurement RM**	**Re-classification to MFRS 9 AC RM**
Financial assets			
Loan and receivables			
Trade receivables	10,108,760	(4,439,020)	5,669,740
Other receivables	2,066,568	-	2,066,568
Cash and bank balances	3,605,992	-	3,605,992
	15,781,320	(4,439,020)	11,342,300

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

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

(c) Effect of changes in classification and measurement of financial assets on 1 April 2018 (Cont'd)

Company	**As at 31.3.2018 RM**	**Re-measurement RM**	**Re-classification to MFRS 9 AC RM**
Financial assets			
Other receivables	47,170	-	47,170
Amount due from subsidiary companies	33,642,168	-	33,642,168
Cash and bank balances	3,021,615	-	3,021,615
	36,710,953	-	36,710,953

(d) Effect on impairment allowance on 1 April 2018

	Group RM
Impairment of financial assets	
Balances under MFRS 139 as at 31 March 2018	511,278
Impairment loss on receivables	4,439,020
Balances under MFRS 9 as at 1 April 2018	4,950,298

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

MFRS 15 establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. 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.

The Group and the Company adopted MFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, MFRS 15 can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date.

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

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

(ii) MFRS 15 *Revenue from Contracts with Customers (Cont'd)*

The adoption of MFRS 15 has no material financial impact other than the disclosures made in the financial statements.

Impact arising from the adoption of MFRS 9 on the Group's financial statements:

	As at 31.3.2018 RM	**MFRS 9 adjustment RM**	**As at 1.4.2018 RM**
Group			
Trade receivables	10,108,760	(4,439,020)	5,669,740
Accumulated losses	(25,168,199)	(4,439,020)	(29,607,219)

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
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 – 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020

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

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101	Definition of Material	1 January 2020
Amendments to MFRS 7, 9 and 139	Interest Rate Benchmark Reform	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sales or Contributions of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

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

<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 noncancelable 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.

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

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 16 *Leases* (Cont'd)

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) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis other than as disclosed in Note 3.

(c) 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.

(d) Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, 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.

Judgments

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

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

(d) Significant accounting judgments, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

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. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4.

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 judgment 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.

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 9.

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

(d) Significant accounting judgments, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of receivables

The Group review the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 8, 10 and 11 respectively.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

Employee Share Options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of the assumptions made in respect of the share-based payment scheme are disclosed in Note 24.

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

(d) Significant accounting judgments, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Income taxes

Judgment 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 30 September 2019, the Group has tax payable of RM4,381 (31.3.2018: tax recoverable of RM140,817).

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.

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

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

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 financial instruments and within the scope of MFRS 9 *Financial Instruments* 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.

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) Changes in ownership interest in subsidiary companies without change of control

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

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

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

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

(iv) Goodwill on consolidation

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

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>

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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

(d) Leases (Cont'd)

As lessee (Cont'd)

(i) Finance lease (Cont'd)

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group 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 recognised 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.

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 expense, 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

Policy applicable from 1 April 2018

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.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVTPL, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivable, amount due from subsidiary companies and cash and bank balances.

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

(e) Financial assets (Cont'd)

Policy applicable from 1 April 2018 (Cont'd)

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Fair value through other comprehensive income

The Group and the Company have not designated any financial assets as FVOCI.

(iii) Financial assets at fair value through profit or loss

The Group and the Company have not designated any financial assets as FVTPL.

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 and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

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

(e) Financial assets (Cont'd)

Policy applicable before 1 April 2018

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.

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.

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

(f) Financial liabilities

Policy applicable from 1 April 2018

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability 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.

Policy applicable before 1 April 2018

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.

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

(f) Financial liabilities (Cont'd)

Policy applicable before 1 April 2018 (Cont'd)

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

(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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

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

(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, the recoverable amount is estimated each period at the same time.

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

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

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

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

(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

Policy applicable from 1 April 2018

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade and other receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

(j) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Policy applicable before 1 April 2018

All financial assets, other than those categorised as fair value through profit or loss and 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.

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.

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

(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 recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

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

(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.

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 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.

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

(m) Employee benefits (Cont'd)

(i) Short term employee benefits (Cont'd)

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.

(iii) Share-based payment transactions

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit and loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises, the impact of the revision of original estimates, if any, in the profit and loss, with a corresponding adjustment to the equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings or accumulated losses.

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

(n) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major source:

Sale of goods

Revenue is recognised net of goods and service tax and discounts upon transfer of the significant risks and rewards of ownership to the buyer. In the case of consignment sales, revenue is recognised when the goods are sold by the consignee to a third party. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Interest income

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

(o) Borrowing costs

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

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

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

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

(p) 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.

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.

Unutilised reinvestment allowance and investment tax allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that is probable ta the future taxable profits will be available against the unutilised tax incentive can be utilised.

