

# AHB HOLDINGS BERHAD

Registration No. 199301020171 (274909-A)

## ANNUAL REPORT 2021



**THE INTEGRATED  
SYSTEMS COMPANY**

# Artwright®



THE NEW SOUND-POD™  
MIID REKA 2020 DESIGN EXCELLENCE AWARD

ARTWRIGHT SHOWROOM  
MIID REKA 2019 DESIGN EXCELLENCE GOLD AWARD

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**AHB HOLDINGS BERHAD**  
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# Artwright®

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

[www.artwright.com](http://www.artwright.com)

 [artwright.international](https://www.facebook.com/artwright.international)

 [artwright.international](https://www.instagram.com/artwright.international)



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.

AHB Headquarters - Level 16 Naza Tower Platinum Park



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Yong Yoke Keong  
Managing Director and Chief Executive Officer

Dr Folk Jee Yoong  
Independent Non-Executive Director

Ar. Vincent Lee Kon Keong  
Independent Non-Executive Director

Khor Ben Jin  
Independent Non-Executive Director

### COMPANY SECRETARIES

Tan Tong Lang  
(MAICSA 7045482/SSM PC No.201908002253)  
Thien Lee Mee  
(LS0009760/SSM PC No.201908002254)

### REGISTERED OFFICE

Level 5, Block B, Dataran PHB,  
Saujana Resort, Section U2,  
40150 Shah Alam, Selangor, Malaysia.  
Telephone : 03-7890 0638  
Facsimile : 03-7890 1032

### CORPORATE ADDRESS

10 Persiaran KLCC, Level 16,  
Naza Tower, Platinum Park  
50088 Kuala Lumpur,  
Wilayah Persekutuan, Malaysia.  
Telephone : 03-9212 0822  
Facsimile : 03-9212 0823  
Website : www.artwright.com  
Email : mailbox@ahb.com.my

### SHARE REGISTRARS

Boardroom Share Registrars Sdn Bhd  
11 Floor, Menara Symphony  
No.5 Jalan Prof. Khoo Kay Kim, Section 13  
46200 Petaling Jaya, Selangor  
Malaysia.  
Telephone : 03-7890 4700  
Facsimile : 03-7890 4670

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Dr Folk Jee Yoong (Chairman)  
Khor Ben Jin  
Ar. Vincent Lee Kon Keong

#### REMUNERATION COMMITTEE

Dr Folk Jee Yoong (Chairman)  
Khor Ben Jin  
Ar. Vincent Lee Kon Keong

#### NOMINATION COMMITTEE

Dr Folk Jee Yoong (Chairman)  
Khor Ben Jin  
Ar. Vincent Lee Kon Keong

### AUDITORS

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

### PRINCIPAL BANKER

HSBC Bank Malaysia Berhad

### STOCK EXCHANGE LISTING

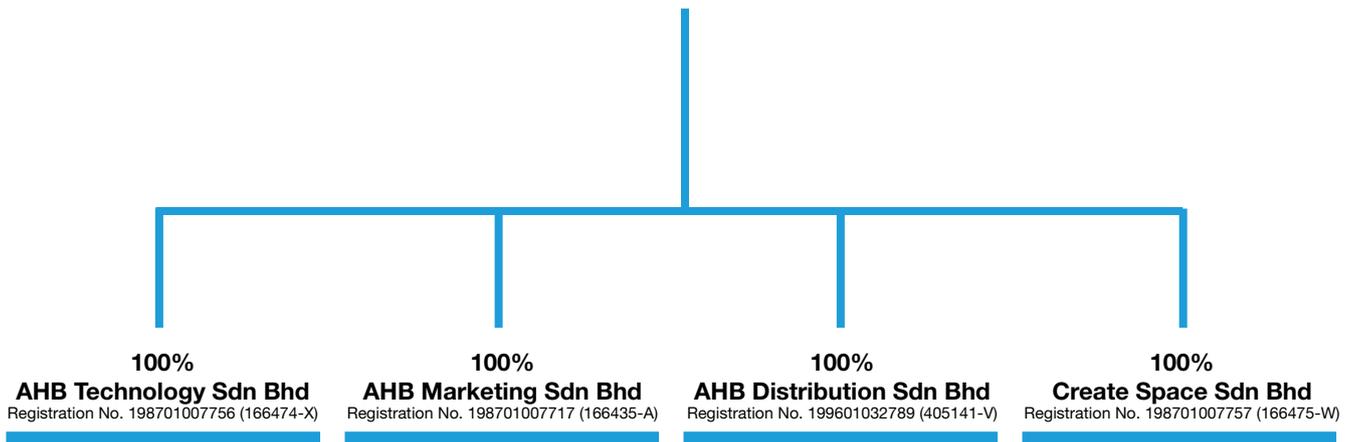
Main Market of Bursa Malaysia Securities Berhad  
Stock Name : AHB  
Stock Code : 7315

### CORPORATE WEBSITE

www.ahb.com.my

## GROUP CORPORATE STRUCTURE

### AHB HOLDINGS BERHAD



## BOARD OF DIRECTOR'S PROFILE



### YONG YOKE KEONG

*Managing Director and  
Chief Executive Officer*

*62 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.



### KHOR BEN JIN

*Independent*

*Non-Independent Director*

*46 years of age, Malaysian, Male*

*Member of Audit Committee,  
Nomination Committee and  
Remuneration Committee*

Mr Khor Ben Jin was appointed to the Board as an Independent Non-Executive Director on 13 November 2020.

He is a Fellow member of the Association of the Chartered Accountants, United Kingdom (FCCA) a chartered Accountant registered with Malaysian Institute of Accountants (CA), a Certified Internal Auditor recognized by United States of America (CIA) and a Chartered Member of the Internal Auditors Malaysia (CMIIA). He is a Certified Internal and has extensive experience in internal audit consulting services, risk management exercises and corporate governance review with public listed companies involved in both industrial and consumer products manufacturing, integrated livestock farming activities, property development, and construction and trading services.

Currently, he is an Independent Non-Executive Director of BCM Alliance Berhad and ARB Berhad.

He has no family relationship with any of the directors and/or major shareholders of the Company and its subsidiaries. He does not have any conflict of interest with the Company and has not been convicted for any offences within the past five (5) years, other than traffic offences, if any.

## BOARD OF DIRECTOR'S PROFILE



### DR FOLK JEE YOONG

*Independent Non-Executive Director  
60 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 an Independent Non-Executive Director of AHB on 28 May 2013.

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

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

Dr Folk is an Independent Non-Executive Director of Lion Posim 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.



### AR. VINCENT LEE KON KEONG

*Independent Non-Executive Director  
65 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' Profile.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

The past year with the ongoing pandemic has been volatile for equities in the Malaysian and emerging markets, largely caused by the concerns surrounding rising inflation and interest rates.

Risks to Malaysia's economic growth outlook remains tilted to the downside on external and domestic factors amid lingering Covid-19 concerns. In addition, the emergence of new infectious or vaccine-resistant variants of the Covid-19 virus is one of the key downside risks to economic growth and market recovery.

AHB's Financial Year 2021 under review has not been exempted from the above said negative impacts and concerns.

The Group's business activities have been directly impacted by 3 months' lockdown between June and August 2021 while non-essential business activities were not permitted during the period. The lock downs, as well as the new virus variants have also resulted in cautious slow resumption of various industries and businesses, and the delayed decision making for many of the Group's ongoing projects in the pipeline.

The Group recorded a revenue of RM7,957,134 and a loss of RM5,531,705 for the 12 months financial year 2021 ended 30th September 2021, compared to RM10,058,034 and a loss of RM6,695,343 for the financial year ended 30th September 2020.

AHB has taken the necessary steps to turn massive challenges into meaningful changes and opportunities, so as to navigate the financial and operational challenges of Covid-19 while rapidly addressing the needs of our people, customers and suppliers.

We are confident that these actions will enable us to emerge from the pandemic stronger as we are anticipating positive results from various initiatives.

The lockdowns and social gathering restrictions have delayed the Group's plan for an official launch for exclusive CAPPELLINI in Malaysia. CAPPELLINI is known as the Ferrari of furniture and the Group is ambitious to explore the new high end market segments for hotel, public spaces and residential with the Cappellini product offers. The Group plans to organize various marketing functions and events for brand introduction as soon as the mass events are allowed in the country.



The Group's **E-Commerce platform is operating** and our digital commerce strategies would be implemented within the next quarter. This would enable the Group to capture new marketplace opportunities and digital customer segments. The Group has made available on its e-commerce platform a range of ergonomic, and easy-to-assemble products to cater for this WFH new trends. This offer caters for the retail consumers who are looking for ergonomic and reliable home office solutions, or the corporations that are providing their employees WFH facilities.

## MANAGEMENT DISCUSSIONS AND ANALYSIS



**Variable Cost Structure and Agile Workforce.** The Group continues in the business model that focuses on research and development of office interior markets and products, and on outsourcing and contract manufacturing of office interior products. This business model as well as our flexible work force strategy, prove to be effective and resilient during these challenging pandemic times. The Group does not have the burden of fixed overheads in manufacturing and facilities when the office furniture industry globally is experiencing unprecedented disruptions in demand.

The Group's main operations continue to focus on high value-added activities such as new product research, development, testing and proto-typing, quality assurance, warehousing and delivering customer experiences. The entire operations are integrated by SAP R3 business software.

The Group is confident that we are capable of dynamic self-management and continual adaptation. Our team has the experiences to help out-manuever uncertainty, and ensure our organization is built for agility, resiliency and growth. We are optimistic that the above strategies would turn into positive results in the coming financial year(s).

The Group is hopeful of seeing market sentiments improving in the near future, despite the challenging and unprecedented times. Hence we are cautiously optimistic on our performance improvements going forward.

We are pleased to note that we are listed Syariah compliant on the Main Market of Bursa Malaysia stock exchange.

The Management wishes to extend our sincere appreciation to the AHB Team for their continuing hard work to grow our Group, especially in the pro-longed pandemic challenging environment. We are confident that our commitment and dedication to our customers, corporate, social, environment and our brand quality, will bring us positive results.

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



## CORPORATE SUSTAINABILITY STATEMENT

### Corporate Social Responsibility Activities

The lock downs, as well as the various restriction to try curb the new virus variant during the financial year 2021, has delayed AHB Group's various planned events for corporate social responsibility activities.

The Group has implemented strict procedures for our operations to adhere to the required Covid-19 SOPs. All our employees are fully vaccinated before returning to work after August 2021.

The Group provides paid vaccination leaves to all employees, and implement a compulsory RTK self test every 2 weeks for every employee with test kits provided. In addition, we ensure strict adherence to various SOPs in our various workplaces, and our project installation sites as our role in helping the country curb the pandemic.



## 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 year ended 30 September 2021 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](http://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 key roles within the Group are supported by competent and caliber second-inline to reduce the impact of abrupt departure of key personnel to the minimum possible.

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

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

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 year. Hence, the Group's website is the primary medium in providing information to all shareholders and stakeholders.

### 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](http://www.ahb.com.my).

The roles and responsibilities of the Independent Non-Executive Directors and Managing 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 Managing Director would lead the discussion at the Board meeting on the strategic plan of the Company. The Board participates actively on the discussion and continues to monitor the implementation of the plan through its quarterly meetings.

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) Rpecific 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 Managing 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 Directors, assisted by the Managing Director, are also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

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

The 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 Managing 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.

### 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 Managing 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](http://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 efforts are set out in the "Corporate Sustainability Statement" of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 elected as the Chairman of all Board of Director's Meeting of the Company. Dr Folk 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 has also from time to time communicate with the Managing 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 Managing Director, is also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Management, including the Managing Director and Chief Executive Officer 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 elected Dr Folk Jee Yoong, one of the Independent Non-Executive Directors of AHB as the Chairman of the Board of Directors of the Company and Mr Yong Yoke Keong is the 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.



## **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

### **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.

## **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](http://www.ahb.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 Conduct 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](http://www.ahb.com.my).

#### 3.2 - Whistle-Blowing Policy

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

#### 3.3 - Anti Bribery and Anti-Corruption Policy

With the introduction of new corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018) which effective from 1 June 2020, the Board has adopted the Anti-Bribery and Anti-Corruption Policy and Procedures that is in accordance with the objective of compliance. The Anti-Bribery and Anti-Corruption Policy was approved by the Board on 11 January 2021, which is available on the Company's website.

## 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) Managing Director and three (3) Independent Non-Executive Directors.

The three (3) Independent Non-Executive Directors are complied with the requirement of 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. This bring together a group of industry veterans with mix of industry specific knowledge, broad based business and commercial experience that are vital to the Board's successful stewardship of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 Company's Constitution also provide at least one third (1/3) of the remaining Directors are subject to re-election by rotation at each Annual General Meeting and retiring directors can offer themselves for re-election. All Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.

### 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 Paragraph 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.

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 year under review, four (4) 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	4/4	100%
(B)	Khor Ben Jin	4/4	100%
(C)	Ar. Vincent Lee Kon Keong	4/4	100%
(D)	Yong Yoke Keong	4/4	100%

The Board meets on a quarterly basis, with amongst others; review the operations, financial performance, report 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 an Audit Committee meetings, the date of the next meetings is to be re-confirmed.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 of each Director and ensured that all the Directors undergo the necessary training programme to enable them to effectively discharge their duties.

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

Directors	Seminars / Conferences / Training Programmes Attended
Dr Folk Jee Yoong	Company Secretaries Training Programme Significant 2.0 – Part C Companies Act 2016 – Practical Guide Companies Act 2016 – Practical Guide For Company Directors Navigating Tax Audit and Investigation Board and Audit Committee Priorities 2021 Unclaimed Money Act 1965 The future of accountants through data and analytics Corporate Governance Revisited: The co-existence of Ethics & Law sets you F.R.E.E. MY - Future of Trade Case Study of an SME Utilising Multiple Funding Options Corporate Liability: S17A of the MACC Act - The Ultimate "Vaccine" for Corruption in Private Sector
Khor Ben Jin	The New Companies (Amendment) Act 2019 by Malaysian Institute of Accountants Interview For Approved Company Auditors by Malaysian Institute of Accountants

Saved as disclosed above, others Directors of the Company were not able to select suitable training programmes to attend during the financial year due to the Movement Control Order ("MCO") of the COVID-19 diseases and their occupied working schedule. However, they have constantly been updated relevant reading materials and technical updates, which will enhance their knowledge and equip them with the necessary skills to effectively discharge their duties as Directors of the Company.

The Board (via the Nomination Committee and with the assistance of the Company Secretaries) shall continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

### 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 of the date of this statement, non of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years in the Company.

## 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 year, 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.

### 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 Constitution 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

### 4.9 - Gender Diversity

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal gender diversity policy in the selection of new Board candidates and does not have specific policies on setting target for female candidates in the Group and will actively work towards having more female directors on the Board. The Group basically evaluates the suitability of candidates as new Board member based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation. Nevertheless, the Board will evaluate and match the criteria of the potential candidate as well as considering the boardroom diversity for any new proposed appointment of directors of the Company in the future.

Currently, the Board does not have any female director but is working towards achieving the country's aspirational target of achieving 30% representation of women on boards.

### 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	-	Khor Ben Jin (Independent Non-Executive Director) (appointed on 13 November 2020)
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](http://www.ahb.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The summary of activities undertaken by the Nomination Committee during the financial year ended 2021 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 year 2021, 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	-	Khor Ben Jin (Independent Non-Executive Director) (appointed on 13 November 2020)
Member	-	Ar. Vincent Lee Kon Keong (Independent Non-Executive Director)

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 Managing Director that is fairly guided by market norms and industry practice. The Remuneration Committee also recommends the Managing Director 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 activity undertaken by the Remuneration Committee during the financial year 2021 included the following :

- (a) reviewed and recommended the payment of Directors' fees to Non-Executive Directors
- (b) reviewed and recommended the payment of the remuneration package to the Managing Director

## 7. Remuneration of Directors

### 7.1 - Directors' Remuneration

The details of the remuneration of the Directors for financial year 2021 under review are as follows:

- i) Aggregate Directors' Remuneration

Directorship	Fees (RM)	Salary (RM)	Share Based Payment (RM)	Defined Contribution Plan (RM)	Total (RM)
<u>Company</u>					
Yong Yoke Keong	22,000.00	-	43,102.00	-	65,102.00
Dr Folk Jee Yoong	27,500.00	-	12,681.80	-	38,181.80
Khor Ben Jin	22,000.00	-	7,121.20	-	29,121.20
Ar. Vincent Lee Kon Keong	19,600.00	-	-	-	19,600.00
Total	91,100.00	-	60,905.00	-	152,005.00
<u>Group</u>					
Yong Yoke Keong	27,500.00	528,036.36	43,102.00	63,365.00	662,003.36
Dr Folk Jee Yoong	27,500.00	-	10,681.80	-	38,181.80
Khor Ben Jin	22,100.00	-	7,121.20	-	29,121.20
Ar. Vincent Lee Kon Keong	19,600.00	-	-	-	19,600.00
Total	96,600.00	528,036.36	60,905.00	63,365.00	748,906.36

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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.