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

(q) 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						
2019						
Cost						
At 1 April 2018	398,481	48,509	11,595,844	8,530,100	48,000	20,620,934
Additions	1,887,999	-	1,534,649	109,203	-	3,531,851
Disposal	(50,696)	-	-	(94,934)	-	(145,630)
At 30 September 2019	2,235,784	48,509	13,130,493	8,544,369	48,000	24,007,155
Accumulated depreciation						
At 1 April 2018	216,969	44,886	2,631,584	8,252,698	33,306	11,179,443
Charge for the financial period	148,964	1,870	1,611,650	50,924	9,427	1,822,835
Disposal	(9,852)	-	-	(19,483)	-	(29,335)
At 30 September 2019	356,081	46,756	4,243,234	8,284,139	42,733	12,972,943
Carrying amount						
At 30 September 2019	1,879,703	1,753	8,887,259	260,230	5,267	11,034,212

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						
2018						
Cost						
At 1 April 2017	345,946	48,509	7,530,810	8,462,586	48,000	16,435,851
Additions	52,535	-	4,065,034	67,514	-	4,185,083
At 31 March 2018	398,481	48,509	11,595,844	8,530,100	48,000	20,620,934
Accumulated depreciation						
At 1 April 2017	194,471	43,016	1,927,545	8,219,591	24,719	10,409,342
Charge for the financial year	22,498	1,870	704,039	33,107	8,587	770,101
At 31 March 2018	216,969	44,886	2,631,584	8,252,698	33,306	11,179,443
Carrying amount						
At 31 March 2018	181,512	3,623	8,964,260	277,402	14,694	9,441,491

5. **Goodwill on Consolidation**

	Group 30.9.2019 RM	Group 31.3.2018 RM
Cost		
At the beginning/end of the financial period/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

Gross margin 30.9.2019	Gross margin 31.3.2018	Growth rate 30.9.2019	Growth rate 31.3.2018	Discount rate 30.9.2019	Discount rate 31.3.2018
10% - 42%	10% - 41%	30%	34% - 42%	10%	10%

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	
	30.9.2019	**31.3.2018**
	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 recoverable amount for AHB Technology Sdn. Bhd. and AHB Marketing Sdn. Bhd., the cash flows were discounted at a rate of 10% 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 period.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2019 %	2018 %	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	
	30.9.2019	31.3.2018
	RM	RM
At 1 April/30 September/31 March	4,000,000	4,000,000

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

	Group	
	30.9.2019	31.3.2018
	RM	RM
Deferred tax assets	5,041,333	4,958,142
Deferred tax liabilities	(1,041,333)	(958,142)
	4,000,000	4,000,000

The component of the deferred liabilities and tax assets of the Group prior to offsetting are as follows:

	Accelerated capital allowance	
	30.9.2019	31.3.2018
Group	RM	RM
Deferred tax liabilities		
At 1 April	(958,142)	(571,375)
Recognised in profit or loss	(83,191)	(386,767)
At 30 September/31 March	(1,041,333)	(958,142)

	Unutilised tax losses	
	30.9.2019	31.3.2018
Group	RM	RM
Deferred tax assets		
At 1 April	4,958,142	3,071,375
Recognised in profit or loss	83,191	1,886,767
At 30 September/31 March	5,041,333	4,958,142

7. **Deferred Tax Assets (Cont'd)**

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	30.9.2019	**31.3.2018**	**30.9.2019**	**31.3.2018**
	RM	**RM**	**RM**	**RM**
Unutilised tax losses	5,513,499	6,047,826	414,346	414,346
Unabsorbed capital allowances	1,443,059	25,246	-	-
	6,956,558	6,073,072	414,346	414,346

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

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

	Company	
	30.9.2019	**31.3.2018**
	RM	**RM**
Amount due from subsidiary companies	41,326,635	38,730,523
Less: Accumulated impairment losses	(5,088,355)	(5,088,355)
	36,238,280	33,642,168

These represent non-trade related, non-interest bearing, unsecured and repayable only after a period of 12 months from the end of the reporting period.

	Company	
	30.9.2019	**31.3.2018**
	RM	**RM**
Amount due to subsidiary companies	(5,963,390)	(4,963,400)

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

9. Inventories

	Group	
	30.9.2019	31.3.2018
	RM	RM
Trading merchandise	6,130,195	6,312,538
Recognised in profit or loss:		
Inventories recognised as cost of sales	12,043,274	8,810,326
Inventories written down	627,804	28,328

10. Trade Receivables

	Group	
	30.9.2019	31.3.2018
	RM	RM
Trade receivables	12,288,876	10,453,236
Less: Accumulated impairment losses	(5,820,259)	(344,476)
	6,468,617	10,108,760

Trade receivables are non-interest bearing and are generally on 30 to 90 days (31.3.2018: 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	
	30.9.2019	31.3.2018
	RM	RM
At 1 April	344,476	331,900
Effect of adopting MFRS 9	4,439,020	-
Impairment losses recognised	1,293,141	35,503
Written off	(256,378)	(22,927)
At 30 September/31 March	5,820,259	344,476

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

The loss allowances account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

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

	Gross amount RM	Loss allowance RM	Net Amount RM
30.9.2019			
Neither past due nor impaired	6,217,969	(661,191)	5,556,778
Past due nor impaired:			
Less than 30 days	690,965	(23,464)	667,501
31 to 60 days	-	-	-
61 to 90 days	117,966	(559)	117,407
More than 90 days	4,173,878	(4,046,947)	126,931
	4,982,809	(4,070,970)	911,839
	11,200,778	(4,732,161)	6,468,617
Credit impaired:			
Individual impaired	1,088,098	(1,088,098)	-
	12,288,876	(5,820,259)	6,468,617

	Gross amount RM	Loss allowance RM	Net Amount RM
31.3.2018			
Neither past due nor impaired	5,231,006	-	5,231,006
Past due nor impaired:			
Less than 30 days	4,877,754	-	4,877,754
	10,108,760	-	10,108,760
Credit impaired:			
Individual impaired	344,476	(344,476)	-
	10,453,236	(344,476)	10,108,760

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

As at 30 September 2019, trade receivables of RM911,839 (31.3.2018: RM4,877,754) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

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

The trade receivables of the Group that are individually assessed to be impaired amounting to RM1,088,098 (31.3.2018: RM344,476), 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 debt recovery process.

11. **Other Receivables**

	Group		Company	
	30.9.2019	**31.3.2018**	**30.9.2019**	**31.3.2018**
	RM	**RM**		**RM**
Other receivables	805,697	1,897,097	40,598	47,170
GST receivable	196,532	220,190	-	-
Less: Accumulated impairment losses	(166,802)	(166,802)	-	-
	835,427	1,950,485	40,598	47,170
Deposits	246,197	336,273		-
Prepayments	8,333	30,000	8,333	30,000
	1,089,957	2,316,758	48,931	77,170

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

	Group	
	30.9.2019	**31.3.2018**
	RM	**RM**
At 1 April	166,802	167,071
Written off	-	(269)
At 30 September/31 March	166,802	166,802

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.

12. **Share Capital**

	Group and Company			
	Number of shares		Amount	
	30.9.2019	**31.3.2018**	**30.9.2019**	**31.3.2018**
	Units	**Units**	**RM**	**RM**
Ordinary shares with no par value				
Issued and fully paid				
At beginning of financial period/year	176,039,794	160,036,194	39,572,708	34,899,182
Issuance of new shares				
- private placement	-	16,003,600	-	4,801,080
- expenses on issuance of private placement	-	-	-	(127,554)
- conversion of warrants	21,000	-	4,200	-
At the end of financial period/year	176,060,794	176,039,794	39,576,908	39,572,708

During the financial period, the Company issued 21,000 ordinary shares through the exercise of the warrants at an issue price of RM0.20 each for cash consideration.

In previous financial year, the Company issued 16,003,600 ordinary shares through private placement at an issue price of RM0.30 each for cash consideration for working capital purpose.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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.

13. **Reserves**

		Group		Company	
		30.9.2019	31.3.2018	30.9.2019	31.3.2018
	Note	RM	RM	RM	RM
Capital reserve	(a)	21,305,406	21,305,406	21,305,406	21,305,406
Warrant reserve	(b)	-	11,095,806	-	11,095,806
Other reserve	(b)	-	(11,095,806)	-	(11,095,806)
Share Issuance Scheme Option reserve	(c)	243,807	-	243,807	-
Accumulated losses		(33,312,304)	(25,168,199)	(8,290,746)	(7,476,667)
		(11,763,091)	(3,862,793)	13,258,467	13,828,739

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

(a) 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 prior years.

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

(b) Warrant reserve and other reserve

Warant 2014/2019

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

During the financial year ended 31 March 2015, 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 dated 22 July 2014 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.

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

(b) Warrant reserve and other reserve (Cont'd)

Warrant 2014 / 2019 (Cont'd)

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.

During the current financial period, 21,000 warrants were exercised at the exercise price of RM0.20 each. As at 28 August 2019, 71,105,961 warrants were unexercised and have lapsed.

(c) Share Issuance Scheme Option reserve

Share Issuance Scheme Option reserve represents an equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. Share Issuance Scheme Option is disclosed in Note 24.

14. **Trade Payables**

Credit terms of trade payables of the Group range from 30 to 100 days (31.3.2018: 30 to 100 days) depending on the terms of the contracts.

15. Other Payables

	Group 30.9.2019 RM	Group 31.3.2018 RM	Company 30.9.2019 RM	Company 31.3.2018 RM
Other payables	1,503,214	167,559	42,265	39,531
Accruals	191,200	374,249	77,000	-
GST payable	20,567	6,660	-	44,000
	1,714,981	548,468	119,265	83,531

16. Amount Due to Directors

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

17. Revenue

	Group 1.4.2018 to 30.9.2019 RM	Group 1.4.2017 to 31.3.2018 RM	Company 1.4.2018 to 30.9.2019 RM	Company 1.4.2017 to 31.3.2018 RM
Revenue from contracts with customers:				
Sales of goods	23,024,274	17,626,938	-	-

The timing of revenue recognition is at a point in time.

18. Finance Costs

	Group 1.4.2018 to 30.9.2019 RM	Group 1.4.2017 to 31.3.2018 RM
Interest expenses on:		
Penalty interest	162	32

19. **Loss Before Tax**

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

	Group		**Company**	
	1.4.2018 to 30.9.2019 RM	**1.4.2017 to 31.3.2018 RM**	**1.4.2018 to 30.9.2019 RM**	**1.4.2017 to 31.3.2018 RM**
Auditors' remuneration				
- Statutory audit				
- Current year	165,000	90,000	68,000	35,000
- Under provision in prior year	13,000	10,000	-	10,000
- Non-statutory audit	5,000	5,000	5,000	5,000
Deposits written off	15,740	-	-	-
Depreciation of property, plant and equipment	1,822,835	770,101	-	-
Impairment loss on:				
- trade receivables	1,293,141	35,503	-	-
- amount due from subsidiary companies	-	-	-	5,088,355
Inventories written down	627,804	28,328	-	-
Gain on disposal of property, plant and equipment	(175,205)	-	-	-
(Gain)/Loss on foreign exchange				
- realised	(17,157)	137,931	-	18
- unrealised	(326,021)	1,828,918	-	-
Rental of photocopier	23,849	6,279	-	-
Rental of premises	872,116	296,076	-	-
Interest income	(54,368)	(45,922)	(36,302)	(28,084)

20. **Taxation**

	Group		**Company**	
	1.4.2018 to 30.9.2019 RM	**1.4.2017 to 31.3.2018 RM**	**1.4.2018 to 30.9.2019 RM**	**1.4.2017 to 31.3.2018 RM**
Tax expense recognised in profit or loss				
Current income tax	4,400	4,300	-	-
Under provision in prior year	140,798	465	-	-
	145,198	4,765	-	-

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

	Group		Company	
	1.4.2018 to 30.9.2019 RM	**1.4.2017 to 31.3.2018 RM**	**1.4.2018 to 30.9.2019 RM**	**1.4.2017 to 31.3.2018 RM**
Deferred tax:				
Origination of temporary differences	-	(1,500,000)	-	-
Tax expense/(credit) for the financial period/year	145,198	(1,495,235)	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (31.3.2018: 24%) of the estimated assessable profits for the financial period.