## 8. 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	-	Khor Ben Jin (Independent Non-Executive Director) (appointed on 13 November 2020)
Member	-	Ar. Vincent Lee Kon Keong (Independent Non-Executive Director)

The Audit Committee is chaired by an Independent Non-Executive Director. 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 year 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 the audit arising from the provision of non-audit services or tenure of the External Auditors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statements.

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 year 2021.

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

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

Practice 8.2 of the MCCG 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.

The Terms of Reference of the Audit Committee has been updated accordingly for the Audit Committee to formalize such policy.

### 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 Nomination 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 page AR 30 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.

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.

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

### **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 33 to AR 34 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 RM36,567.73 for the internal audit work conducted within the Group for the financial year ended 30 September 2021, including the salaries for internal audit function performed.

## **10. Integrity in Corporate Reporting and Meaningful 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.

#### **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 year. 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 - Annual General Meeting

The Annual General Meeting (“AGM”) is the principal forum for dialogue with the shareholders. The shareholders will be notified of the meeting together with a copy of the Company’s Annual Report at least twenty eight (28) days before the meeting. 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 the agendas are included.

The notice of the AGM or general meeting is accompanied accompanied by a full explanation of the effects of any proposed resolutions. 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 the 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.

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 8.31A 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 and Remuneration Committee) will present at the forthcoming AGM of the Company and enable the shareholders to raise questions and concerns directly to those responsible.

### 11.4 - Encourage Shareholder 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. A member, including an Authorised Nominee and an Exempt Authorised Nominee which holds securities in the Company for an Omnibus Account, may appoint one (1) or more proxies to attend on the same occasion. Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The 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.

This Statement is made in accordance with the resolution of the Board dated 25 January 2022.



## 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 (previously known as Companies Act, 1965) and applicable Approved Accounting Standards in Malaysia. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 September 2021, 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 year ended 30 September 2021.

### 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
Khor Ben Jin	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](http://www.ahb.com.my).

Meetings held during the financial year ended 30 September 2021.

The AC met four (4) times during the financial year ended 30 September 2021 and the details of attendance are as follows:-

Names	NO. of AC Meetings Attended
Dr. Folk Jee Yoong	4/4
Khor Ben Jin	4/4
Ar. Vincent Lee Kon Keong	4/4

Other Board members, Group Accountant 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.

The Summary of activities undertaken by the AC during the financial year end are summarised as follows:-

- Reviewed the unaudited quarterly financial results prior to submission to the Board for consideration and approval for the announcement to be released.
- Reviewed the annual audited financial statements, Director's and Auditors' Reports and other significant accounting issues arising from the audit of the financial year ended 30 September 2021.
- Reviewed with the External Auditors their audit plans for the financial year ended 30 September 2021.
- Reviewed with the Internal Auditors their audit plans, audit reports and status of pending matters.
- Reviewed the AC Report and Statement on Risk Management and Internal Control prior to submission to the Board for approval and inclusion in the 2021 Annual Report.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS

**Private Placement of up to 10% of the number of issued shares of AHB (excluding any treasury shares) (“AHB Shares”) pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) (“10% Private Placement”); and**

**Private Placement of up to 30% of the number of issued shares of AHB Shares (excluding any treasury shares) (“30% Private Placement”)**

The 10% Private Placement approved by the Shareholders during the Annual General Meeting of the Company held on 4 September 2018 was completed on 30 July 2020 following the listing and quotation of a total 13,698,600 placement shares at RM0.073 per placement share on the Main Market of Bursa Securities.

The gross proceeds raised from the 10% Private Placement amounting to RM0.99 million. The status of utilisation of proceeds is as follows:-

Utilisation Purposes	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Expected Timeframe for Utilisation
Working capital for AHB Group	1,050	734	-	Within 12 months
Capital expenditure	710	100	-	Within 12 months
Marketing expenses	184	85	-	Within 12 months
Estimated expenses for the 10% Private Placement	80	80	-	Immediately
<b>Total</b>	<b>2,024</b>	<b>999</b>	<b>-</b>	

The 30% Private Placement was completed on 25 January 2021 following the listing and quotation of a total 52,828,200 placement shares at RM0.097 or RM0.1328 per placement share respectively on the Main Market of Bursa Securities.

The gross proceeds raised from the 30% Private Placement amounting to RM5.58 million. The status of utilisation of proceeds is as follows:-

Utilisation Purposes	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Expected Timeframe for Utilisation
Working capital for AHB Group	2,815	2,580	-	Within 12 months
Capital expenditure	2,614	2,397	-	Within 12 months
Marketing expenses	500	460	-	Within 12 months
Estimated expenses for the 30% Private Placement	145	145	-	Immediately
<b>Total</b>	<b>6,074</b>	<b>5,582</b>	<b>-</b>	

## ADDITIONAL COMPLIANCE INFORMATION

### 2. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 30 September 2021 were as follows:

	Company (RM)	Group (RM)
Audit Services Rendered	47,300.00	113,400.00
Non-Audit Services Rendered		
(a) Review of statement on Risk Management and Internal Control	5,000.00	5,000.00

### 3. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

There was no recurrent related party transaction of revenue or trading nature during the financial year ended 30 September 2021.

### 4. REVALUATION POLICY

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

### 5. 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.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

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

## THE BOARD’S RESPONSIBILITY

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

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

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

## RISK MANAGEMENT

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

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

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

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

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

## 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL AUDIT FUNCTIONS

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

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

The Company has incurred approximately RM36,567.73 for the internal audit work conducted within the Group for the financial year ended 30 September 2021, including the salaries for internal audit function performed.

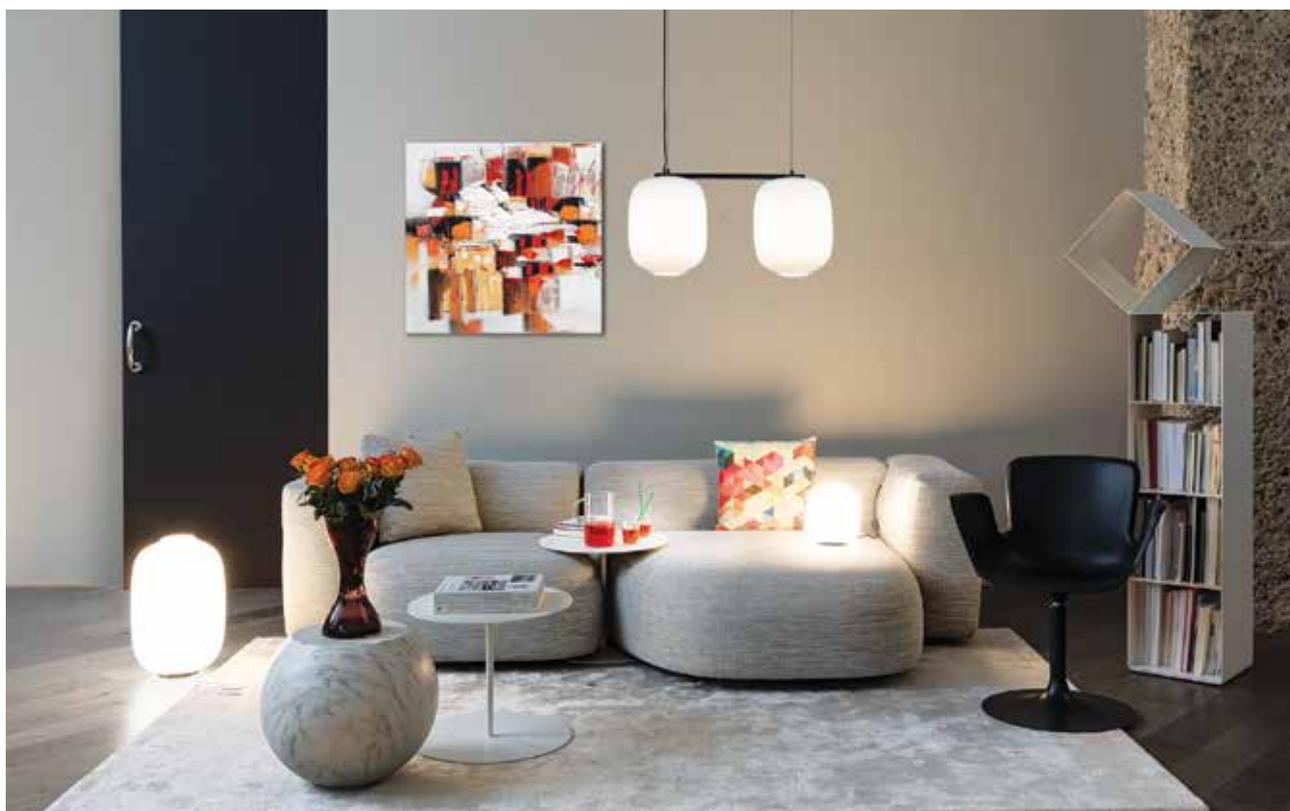
### REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement of Risk Management and Internal Control for inclusion in the Group's Annual Report for the financial year ended 30 September 2021.