A reconciliation of income tax expense applicable to loss before tax 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	
	1.4.2018 to 30.9.2019 RM	**1.4.2017 to 31.3.2018 RM**	**1.4.2018 to 30.9.2019 RM**	**1.4.2017 to 31.3.2018 RM**
Loss before tax	(3,559,887)	(156,414)	(814,079)	(5,371,740)
At Malaysian statutory tax rate of 24% (31.3.2018: 24%)	(854,373)	(37,539)	(195,379)	(1,289,218)
Income not subject to tax	(78,245)	-	-	-
Expenses not deductible for tax purposes	725,522	532,987	195,379	1,250,275
Utilisation of unutilised tax losses and unabsorbed capital allowances brought forward	(39,614)	(2,032,141)	-	-
Deferred tax assets not recognised	251,110	40,993	-	38,943
Under provision of taxation in prior years	140,798	465	-	-
Tax expense/(credit) for the financial period/year	145,198	(1,495,235)	-	-

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

The Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances available to carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		**Company**	
	30.9.2019 RM	**31.3.2018 RM**	**30.9.2019 RM**	**31.3.2018 RM**
Unutilised tax losses	26,349,857	27,428,829	414,346	414,346
Unabsorbed capital allowances	1,612,256	65,846	-	-
	27,962,113	27,494,675	414,346	414,346

21. **(Loss)/Earnings Per Share**

(a) Basic (loss)/earnings per shares

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

	Group	
	1.4.2018 to 30.9.2019 RM	**1.4.2018 to 31.3.2018 RM**
(Loss)/Profit attributable to owners of the parent	(3,705,085)	1,338,821
Weighted average number of shares in issue		
Issued shares at 1 April	176,039,794	160,036,194
Effect of shares issued during the financial period/year	1,648	7,866,991
Weighted average number of shares at 30 September/31 March	176,041,442	167,903,185
Basic (loss)/earning per shares (sen)	(2.10)	0.80

21. **(Loss)/Earnings Per Share (Cont'd)**

(b) Diluted earnings per share

Diluted (loss)/earning per share are calculated based on the adjusted consolidated (loss)/profit for the financial period/year attributable to the owners of the parent and the weighted average number of shares in issue during the financial period have been adjusted for the dilutive effects of all potential shares as follows:

	Group	
	1.4.2018 to 30.9.2019 RM	**1.4.2018 to 31.3.2018 RM**
(Loss)/Profit attributable to shareholders	(3,705,085)	1,338,821
Weighted average number of shares used in the calculation of basic earnings per share	176,041,442	167,903,185
Effect of share options on issue	315,023	-
Weighted average number of shares at 30 September/31 March (diluted)	176,356,465	167,903,185
Diluted (loss)/earning per share (in sen)	(2.10)	0.80

22. **Staff Costs**

	Group		**Company**	
	1.4.2018 to 30.9.2019 RM	**1.4.2017 to 31.3.2018 RM**	**1.4.2018 to 30.9.2019 RM**	**1.4.2017 to 31.3.2018 RM**
Salaries, wages and other emoluments	4,262,621	2,722,073	153,000	114,000
Defined contribution plans	482,800	332,319	-	-
Share-based payment expenses	243,807	-	243,807	-
Social security contributions	27,205	18,286	-	-
Other benefits	610,303	266,931	-	-
	5,626,736	3,339,609	396,807	114,000

22. **Staff Costs (Cont'd)**

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

	Group		Company	
	1.4.2018 to 30.9.2019 RM	**1.4.2017 to 31.3.2018 RM**	**1.4.2018 to 30.9.2019 RM**	**1.4.2017 to 31.3.2018 RM**
Executive Directors				
Existing Directors of the Company				
Fees	45,000	30,000	36,000	30,000
Salaries and other emoluments	815,182	500,318	-	-
Share-based payment expenses	43,102	-	43,102	-
Defined contribution plans	97,822	60,039	-	-
	1,001,106	590,357	79,102	30,000
Non-Executive Directors				
Existing Directors of the Company				
Fees	126,000	84,000	117,000	84,000
Share-based payment expenses	28,485	-	28,485	-
	154,485	84,000	145,485	84,000
Total Directors' Remuneration	1,155,591	674,357	224,587	114,000

23. **Reconciliation of Liabilities Arising from Financing Activities**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 April RM	**Financing cash flows RM**	**At 31 March/ 30 September RM**
Group			
30.9.2019			
Amount due to Directors	93,000	78,250	171,250
31.3.2018			
Amount due to Directors	141,700	(48,700)	93,000

23. **Reconciliation of Liabilities Arising from Financing Activities (Cont'd)**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 April RM	Financing cash flows RM	At 31 March/ 30 September RM
Company			
30.9.2019			
Amount due to subsidiary companies	4,963,400	999,990	5,963,390
Amount due to Directors	93,000	78,000	171,000
31.3.2018			
Amount due to subsidiary companies	4,081,269	882,131	4,963,400
Amount due to Directors	138,000	(45,000)	93,000

24. **Share Issuance Scheme ("SIS")**

At an Extraordinary General Meeting held on 4 September 2018, the Company's shareholders approved the establishment of SIS for eligible Directors and employees of the Group.

The salient features of the SIS Options are as follows:

(a) Any employee of the Group shall be eligible if as at the date of offer, the employee:

(i) has attained at least eighteen (18) years of age;
(ii) is an employee in a company within the Group, which is not dormant belonging to such categories of employment as determined by the Option Committee; and
(iii) who falls under such categories and criteria that the Option Committee may decide as its absolute discretion from time to time.

(b) Any Director of the Group shall be eligible if as at the date of offer, the Director

(i) is at least eighteen (18) years of age; and
(ii) has been appointed as a Director of a company within the Group, which is not dormant.

(c) The maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS Scheme shall not exceed fifteen percent (15%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the SIS.

24. **Share Issuance Scheme ("SIS") (Cont'd)**

The salient features of the SIS Options are as follows: (Cont'd)

(d) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer.

(e) The SIS shall be in force for a period of five (5) years and the last day to exercise SIS Option is on 1 May 2024.

(f) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

The terms and conditions relating to the grants of the new share option programme are as follows; all options are to be settled by physical delivery of shares:

Granted date	**Number of options**	**Vesting conditions**	**Contractual life of options**
2 May 2019	13,010,000	20% options issued for each calendar year	5 years

Movement in the number of share options and the weighted average exercise price are as follows:

		Number of options over ordinary shares			
Date of offer	**Exercise price**	**At 1.4.2018**	**Granted**	**Exercised**	**At 30.9.2019**
2 May 2019	RM 0.15	-	13,010,000	-	13,010,000

Number of share options exercisable as at 30 September 2019 is 13,010,000 (31.3.2018: Nil). The weighted average share price at the date of exercise for the financial period was RM0.15 (31.3.2018: Nil) per share option.

Details of SIS Options outstanding at end of the financial period are as follows:

SIS Options	**Weighted average exercise price**		**Exercise period**
	30.9.2019 RM	**31.3.2018 RM**	
2 May 2019	0.15	-	2.5.2019 - 1.5.2024

24. **Share Issuance Scheme ("SIS") (Cont'd)**

The fair value of services received in return for share options granted during the financial year is based on the fair value of share options granted, estimated by management using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	30.9.2019 RM	**31.3.2018 RM**
Fair value at grant date:		
2 May 2019	0.0937	-
Weighted average share price	0.165	-
Weighted average exercise price	0.150	-
Expected volatility (%)	60.153	-
Expected life (years)	5 years	-
Risk free rate (%)	3.613	-
Expected dividend yield (%)	Nil	Nil

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

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.

(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 8 and 16.

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Note 22.

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.

26. **Segment Information (Cont'd)**

(b) Geographic information

Revenue information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	1.4.2018 to 30.9.2019 RM	**1.4.2017 to 31.3.2018 RM**
South-Eastern Asia		
- Malaysia	16,192,023	9,941,821
- Singapore	98,221	2,544
Middle East		
- Saudi Arabia	5,953,453	7,181,848
- United Arab Emirates	2,640	-
- Iraq	283,024	-
South-Central Asia		
- India	494,913	489,956
America		
- Panama	-	10,769
	23,024,274	17,626,938

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 RM15,916,691 (31.3.2018: RM14,129,300) contributed to more than 69% (31.3.2018: 80%) 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.

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

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

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:

	At amortised cost RM
Group	
30.9.2019	
Financial Assets	
Trade receivables	6,468,617
Other receivables	885,092
Cash and bank balances	1,501,966
	8,855,675
Financial Liabilities	
Trade payables	2,456,004
Other payables	1,694,414
Amount due to Directors	171,250
	4,321,668

Group	**Loans and receivables RM**	**Financial liabilities measured at amortised cost RM**	**Total RM**
31.3.2018			
Financial Assets			
Trade receivables	10,108,760	-	10,108,760
Other receivables	2,066,568	-	2,066,568
Cash and bank balances	3,605,992	-	3,605,992
	15,781,320	-	15,781,320
Financial Liabilities			
Trade payables	-	1,510,459	1,510,459
Other payables	-	541,808	541,808
Amount due to Directors	-	93,000	93,000
	-	2,145,267	2,145,267

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

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

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: (Cont'd)

	At amortised cost RM
Company	
30.9.2019	
Financial Assets	
Other receivables	40,598
Amount due from subsidiary companies	36,238,280
Cash and bank balances	1,001,394
	37,280,272
Financial Liabilities	
Other payables	119,265
Amount due to subsidiary companies	5,963,390
Amount due to Directors	171,000
	6,253,655

Company	**Loans and receivables RM**	**Financial liabilities measured at amortised cost RM**	**Total RM**
31.3.2018			
Financial Assets			
Other receivables	47,170	-	47,170
Amount due from subsidiary companies	33,642,168	-	33,642,168
Cash and bank balances	3,021,615	-	3,021,615
	36,710,953	-	36,710,953
Financial Liabilities			
Other payables	-	39,531	39,531
Amount due to subsidiary companies	-	4,963,400	4,963,400
Amount due to Directors	-	93,000	93,000
	-	5,095,931	5,095,931

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

(b) Net loss on financial instruments

	30.9.2019 RM	31.3.2018 RM
Net loss on impairment of financial instruments		
- Financial assets at amortised cost	1,293,141	35,503

(c) 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.

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. There are no significant changes as compared to prior periods.