### 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 25 January 2022.



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

**REPORTS AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

**Registered office:**  
**Level 5, Block B**  
**Dataran PHB**  
**Saujana Resort**  
**Section U2**  
**40150 Shah Alam**

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

**AHB HOLDINGS BERHAD**

(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

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## DIRECTORS' REPORT

The Directors of AHB Holdings Berhad hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2021.

### Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

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

### Results

The results of the Group and of the Company for the financial year are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Loss for the financial year, attributable to owners of the parent	5,531,705	640,225

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transactions or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements and significant events during the year as disclosed in Note 31 to the financial statements.

### Reserves and Provisions

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

### Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment in respect of the current financial year.

## DIRECTORS' REPORT

### Issue of Shares and Debentures

During the financial year, the Company issued:

- (a) 12,818,200 new ordinary shares at issue price of RM0.1328 per ordinary share for a total cash consideration of RM1,702,257 through private placement; and
- (b) 3,632,000 new ordinary shares through the exercise of the Share Issuance Scheme (“SIS”) Options at an average issue price of RM0.116 for cash consideration.

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

There was no issuance of debentures during the financial year.

### Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year 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 26 to the financial statements.

As at 30 September 2021, the options offered to take up unissued ordinary shares and the exercise price are as follows:

Date of offer	Exercise price	Number of options over ordinary shares				At 30.9.2021
		At 1.10.2020	Granted	Exercised	Lapsed	
2 May 2019	0.15	7,548,000	-	828,000	650,000	6,070,000
7 August 2020	0.095	2,034,000	-	1,194,000	-	840,000
12 August 2020	0.102	3,080,000	-	1,610,000	-	1,470,000
		<u>12,662,000</u>	<u>-</u>	<u>3,632,000</u>	<u>650,000</u>	<u>8,380,000</u>

## DIRECTORS' REPORT

### Directors

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Yong Yoke Keong\*

Dr. Folk Jee Yoong

AR. Vincent Lee Kon Keong

Khor Ben Jin

(Appointed on 13 November 2020)

\* *Director of the Company and its subsidiary companies*

### Directors' Interests

The interests in shares in the Company and in a related corporation of those who were Directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares				
	At 1.10.2020	Bought	Sold	At 30.9.2021	
<b>Interests in the Company</b>					
<b>Direct interests</b>					
Yong Yoke Keong	34,464,557	-	-	34,464,557	
Dr Folk Jee Yoong	700,000	-	-	700,000	
AR. Vincent Lee Kon Keong	350,000	-	-	350,000	
	Number of options over ordinary shares				
	At 1.10.2020	Granted	Exercised	Lapsed	At 30.9.2021
<b>Interests in the Company</b>					
<b>Direct interests</b>					
Yong Yoke Keong	2,810,000	-	-	(460,000)	2,350,000
Dr Folk Jee Yoong	456,000	-	-	(114,000)	342,000
AR. Vincent Lee Kon Keong	304,000	-	-	(76,000)	228,000

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

## DIRECTORS' REPORT

### Directors' Benefits

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by Directors or the fixed salary of a full-time employee of the Company as shown in Note 27(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 he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might 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

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (a) 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
- (b) 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.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

**DIRECTORS' REPORT****Other Statutory Information (Cont'd)**

At the date of this report, the Directors are not aware of any circumstances: (Cont'd)

- (c) 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
- (d) 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.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

**Subsidiary Interests**

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

**Significant and Subsequent Event During the Financial Year**

Significant and subsequent event during the financial year are disclosed in Note 31 to the financial statements.

## **DIRECTORS' REPORT**

### **Auditors**

The auditors, UHY have indicated their willingness to continue in office.

### **Auditors' Remuneration**

The amount paid as remuneration of the auditors for the financial year ended 30 September 2021 is as disclosed in Note 21 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

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YONG YOKE KEONG

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DR. FOLK JEE YOONG

KUALA LUMPUR

25 JANUARY 2022

## STATEMENT BY DIRECTORS

The Directors of AHB Holdings Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions 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 of 30 September 2021 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

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YONG YOKE KEONG

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DR. FOLK JEE YOONG

KUALA LUMPUR

25 JANUARY 2022

## **DECLARATION BY THE DIRECTOR**

### **PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY**

I, Yong Yoke Keong, the Director primarily responsible for the financial management of AHB Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

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YONG YOKE KEONG

Subscribed and solemnly declared by the abovenamed Yong Yoke Keong at Kuala Lumpur in Federal Territory, this 25th January 2022.

Before me,

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**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 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 127.

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 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

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

#### Independence and Other Ethical 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
<p><b>Net Valuation of Inventories</b></p> <p>At 30 September 2021, the Group held inventories of approximately RM6.1 million which carried at the lower of cost and net realisable value.</p> <p>The Directors apply judgement in determining the appropriate stock written down based on an analysis of ageing inventories and net realisable value below cost for inventories to go into sale.</p>	<p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of the inventories provisions by:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's process in the write-down of inventories based on the Group's Policy;</li> <li>• Reviewed the valuation method of inventories in accordance with MFRS 102 <i>Inventories</i>;</li> <li>• Reviewed the management's estimation on net realisable value of inventories and the level of inventory written down during the financial year; and</li> <li>• Tested the expected price of future sales of inventory by reviewing the price of a sample of inventory sold after the reporting date.</li> </ul>

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

**Key Audit Matters (Cont'd)**

Key Audit Matters	How we addressed the key audit matters
<p><b>Impairment on Trade Receivables</b></p> <p>The Group's trade receivables amounting to approximately RM3.2 million, representing approximately 24% of the Group's total current assets as at 30 September 2021.</p> <p>Given the credit exposure in its portfolio of trade receivables, the assessment of impairment which involves significant estimation, subjective assumptions and application of significant judgements could result in material changes to the financial statements of the Group.</p>	<p>Our audit procedures included, amongst other:</p> <p>Reviewed 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 2021.</p> <p>Assessed the reasonableness of the methods and assumptions used by the management in estimating the recoverable amount and impairment loss. We also tested the accuracy and completeness of the data used by the management.</p> <p>Developed our understanding on trade receivables which poses a high risk of default through reviewing the trade receivables ageing analysis.</p> <p>Reviewed the adequacy of the impairment loss and enquired the management regarding the recoverability of a sample of trade receivables that are individually significant and group of receivables with similar credit risk characteristics. We examine the repayment patterns, review any settlement agreement and obtained evidence of cash receipts where these has been received.</p>

**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 an 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF AHB HOLDINGS BERHAD (Cont'd)**  
[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 judgement 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, actions taken to eliminate threats or safeguards applied.

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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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

HO SIEW CHAN  
Approved Number: 03485/02/2022 J  
Chartered Accountant

KUALA LUMPUR

25 JANUARY 2022

## STATEMENTS OF FINANCIAL POSITION

### AS AT 30 SEPTEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Non-Current Assets</b>					
Property, plant and equipment	4	8,236,947	9,633,172	-	-
Right-of-use assets	5	5,215,298	4,518,137	-	116,783
Goodwill on consolidation	6	1,935,486	1,935,486	-	-
Investment in subsidiary companies	7	-	-	51,800,425	41,800,425
Deferred tax assets	8	4,000,000	4,000,000	-	-
Amount due from subsidiary companies	9	-	-	11,784,639	17,824,307
		<u>19,387,731</u>	<u>20,086,795</u>	<u>63,585,064</u>	<u>59,741,515</u>
<b>Current Assets</b>					
Inventories	10	6,148,536	5,936,391	-	-
Trade receivables	11	3,224,807	4,271,410	-	-
Other receivables	12	596,011	1,020,152	5,900	8,899
Cash and bank balances		<u>3,503,967</u>	<u>5,513,956</u>	<u>2,947,377</u>	<u>5,042,727</u>
		<u>13,473,321</u>	<u>16,741,909</u>	<u>2,953,277</u>	<u>5,051,626</u>
<b>Total Assets</b>		<u>32,861,052</u>	<u>36,828,704</u>	<u>66,538,341</u>	<u>64,793,141</u>