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.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

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

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

(i) Credit risk (Cont'd)

The gross carrying amount of the trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

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 period are as follows:

	Group	
	30.9.2019	**31.3.2018**
	RM	**RM**
South-Eastern Asia		
- Malaysia	4,230,729	3,204,895
- Singapore	541	-
Middle East		
- Saudi Arabia	2,035,147	5,577,515
South-Central Asia		
- India	7,551	724,660
America		
- Panama	184,841	601,690
- Tortilla	9,808	-
	6,468,617	10,108,760

As at the end of financial period, the Group had 3 customers (31.3.2018: 3 customers) that owed the Group a total amount of approximately RM5.66 million (31.3.2018: RM6.9 million) which accounted for approximately 88% (31.3.2018: 68%) of all the receivables outstanding.

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

(c) 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			
30.9.2019			
Non-derivative financial liabilities			
Trade payables	2,456,004	2,456,004	2,456,004
Other payables	1,694,414	1,694,414	1,694,414
Amount due to Directors	171,250	171,250	171,250
	4,321,668	4,321,668	4,321,668
31.3.2018			
Non-derivative financial liabilities			
Trade payables	1,510,459	1,510,459	1,510,459
Other payables	541,808	541,808	541,808
Amount due to Directors	93,000	93,000	93,000
	2,145,267	2,145,267	2,145,267

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

(c) 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			
30.9.2019			
Non-derivative financial liabilities			
Other payables	119,265	119,265	119,265
Amount due to subsidiary companies	5,963,390	5,963,390	5,963,390
Amount due to Directors	171,000	171,000	171,000
	6,253,655	6,253,655	6,253,655
31.3.2018			
Non-derivative financial liabilities			
Other payables	39,531	39,531	39,531
Amount due to subsidiary companies	4,963,400	4,963,400	4,963,400
Amount due to Directors	93,000	93,000	93,000
	5,095,931	5,095,931	5,095,931

(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) 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)**

(c) 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**	**SGD**	**Total**
	RM	**RM**	**RM**	**RM**
Group				
30.9.2019				
Trade receivables	5,682,499	-	546	5,683,045
Other receivables	325,785	19,999	-	345,784
Cash and bank balances	111,463	-	-	111,463
	6,119,747	19,999	546	6,140,292
31.3.2018				
Trade receivables	6,179,205	-	-	6,179,205
Other receivables	448,451	14,430	-	462,881
Cash and bank balances	148,063	-	-	148,063
	6,775,719	14,430	-	6,790,149

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

(c) 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 30.9.2019 RM	Denominated in 31.03.2018 RM
Company		
Cash and bank balances denominated in USD	111,463	-

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency.

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

Group

	30.9.2019 Change in currency rate	30.9.2019 Effect on profit before taxation RM	31.3.2018 Change in currency rate	31.3.2018 Effect on profit before taxation RM
USD	Strengthened 5%	305,987	Strengthened 5%	338,786
	Weakened 5%	(305,987)	Weakened 5%	(338,786)
EUR	Strengthened 5%	1,000	Strengthened 5%	722
	Weakened 5%	(1,000)	Weakened 5%	(722)
SGD	Strengthened 5%	27	Strengthened 5%	-
	Weakened 5%	(27)	Weakened 5%	-

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

(c) 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)

Company

		30.9.2019		**31.3.2018**	
		Change in currency rate	**Effect on profit before taxation RM**	**Change in currency rate**	**Effect on profit before taxation RM**
USD		Strengthened 5%	5,573	Strengthened 5%	-
		Weakened 5%	(5,573)	Weakened 5%	-

(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.

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(d) Fair values of financial instruments

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

28. **Capital Management**

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of 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 share capital and cash and cash equivalent.

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

29. **Capital Commitment**

Operating lease commitments – as lessee

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

	30.9.2019 RM	**31.3.2018 RM**
Within one year	567,417	950
Later than one year but not later than two years	614,702	-
Later than two years but not later than five years	1,758,993	-
	2,941,111	950

30. **Significant Events**

(a) On 26 July 2019 the Company proposed to undertake a private placement of up to 10% of the total number of issued shares in the Company (excluding any treasury shares).

On 1 August 2019, Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the listing and quotation for up to 17,603,900 new ordinary shares ("Placement Shares") pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Private Placement").

(b) On 26 July 2019 the Company proposed to undertake a proposed private placement of up to 30% of the total number of issued shares in the Company (excluding any treasury shares).

On 5 November 2019, Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the listing and quotation for up to 52,818,200 new ordinary shares ("Placement Shares") pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Private Placement").

31. **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 6 January 2020.

Analysis of Shareholdings

AHB HOLDINGS BERHAD

ANALYSIS OF SHAREHOLDINGS AS AT 13 DECEMBER 2019

Issued shares Capital	:	176,060,794 ordinary shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AT 13 DECEMBER 2019

Size of Holdinmg	No. of shareholders	% of shareholders	No. of shares	% of shares
1 - 99	61	2.70	2,805	0.00
100 - 1,000	225	9.95	121,910	0.07
1,001 - 10,000	879	38.87	4,328,577	2.46
10,001 - 100,000	870	38.48	36,307,131	20.62
100,001 - 8,803,039*	224	9.91	104,246,425	59.21
8,803,039 AND ABOVE**	2	0.09	31,053,946	17.64
Total	**2,261**	**100.00**	**176,060,794**	**100.00**

* Less then 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 13 DECEMBER 2019

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)	31,053,946	17.64	-	-

DIRECTORS' INTERESTS IN SHARES AS AT 13 DECEMBER 2019

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)	12,353,946	7.02	-	-
3.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Yong Yoke Keong	18,700,000	10.62		
3.	Dr. Folk Jee Yong	-	-	-	-
4.	Hee Teck Ming	1,500	0.00	-	-
5.	Ar. Vincent Lee Kon Keong	-	-	-	-

*Negligible

Analysis of Shareholdings (cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE RECORD OF DEPOSITORS AS AT 13 DECEMBER 2019)

No.	Name of Shareholders	No. of shares	%
1	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Yong Yoke Keong	18,700,000	10.62
2	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yoke Keong (STA 1)	12,353,946	7.02
3	Omni Presence Sdn Bhd	7,931,500	4.51
4	Asia Quill Sdn Bhd	6,745,400	3.83
5	Forward Style Sdn Bhd	6,402,000	3.64
6	Trident Target Sdn Bhd	3,856,600	2.19
7	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Siong Keat (CHE2692C)	3,000,000	1.70
8	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Siva Kumar A/L M Jeyapalan (PBCL-0G0015)	2,756,400	1.57
9	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tang Quee Huang (001)	2,120,100	1.20
10	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)	2,000,000	1.14
11	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siva Kumar A/L M Jeyapalan (REM 118-MARGIN)	1,878,000	1.07
12	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kim Heung (MY1989)	1,650,000	0.94
13	Wong Khee Ann	1,345,900	0.76
14	Maybank Nominees (Tempatan) Sdn Bhd Er Yock Kee	1,342,900	0.76
15	Tang & Co Sdn. Bhd	1,300,000	0.74
16	Mak Tian Meng	1,258,400	0.72
17	Thian Khiong Fatt	1,200,000	0.68
18	Yap Yoon Sing	1,200,000	0.68
19	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kin Lip (MY0502)	1,142,000	0.65
20	Hook King	1,141,400	0.65
21	Lim Yok Ten	1,000,000	0.57
22	Yeo Aik Gee	894,000	0.51
23	Yap Yoon Mew	821,000	0.47
24	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Shien Doon (8124444)	800,000	0.45
25	Lee Kok Hoong	770,000	0.44
26	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeap Weng Hong	750,000	0.43
27	Lim Kian Wat	712,900	0.41
28	CGS - CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Chen foong (MY1718)	700,000	0.40
29	Choong Fook Hon	700,000	0.40
30	Muhamad Aloysius Heng	680,000	0.39
	Total	87,152,446	49.50

Notice of Twenty - Sixth Annual General Meeting

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

NOTICE IS HEREBY GIVEN THAT the Twenty- Sixth (26 th) Annual General Meeting ("AGM") of AHB Holdings Berhad ("the Company") will be held at 10, Persiaran KLCC, Level 50, Naza Tower, Platinum Park, 50088 Kuala Lumpur on Friday, 7 February 2020 at 9.30 am for the following purposes:-

	AS ORDINARY BUSINESS	
1	To receive the Audited Financial Statements for the financial period ended 30 September 2019 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 RM153,000 to be divided amongst the Directors in such manner as the Directors may determine for the period from 8 February 2020 until the conclusion of the next AGM of the Company.	Ordinary Resolution 1
3	To re-elect Ar. Vincent Lee Kon Keong who is retiring pursuant to Clause 105(1) of the Company's Constitution and being eligible, has offered himself for re-election.	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 Sections 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 shall have been given pursuant to the Act.	

BY ORDER OF THE BOARD

Dr. Folk Jee Yoong
Independent Non-Executive Director

Kuala Lumpur
Dated: 14 January 2020

Notice of Twenty - Sixth Annual General Meeting

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 to make available to the Company, a Record of Depositors as at 31 January 2020. Only depositor whose name appears on the Record of Depositors as at 31 January 2020 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.

(ii) A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend, vote and speak instead of him. A proxy may but need not be a member of the Company.

(iii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(v) Where a member or authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(vi) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(vii) The instrument appointing a proxy and 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 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.

Explanatory Notes to Ordinary and Special Business:-

1. Audited Financial Statements for the financial period ended 30 September 2019

The Agenda item is meant for discussion only, as Section 340(1)(a) of the Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 4 – Continuation of Term of Office as Independent Non-Executive Director

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Mr Hee Teck Ming was appointed to the Board on 28 May 2013 and has therefore served as the Independent Director of the Company for a cumulative term of more than nine (9) years.

The Board has via the Nomination Committee 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 (9) years, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

(a) He fulfilled the criteria of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

(b) He always provides independent views at the Board meetings and exercises his unbiased judgement in decision making. Thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;

(c) His background and vast experience in the industry would enable him to provide the Board with a diverse set of experience and expertise to better manage and run the Group;

(d) He previously served the Board as an Independent Non-Executive Director from year 1996 to 2007 before he left and re-joined the Company in year 2013 until to-date, therefore he is familiar with the Company's business operations. Nevertheless, his independence has never been compromised by his long-term relationship with the Board; and

Notice of Twenty - Sixth Annual General Meeting

(e) He has exercised due care during his tenure as an Independent Non-Executive Director and carried out his professional duties in the best interest of the Company and shareholders

The Proposed Ordinary Resolution 4, if passed, will enable Mr Hee Teck Ming to continue serving as Independent Non-Director of the Company.

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

The Proposed Ordinary Resolution 5, if passed, is the renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares 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 placement of shares. The purposes of the fund-raising activities include funding for the 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-Fifth (25th) Annual General Meeting held on 4 September 2018 and which will lapse at the conclusion of the Twenty-Sixth (26th) Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-SIXTH 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-Sixth (26th) Annual General Meeting of the Company is Ar. Vincent Lee Kon Keong pursuant to Clause 105(1) of the Company's Constitution.