**STATEMENTS OF FINANCIAL POSITION (Cont'd)**  
AS AT 30 SEPTEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Equity</b>					
Share capital	13	49,171,397	46,800,413	49,171,397	46,800,413
Reserves	14	(23,611,553)	(18,056,779)	11,145,724	11,809,018
<b>Total Equity</b>		<u>25,559,844</u>	<u>28,743,634</u>	<u>60,317,121</u>	<u>58,609,431</u>
<b>Non-Current Liability</b>					
Lease liabilities	15	<u>4,641,978</u>	<u>4,507,544</u>	-	<u>66,394</u>
<b>Current Liabilities</b>					
Trade payables	16	139,256	2,014,041	-	-
Other payables	17	1,464,294	1,265,828	181,659	99,666
Amount due to subsidiary companies	9	-	-	5,948,461	5,964,190
Amount due to Directors	18	99,000	35,850	91,100	32,800
Lease liabilities	15	<u>956,680</u>	<u>261,807</u>	-	<u>20,660</u>
		<u>2,659,230</u>	<u>3,577,526</u>	<u>6,221,220</u>	<u>6,117,316</u>
<b>Total Liabilities</b>		<u>7,301,208</u>	<u>8,085,070</u>	<u>6,221,220</u>	<u>6,183,710</u>
<b>Total Equity and Liabilities</b>		<u>32,861,052</u>	<u>36,828,704</u>	<u>66,538,341</u>	<u>64,793,141</u>

The accompanying notes form an integral part of the financial statements

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	19	7,957,134	10,058,034	-	-
Other operating income		66,511	195,440	49,693	25,442
Purchase of trading merchandise		(6,479,747)	(7,133,220)	-	-
Directors' remuneration	24	(748,906)	(705,378)	(152,005)	(277,657)
Staff costs		(1,914,074)	(3,805,063)	(182,902)	(1,299,500)
Depreciation of property, plant and equipment		(1,462,642)	(1,458,495)	-	-
Depreciation of right-of-use assets		(916,118)	(443,968)	-	(26,217)
Finance costs	20	(196,618)	(198,219)	-	(4,084)
Other operating expenses		(1,675,432)	(1,962,858)	(355,011)	(433,293)
Net loss on impairment of financial instruments		(161,813)	(1,245,997)	-	-
<b>Loss before tax</b>	21	<b>(5,531,705)</b>	<b>(6,699,724)</b>	<b>(640,225)</b>	<b>(2,015,309)</b>
Taxation	22	-	4,381	-	-
<b>Loss for the financial year representing total comprehensive loss for the financial year</b>		<b><u>(5,531,705)</u></b>	<b><u>(6,695,343)</u></b>	<b><u>(640,225)</u></b>	<b><u>(2,015,309)</u></b>
Loss per share (sen)	23				
Basic		(2.16)	(3.64)		
Diluted		(2.15)	(3.62)		

The accompanying notes form an integral part of the financial statements

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Attributable to owners of the parent					
	Non-distributable			Share Issuance		
Note	Share Capital RM	Capital Reserve RM	Option Reserve RM	Accumulated Losses RM	Total RM	Total RM
<b>Group</b>						
At 1 October 2020	46,800,413	21,305,406	504,955	(39,867,140)	28,743,634	
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(5,531,705)	(5,531,705)	(5,531,705)
<b>Transactions with owners:</b>						
Issuance of ordinary shares:						
- private placement	1,702,257	-	-	-	-	1,702,257
- exercise of SIS options	668,727	-	(266,876)	-	-	401,851
Grant of SIS options	-	-	243,807	-	-	243,807
Lapse of SIS options	-	-	(280,351)	280,351	-	-
<b>Total transactions with owners</b>	2,370,984	-	(303,420)	280,351	2,347,915	
At 30 September 2021	49,171,397	21,305,406	201,535	(45,118,494)	25,559,844	25,559,844

**STATEMENTS OF CHANGES IN EQUITY (Cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	Attributable to owners of the parent					Total RM
	Non-distributable		Share Issuance			
	Share Capital RM	Capital Reserve RM	Option Reserve RM	Accumulated Losses RM		
<b>Group</b>						
At 1 October 2019, as previously reported	39,576,908	21,305,406	243,807	(33,312,304)		27,813,817
Effect of adopting MFRS 16	-	-	-	(164,205)		(164,205)
At 1 October 2019, as restated	39,576,908	21,305,406	243,807	(33,476,509)		27,649,612
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(6,695,343)		(6,695,343)
<b>Transactions with owners:</b>						
Issuance of ordinary shares:						
- private placement	4,879,998	-	-	-		4,879,998
- exercise of SIS options	2,343,507	-	(945,497)	-		1,398,010
Grant of SIS options	-	-	1,511,357	-		1,511,357
Lapse of SIS options	-	-	(304,712)	304,712		-
<b>Total transactions with owners</b>	7,223,505	-	261,148	304,712		7,789,365
At 30 September 2020	46,800,413	21,305,406	504,955	(39,867,140)		28,743,634

**STATEMENTS OF CHANGES IN EQUITY (Cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

		Attributable to Owners of the Parent					Total RM
		Share Capital RM	Capital Reserve RM	Share Issuance Scheme Option Reserve RM	Accumulated Losses RM	Total RM	
<b>Company</b>							
	At 1 October 2020	46,800,413	21,305,406	504,955	(10,001,343)		58,609,431
	Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(640,225)		(640,225)
	<b>Transactions with owners:</b>						
	Issuance of ordinary shares:						
	- private placement	1,702,257	-	-	-		1,702,257
	- exercise of SIS options	668,727	-	(266,876)	-		401,851
	Grant of SIS options	-	-	243,807	-		243,807
	Lapse of SIS options	-	-	(280,351)	280,351		-
	<b>Total transactions with owners</b>	<b>2,370,984</b>	<b>-</b>	<b>(303,420)</b>	<b>280,351</b>		<b>2,347,915</b>
	At 30 September 2021	49,171,397	21,305,406	201,535	(10,361,217)		60,317,121

**STATEMENTS OF CHANGES IN EQUITY (Cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	Attributable to Owners of the Parent					Total RM
	Non-distributable		Share Issuance			
	Share Capital RM	Capital Reserve RM	Option Reserve RM	Accumulated Losses RM		
<b>Company</b>						
At 1 October 2019	39,576,908	21,305,406	243,807	(8,290,746)		52,835,375
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(2,015,309)		(2,015,309)
<b>Transactions with owners:</b>						
Issuance of ordinary shares:						
- private placement	4,879,998	-	-	-		4,879,998
- exercise of SIS options	2,343,507	-	(945,497)	-		1,398,010
Grant of SIS options	-	-	1,511,357	-		1,511,357
Lapse of SIS options	-	-	(304,712)	304,712		-
<b>Total transactions with owners</b>	<b>7,223,505</b>	<b>-</b>	<b>261,148</b>	<b>304,712</b>		<b>7,789,365</b>
At 30 September 2020	46,800,413	21,305,406	504,955	(10,001,343)		58,609,431

The accompanying notes form an integral part of the financial statements

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash Flows from Operating Activities</b>				
Loss before tax	(5,531,705)	(6,699,724)	(640,225)	(2,015,309)
Adjustments for:				
Depreciation of:				
- property, plant and equipment	1,462,642	1,458,495	-	-
- right-of-use assets	916,118	443,968	-	26,217
Interest expenses	196,618	198,219	-	4,084
Impairment loss on trade receivables	161,813	1,245,997	-	-
Impairment loss written off	113,922	-	-	-
Inventories written down	87,335	149,302	-	-
Interest income	(49,477)	(24,968)	(49,477)	(24,968)
Share-based payments expenses	243,807	1,511,357	243,807	1,511,357
Unrealised gain on foreign exchange	12,846	(110,567)	-	-
Operating loss before working capital changes	(2,386,081)	(1,827,921)	(445,895)	(498,619)

**STATEMENTS OF CASH FLOWS (Cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash Flows from Operating Activities (Cont'd)</b>				
Changes in working capital:				
Inventories	(299,480)	44,502	-	-
Trade receivables	747,058	992,708	-	-
Other receivables	424,141	139,051	2,999	40,032
Trade payables	(1,874,785)	(441,494)	-	-
Other payables	198,466	(449,153)	81,993	(19,599)
	<u>(804,600)</u>	<u>285,614</u>	<u>84,992</u>	<u>20,433</u>
Cash used in operation	(3,190,681)	(1,542,307)	(360,903)	(478,186)
Interest received	49,477	24,968	49,477	24,968
Interest paid	(196,618)	(198,219)	-	(4,084)
	<u>(147,141)</u>	<u>(173,251)</u>	<u>49,477</u>	<u>20,884</u>
Net cash used in operating activities	<u>(3,337,822)</u>	<u>(1,715,558)</u>	<u>(311,426)</u>	<u>(457,302)</u>
<b>Cash Flows from Investing Activities</b>				
Advance subsidiary companies	-	-	(3,930,603)	(1,586,027)
Purchase of property, plant and equipment	(66,417)	(57,455)	-	-
Purchase of right-of-use assets	-	(43,000)	-	(43,000)
Net cash used in investing activities	<u>(66,417)</u>	<u>(100,455)</u>	<u>(3,930,603)</u>	<u>(1,629,027)</u>