The profile of the Director who is seeking re-election at the Twenty-Sixth (26th) Annual General Meeting of the Company is set out in the Directors' Profile on page AR 6 to AR 11 of this Annual Report.

AHB HOLDINGS BERHAD

[Registration No. 199301020171 (274909-A)]

(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

FORM OF PROXY

I/We ____________________________________NRIC/Company No________________________________
of ____
being a *Member/Member of AHB HOLDINGS BERHAD [Registration No. 199301020171 (274909-A)] hereby appoint (Proxy1)____________________________________(*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-Sixth (26th) Annual General Meeting of the Company to be held at 10, Persiaran KLCC, Level 50, Naza Tower, Platinum Park, 50088 Kuala Lumpur on Friday, 7 February 2020 at 9.30 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:-

Resolution	Subject	*For	*Against
Ordinary Resolution 1	To approve the payment of Directors' fees and other benefits payable of up to RM153,000 to be divided amongst the Directors in such manner as the Directors may determine for the period from 8 February 2020 until the conclusion of the next AGM of the Company.		
Ordinary Resolution 2	To re-elect Ar. Vincent Lee Kon Keong who is retiring pursuant to Clause 105(1) of the Company's Constitution.		
Ordinary Resolution 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		
Ordinary Resolution 4	As Special Business:- To approve the continuation in office of Mr Hee Teck Ming as Independent Non-Executive Diretor.		
Ordinary Resolution 5	To approve the authority to allot shares pursuant to Sections 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 ____________________2020.

Signature of shareholder(s)
or Common Seal

Notes:

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(v) Where a member or authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(vi) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(vii) The instrument appointing a proxy and 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 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.

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Boardroom Share Registrars Sdn. Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
Share Registrar of

AHB HOLDINGS BERHAD (643683-U)
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan,
Malaysia

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Fol

STAMP

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

Boardroom Share Registrars Sdn. Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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REQUISITION OF PRINTED ANNUAL REPORT

To :

Boardroom Share Registrars Sdn. Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Telephone No : (603) 7890 4700
Fax No. : (603) 7890 4670

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

I/We wish to request a copy of printed Annual Report 2019 of AHB Holdings Berhad to be forwarded to me / us at the address started below:

Address: ____________________

____

____

____

Yours faithfully,

____

Signature

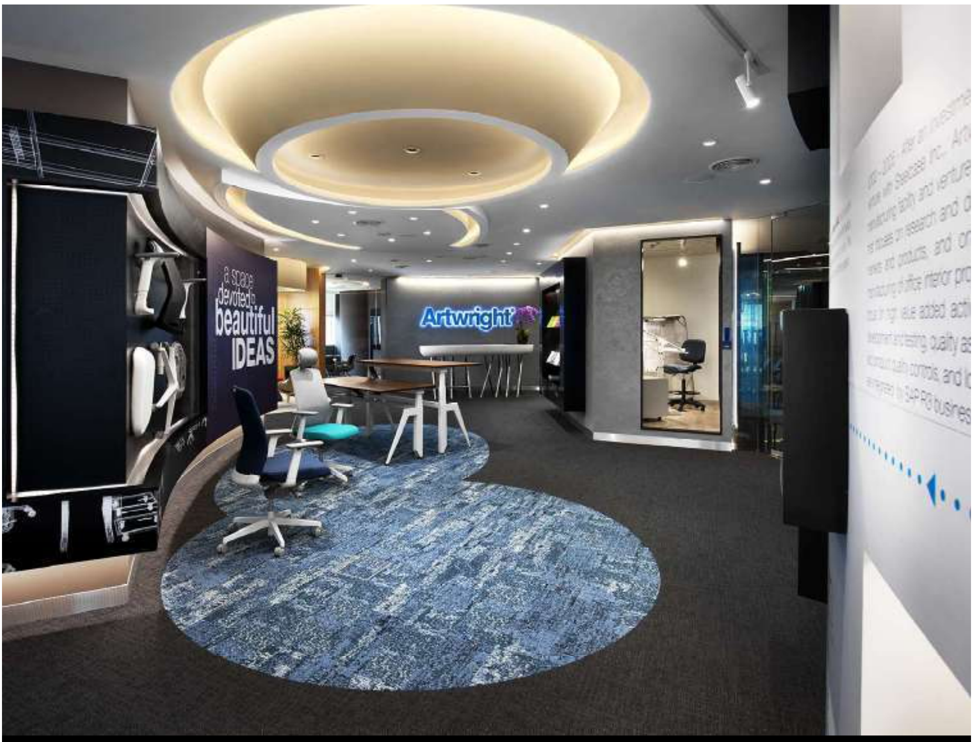
Thank you.
Full Name : ____________________
CDS Account No : ____________________
Contact No : ____________________

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

GOLD

MIID REKA AWARDS

Office Furniture Showroom



REKA AWARDS 2019

DESIGN EXCELLENCE

The Premier Interior Design Awards of Malaysia

Artwright Office System Furniture Showroom won Gold, and Artwright Corporate Office won Silver, in the MIID REKA Awards 2019.

The Artwright Showroom and Office at Naza Tower, Persiaran KLCC was designed to celebrate its heritage as the oldest manufacturer for office system furniture in Malaysia and its reputation as a high-quality brand among its clientele. It is an open invitation to experience Artwright with all senses.

Artwright®

10 Persiaran KLCC, Level 16
Naza Tower, Platinum Park
50088 Kuala Lumpur
+603 9212 0822

www.artwright.com
artwright.international
artwright.international