**STATEMENTS OF CASH FLOWS (Cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash Flows from Financing Activities</b>				
Advance from/(Repayment to) Directors	63,150	(135,400)	58,300	(138,200)
Advance from subsidiary companies	-	-	(15,729)	800
Proceeds from issuance of ordinary shares	1,702,257	4,879,998	1,702,257	4,879,998
Proceeds from exercise of SIS options	401,851	1,398,010	401,851	1,398,010
Payment of lease liabilities	(783,972)	(313,959)	-	(12,946)
Net cash from financing activities	<u>1,383,286</u>	<u>5,828,649</u>	<u>2,146,679</u>	<u>6,127,662</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(2,020,953)	4,012,636	(2,095,350)	4,041,333
<b>Cash and cash equivalents at the beginning of the financial year</b>	5,513,956	1,501,966	5,042,727	1,001,394
Effect of exchange translation difference on cash and cash equivalent	10,964	(646)	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	<u>3,503,967</u>	<u>5,513,956</u>	<u>2,947,377</u>	<u>5,042,727</u>
<b>Cash and cash equivalents at the end of the financial year comprise:</b>				
Cash and bank balances	<u>3,503,967</u>	<u>5,513,956</u>	<u>2,947,377</u>	<u>5,042,727</u>

The accompanying notes form an integral part of the financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 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 was located at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. With effect from 27 January 2021, the Company's registered office has been relocated to Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

#### 2. Basis of Preparation

##### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

### (a) Statement of compliance (Cont'd)

#### Adoption of new and amended standards

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

Amendments to References to the Conceptual Framework in MFRS Standard	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Materials
Amendments to MFRS 16	Covid-19 – Related Rent Concessions

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.

#### 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
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform – Phase 2 1 January 2021
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework 1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use 1 January 2022

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

##### (a) Statement of compliance (Cont'd)

##### Standards issued but not yet effective (Cont'd)

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 108	Insurance Contracts	1 January 2023
Amendments to MFRS 112	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale of Contribution 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 new MFRSs, new interpretations and amendments to MFRSs when they become effective.

These new standards, amendments to published standards and interpretation will be adopted on the respective effective dates. The Group and the Company has started a preliminary assessment on the effects of the above new standard, amendments to published standards and interpretation and the impact is still being assessed.

##### (b) Functional and presentation currency

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

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

### (c) Significant accounting judgements, estimates and assumptions

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

### Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

#### Determining the lease term of contracts with renewal and termination options – as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

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

##### **Key sources of estimation uncertainty**

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

##### Useful lives/depreciation of property, plant and equipment and right-of-use (“ROU”) assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets 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 and ROU assets 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 and ROU assets is disclosed in Notes 4 and 5.

##### 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 6.

##### 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 8.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021****2. Basis of Preparation (Cont'd)**

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

**Key sources of estimation uncertainty (Cont'd)**Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 10.

Provision of expected credit loss of financial assets at amortised cost

The Group and the Company 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 and the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company'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 9, 11 and 12 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 judgement 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

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

##### **Key sources of estimation uncertainty (Cont'd)**

###### Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

###### 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 26.

###### Income taxes

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

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

### 3. Significant Accounting Policies

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

(a) Basis of consolidation

(i) Subsidiary companies

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

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

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

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

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

#### (a) Basis of consolidation (Cont'd)

##### (i) Subsidiary companies (Cont'd)

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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

#### (a) Basis of consolidation (Cont'd)

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

### 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

##### (i) As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i) to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

##### (d) Leases (Cont'd)

##### (i) As lessee (Cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Buildings	10%
Motor vehicles	20%
Warehouse	33%

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group and the Company changes its assessment of whether it will exercise an extension or terminate option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are a leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021****3. Significant Accounting Policies (Cont'd)****(d) Leases (Cont'd)****(ii) As lessor**

When the Group or the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

##### (e) Financial assets

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

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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

#### (f) Financial liabilities

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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

### 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

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021****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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 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 their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

### 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 it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 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.

##### (r) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

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
<b>Group</b>						
<b>2021</b>						
<b>Cost</b>						
At 1 October 2020	2,242,560	48,509	13,140,193	8,585,348	48,000	24,064,610
Additions	4,400	-	54,829	7,188	-	66,417
At 30 September 2021	2,246,960	48,509	13,195,022	8,592,536	48,000	24,131,027
<b>Accumulated depreciation</b>						
At 1 October 2020	566,362	46,756	5,443,513	8,327,781	47,026	14,431,438
Charge for the financial year	211,250	-	1,206,051	44,368	973	1,462,642
At 30 September 2021	777,612	46,756	6,649,564	8,372,149	47,999	15,894,080
<b>Carrying amount</b>						
At 30 September 2021	1,469,348	1,753	6,545,458	220,387	1	8,236,947

**NOTES TO THE FINANCIAL STATEMENTS**  
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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
<b>Group</b>						
<b>2020</b>						
<b>Cost</b>						
At 1 October 2019	2,235,784	48,509	13,130,493	8,544,369	48,000	24,007,155
Additions	6,776	-	9,700	40,979	-	57,455
At 30 September 2020	2,242,560	48,509	13,140,193	8,585,348	48,000	24,064,610
<b>Accumulated depreciation</b>						
At 1 October 2019	356,081	46,756	4,243,234	8,284,139	42,733	12,972,943
Charge for the financial year	210,281	-	1,200,279	43,642	4,293	1,458,495
At 30 September 2020	566,362	46,756	5,443,513	8,327,781	47,026	14,431,438
<b>Carrying amount</b>						
At 30 September 2020	1,676,198	1,753	7,696,680	257,567	974	9,633,172

**NOTES TO THE FINANCIAL STATEMENTS**  
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5. **Right-of-Use Assets**

	<b>Buildings RM</b>	<b>Warehouse RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Group</b>				
<b>2021</b>				
<b>Cost</b>				
At 1 October 2020	5,383,687	-	143,000	5,526,687
Addition	186,742	1,426,537	-	1,613,279
At 30 September 2021	<u>5,570,429</u>	<u>1,426,537</u>	<u>143,000</u>	<u>7,139,966</u>
<b>Accumulated depreciation</b>				
At 1 October 2020	982,333	-	26,217	1,008,550
Charge for the financial year	445,764	441,754	28,600	916,118
At 30 September 2021	<u>1,428,097</u>	<u>441,754</u>	<u>54,817</u>	<u>1,924,668</u>
<b>Carrying Amount</b>				
At 30 September 2021	<u>4,142,332</u>	<u>984,783</u>	<u>88,183</u>	<u>5,215,298</u>
	<b>Buildings RM</b>		<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Group</b>				
<b>2020</b>				
<b>Cost</b>				
At 1 October 2019	-		-	-
Effect of adopting MFRS 16	5,383,687		-	5,383,687
At 1 October 2019, as restated	<u>5,383,687</u>		-	<u>5,383,687</u>
Addition	-		143,000	143,000
At 30 September 2020	<u>5,383,687</u>		<u>143,000</u>	<u>5,526,687</u>
<b>Accumulated depreciation</b>				
At 1 October 2019	-		-	-
Effect of adopting MFRS 16	564,582		-	564,582
At 1 October 2019, as restated	<u>564,582</u>		-	<u>564,582</u>
Charge for the financial year	417,751		26,217	443,968
At 30 September 2020	<u>982,333</u>		<u>26,217</u>	<u>1,008,550</u>
<b>Carrying Amount</b>				
At 30 September 2020	<u>4,401,354</u>		<u>116,783</u>	<u>4,518,137</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 5. Right-of-Use Assets (Cont'd)

	2021 RM	2020 RM
<b>Motor Vehicle</b>		
<b>Company</b>		
<b>Cost</b>		
At 1 October	143,000	-
Addition	-	143,000
Transfer to subsidiary company	(143,000)	-
At 30 September	<u>-</u>	<u>143,000</u>
<b>Accumulated depreciation</b>		
At 1 October	(26,217)	-
Charge for the financial year	-	(26,217)
Transfer to subsidiary company	26,217	-
At 30 September	<u>-</u>	<u>(26,217)</u>
<b>Carrying Amount</b>		
At 30 September	<u>-</u>	<u>116,783</u>

- (a) Included in the above, motor vehicles with the net carrying amount of RM88,183 (2020: RM116,783) of the Group are pledged as securities for the related lease liabilities.
- (b) Addition of right-of-use assets

The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under lease financing and cash payments are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Aggregate costs	1,613,279	143,000	-	143,000
Less: Lease financing	(1,613,279)	(100,000)	-	(100,000)
Cash payments	<u>-</u>	<u>43,000</u>	<u>-</u>	<u>43,000</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Goodwill on Consolidation**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At the beginning/end of the financial year	1,935,486	1,935,486

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

The recoverable amount of the cash-generating unit (“CGU”), being the trading unit of the Group, is determined on a value-in-use calculation using cash flow projections covering a 5-year period. Management believes that this 5-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:

<b>Gross margin</b>		<b>Growth rate</b>		<b>Discount rate</b>	
<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
40% - 42%	10% - 42%	5% - 214%	30%	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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 6. Goodwill on Consolidation (Cont'd)

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

(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.

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.

#### 7. Investment in Subsidiary Companies

	Company	
	2021 RM	2020 RM
<b>In Malaysia</b>		
<b>At cost</b>		
Unquoted shares	70,100,922	60,100,922
Less: Accumulated impairment losses	<u>(18,300,497)</u>	<u>(18,300,497)</u>
	<u>51,800,425</u>	<u>41,800,425</u>

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 year.

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

**7. Investment in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
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

Additional investment in a subsidiary company

During the year, the Company subscribed additional 10,000,000 new ordinary shares in AHB Technology Sdn. Bhd., a wholly-owned subsidiary company of the Company by way of capitalisation of amount owing. Upon the share subscription, the Group's effective equity interest remained unchanged.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 8. Deferred Tax Assets

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At the beginning/end of the financial year	<u>4,000,000</u>	<u>4,000,000</u>

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Deferred tax assets	5,226,512	5,153,299
Deferred tax liabilities	<u>(1,226,512)</u>	<u>(1,153,299)</u>
	<u>4,000,000</u>	<u>4,000,000</u>

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

	<b>Accelerated capital allowances</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>Deferred tax liabilities</b>		
At 1 October	(1,153,299)	(1,041,333)
Recognised in profit or loss	(71,627)	(111,966)
Over provision in prior year	<u>(1,586)</u>	<u>-</u>
At 30 September	<u>(1,226,512)</u>	<u>(1,153,299)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

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

	<b>Unutilised tax losses</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>Deferred tax assets</b>		
At 1 October	5,153,299	5,041,333
Recognised in profit or loss	73,213	111,966
At 30 September	<u>5,226,512</u>	<u>5,153,299</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unutilised tax losses	9,439,384	7,622,120	414,346	414,346
Unutilised capital allowances	5,296,091	3,758,443	-	-
	<u>14,735,475</u>	<u>11,380,563</u>	<u>414,346</u>	<u>414,346</u>

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

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Amount due from subsidiary companies	16,872,994	22,912,662
Less: Accumulated impairment losses	(5,088,355)	(5,088,355)
	<u>11,784,639</u>	<u>17,824,307</u>

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 9. Amount Due from/(to) Subsidiary Companies (Cont'd)

	Company	
	2021 RM	2020 RM
Amount due to subsidiary companies	<u>(5,948,461)</u>	<u>(5,964,190)</u>

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

#### 10. Inventories

	Group	
	2021 RM	2020 RM
Trading merchandise	<u>6,148,536</u>	<u>5,936,391</u>
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	4,637,357	6,863,978
Inventories written down	<u>87,335</u>	<u>149,302</u>

#### 11. Trade Receivables

	Group	
	2021 RM	2020 RM
Trade receivables	10,338,954	11,337,666
Less: Accumulated impairment losses	<u>(7,114,147)</u>	<u>(7,066,256)</u>
	<u>3,224,807</u>	<u>4,271,410</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2020: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

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

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 October	7,066,256	5,820,259
Impairment losses recognised	161,813	1,245,997
Impairment losses written off	(113,922)	-
At 30 September	7,114,147	7,066,256

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:

	<b>Gross amount RM</b>	<b>Loss allowance RM</b>	<b>Net Amount RM</b>
<b>2021</b>			
Neither past due nor impaired	353,705	(19,300)	334,405
Past due nor impaired:			
31 to 60 days	5,414	-	5,414
61 to 90 days	636,371	-	636,371
More than 90 days	2,348,200	(99,583)	2,248,617
	2,989,985	(99,583)	2,890,402
	3,343,690	(118,883)	3,224,807
<b>Credit impaired:</b>			
Individual impaired	6,995,264	(6,995,264)	-
	10,338,954	(7,114,147)	3,224,807

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 11. Trade Receivables (Cont'd)

	<b>Gross amount RM</b>	<b>Loss allowance RM</b>	<b>Net Amount RM</b>
<b>2020</b>			
Neither past due nor impaired	418,261	(46,957)	371,304
Past due nor impaired:			
Less than 30 days	1,157,964	(133,074)	1,024,890
31 to 60 days	1,940,040	(354,480)	1,585,560
61 to 90 days	565,965	(43,385)	522,580
More than 90 days	990,432	(223,356)	767,076
	<u>4,654,401</u>	<u>(754,295)</u>	<u>3,900,106</u>
	5,072,662	(801,252)	4,271,410
<b>Credit impaired:</b>			
Individual impaired	6,265,004	(6,265,004)	-
	<u>11,337,666</u>	<u>(7,066,256)</u>	<u>4,271,410</u>

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

As at 30 September 2021, trade receivables of RM2,890,402 (2020: RM3,900,106) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM6,995,264 (2020: RM6,265,004), 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.

#### 12. Other Receivables

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>	<b>2021 RM</b>	<b>2020 RM</b>
Other receivables	519,816	930,817	5,900	8,899
GST receivable	-	9,940	-	-
Less: Accumulated impairment losses	(166,802)	(166,802)	-	-
	<u>353,014</u>	<u>773,955</u>	<u>5,900</u>	<u>8,899</u>
Deposits	242,997	246,197	-	-
	<u>596,011</u>	<u>1,020,152</u>	<u>5,900</u>	<u>8,899</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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12. **Other Receivables (Cont'd)**

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.

13. **Share Capital**

	<b>Group and Company</b>			
	<b>Number of shares</b>		<b>Amount</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Units</b>	<b>Units</b>	<b>RM</b>	<b>RM</b>
<b>Issued and fully paid</b>				
At 1 October	243,855,394	176,060,794	46,800,413	39,576,908
Issuance of new shares:				
- private placement	12,818,200	53,698,600	1,702,257	4,879,998
- exercise of SIS options	3,632,000	14,096,000	401,851	1,398,010
- share issued under SIS [Note 14(b)]	-	-	266,876	945,497
At 30 September	<u>260,305,594</u>	<u>243,855,394</u>	<u>49,171,397</u>	<u>46,800,413</u>

During the financial year, the Company issued:

- (a) 12,818,200 new ordinary shares at issue price of RM0.1328 per ordinary share for a total cash consideration of RM1,702,257 through private placement; and
- (b) 3,632,000 new ordinary shares through the exercise of the Share Issuance Scheme ("SIS") Options at an average issue price of RM0.116 for cash consideration.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 14. Reserves

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Capital reserve	(a)	21,305,406	21,305,406	21,305,406	21,305,406
Share Issuance Scheme Option reserve	(b)	201,535	504,955	201,535	504,955
Accumulated losses		(45,118,494)	(39,867,140)	(10,361,217)	(10,001,343)
		<u>(23,611,553)</u>	<u>(18,056,779)</u>	<u>11,145,724</u>	<u>11,809,018</u>

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

(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) 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 26.

**NOTES TO THE FINANCIAL STATEMENTS**  
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15. **Lease Liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 October	4,769,351	-	87,054	-
Effect of adopting MFRS 16	-	4,983,310	-	-
At 1 October, as restated	<u>4,769,351</u>	<u>4,983,310</u>	<u>87,054</u>	<u>-</u>
Additions	1,613,279	100,000	-	100,000
Payment	(783,972)	(313,959)	-	(12,946)
Transfer to subsidiary company	-	-	(87,054)	-
At 30 September	<u>5,598,658</u>	<u>4,769,351</u>	<u>-</u>	<u>87,054</u>
Presented as:				
Non-current	4,641,978	4,507,544	-	66,394
Current	956,680	261,807	-	20,660
	<u>5,598,658</u>	<u>4,769,351</u>	<u>-</u>	<u>87,054</u>

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Within one year	1,097,274	388,663	-	24,570
Later than one year and not later than two years	1,176,838	545,274	-	22,680
Later than two years and not later than five years	2,456,614	2,208,258	-	49,140
Later than five year	1,351,067	2,204,369	-	-
	<u>6,081,793</u>	<u>5,346,564</u>	<u>-</u>	<u>96,390</u>
Less: Future finance charges	(483,135)	(577,213)	-	(9,336)
Present value of lease liabilities	<u>5,598,658</u>	<u>4,769,351</u>	<u>-</u>	<u>87,054</u>

The Group leases buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 16. Trade Payables

Credit terms of trade payables of the Group range from 30 to 100 days (2020: 30 to 100 days) depending on the terms of the contracts.

#### 17. Other Payables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	1,313,147	1,116,481	125,359	47,666
Accruals	130,100	128,300	56,300	52,000
GST payable	21,047	21,047	-	-
	<u>1,464,294</u>	<u>1,265,828</u>	<u>181,659</u>	<u>99,666</u>

#### 18. Amount Due to Directors

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

#### 19. Revenue

	Group	
	2021 RM	2020 RM
<b>Revenue from contracts with customers:</b>		
Sales of goods	<u>7,957,134</u>	<u>10,058,034</u>

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

#### 20. Finance Costs

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expenses on:				
Lease liabilities	154,799	134,344	-	4,064
Trade finance facilities	37,884	58,907	-	-
Others	3,935	4,968	-	20
	<u>196,618</u>	<u>198,219</u>	<u>-</u>	<u>4,084</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

**21. Loss Before Tax**

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Auditors' remuneration				
- Statutory audit				
- Current year	113,400	103,000	47,300	43,000
- Non-statutory audit	5,000	5,000	5,000	5,000
Depreciation of:				
- Property, plant and equipment	1,462,642	1,458,495	-	-
- Right-of-use assets	916,118	443,968	-	26,217
Impairment loss on trade receivables	161,813	1,245,997	-	-
Impairment loss written off	113,922	-	-	-
Inventories written down	87,335	149,302	-	-
Gain on foreign exchange				
- realised	2,378	(55,915)	-	-
- unrealised	12,846	(110,567)	-	-
Lease expenses relating to short-term leases	204,007	209,785	-	-
Interest income	(49,477)	(24,968)	(49,477)	(24,968)
Share-based payments expenses	243,807	1,511,357	243,807	1,511,357
	<b>243,807</b>	<b>1,511,357</b>	<b>243,807</b>	<b>1,511,357</b>

**22. Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Tax expense recognised in profit or loss</b>				
Current income tax	-	-	-	-
Over provision in prior year	-	(4,381)	-	-
Tax credit for the financial year	-	(4,381)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

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

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year.

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before tax	(5,531,705)	(6,699,724)	(640,225)	(2,015,309)
At Malaysian statutory tax rate of 24% (2020: 24%)	(1,327,609)	(1,607,934)	(153,654)	(483,674)
Income not subject to tax	-	(26,691)	-	-
Expenses not deductible for tax purposes	522,430	904,892	153,654	483,674
Deferred tax assets not recognised	805,179	729,733	-	-
Over provision of taxation in prior years	-	(4,381)	-	-
Tax credit for the financial year	-	(4,381)	-	-

With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The unutilised capital allowances do not expire under current legislation. The Group and the Company have the following estimated unutilised tax losses and unutilised 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Unutilised tax losses	31,216,518	29,100,820	414,346	414,346
Unutilised capital allowances	5,296,091	3,758,443	-	-
	<u>36,512,609</u>	<u>32,859,263</u>	<u>414,346</u>	<u>414,346</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 23. Loss Per Share

##### (a) Basic loss per shares

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Loss attributable to owners of the parent	<u>(5,531,705)</u>	<u>(6,695,343)</u>
Weighted average number of shares in issue		
Issued shares at 1 October	243,855,394	176,060,794
Effect of shares issued during the financial year	<u>12,295,584</u>	<u>7,940,042</u>
Weighted average number of shares at 30 September	<u>256,150,978</u>	<u>184,000,836</u>
Basic loss per shares (sen)	<u>(2.16)</u>	<u>(3.64)</u>

##### (b) Diluted earnings per share

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Loss attributable to owners of the parent	<u>(5,531,705)</u>	<u>(6,695,343)</u>
Weighted average number of shares used in the calculation of basic earnings per share	256,150,978	184,000,836
Effect of share options on issue	<u>799,381</u>	<u>795,787</u>
Weighted average number of shares at 30 September	<u>256,950,359</u>	<u>184,796,623</u>
Diluted loss per share (in sen)	<u>(2.15)</u>	<u>(3.62)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 24. Staff Costs

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries, wages and other emoluments	1,918,649	2,443,867	91,100	65,800
Defined contribution plans	223,933	277,390	-	-
Share-based payment expenses	243,807	1,511,357	243,807	1,511,357
Social security contributions	11,125	20,953	-	-
Other benefits	265,466	256,874	-	-
	<u>2,662,980</u>	<u>4,510,441</u>	<u>334,907</u>	<u>1,577,157</u>

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 year are as below:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Executive Directors</b>				
<u>Existing Directors of the Company</u>				
Fees	27,500	13,900	22,000	5,100
Salaries and other emoluments	528,036	374,036	-	-
Share-based payment expenses	43,102	108,118	43,102	108,118
Defined contribution plans	63,365	44,885	-	-
	<u>662,003</u>	<u>540,939</u>	<u>65,102</u>	<u>113,218</u>
<b>Non-Executive Directors</b>				
<u>Existing Directors of the Company</u>				
Fees	69,100	60,700	69,100	60,700
Share-based payment expenses	17,803	103,739	17,803	103,739
	<u>86,903</u>	<u>164,439</u>	<u>86,903</u>	<u>164,439</u>
<b>Total Directors' Remuneration</b>	<u>748,906</u>	<u>705,378</u>	<u>152,005</u>	<u>277,657</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021**

25. **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 October RM	Net changes from financing cash flows RM	Effect of adopting MFRS 16 RM	<u>Non-cash changes</u> New lease RM	At 30 September RM
<b>Group</b>					
<b>2021</b>					
Lease liabilities	4,769,351	(783,972)	-	1,613,279	5,598,658
Amount due to Directors	35,850	63,150	-	-	99,000
	<u>4,805,201</u>	<u>(720,822)</u>	<u>-</u>	<u>1,613,279</u>	<u>5,697,658</u>
<b>2020</b>					
Lease liabilities	-	(313,959)	4,983,310	100,000	4,769,351
Amount due to Directors	171,250	(135,400)	-	-	35,850
	<u>171,250</u>	<u>(449,359)</u>	<u>4,983,310</u>	<u>100,000</u>	<u>4,805,201</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 25. 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 October RM 2020	Net changes from financing cash flows RM	Other changes (i) RM	At 30 September RM 2021
<b>Company</b>				
Lease liabilities	87,054	-	(87,054)	-
Amount due to Directors	32,800	58,300	-	91,100
Amount due to subsidiary companies	5,964,190	(15,729)	-	5,948,461
	<u>6,084,044</u>	<u>42,571</u>	<u>(87,054)</u>	<u>6,039,561</u>
	At 1 October 2019 RM	Net changes from financing cash flows RM	New lease RM	At 30 September 2020 RM
<b>Company</b>				
Lease liabilities	-	(12,946)	100,000	87,054
Amount due to Directors	171,000	(138,200)	-	32,800
Amount due to subsidiary companies	5,963,390	800	-	5,964,190
	<u>6,134,390</u>	<u>(150,346)</u>	<u>100,000</u>	<u>6,084,044</u>

(i) Other changes include transfer to subsidiary company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021****26. 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.
- (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 26. Share Issuance Scheme (“SIS”) (Cont’d)

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
7 August 2020	9,500,000	Vested on granted date	5 years
12 August 2020	9,450,000	Vested on granted date	5 years

Movement in the number of share options and the weighted average exercise price (“WAEP”) are as follows:

	Number of options over ordinary shares				At 30 September
	At 1 October	Granted	Exercised	Lapsed	
<b>2021</b>					
<b>SIS</b>					
First Grant	7,548,000	-	(828,000)	(650,000)	6,070,000
Second Grant	2,034,000	-	(1,194,000)	-	840,000
Third Grant	3,080,000	-	(1,610,000)	-	1,470,000
	<u>12,662,000</u>	<u>-</u>	<u>(3,632,000)</u>	<u>(650,000)</u>	<u>8,380,000</u>
WAEP	0.13	-	0.111	0.15	0.14
<b>2020</b>					
<b>SIS</b>					
First Grant	13,010,000	-	(260,000)	(5,202,000)	7,548,000
Second Grant	-	9,500,000	(7,466,000)	-	2,034,000
Third Grant	-	9,450,000	(6,370,000)	-	3,080,000
	<u>13,010,000</u>	<u>18,950,000</u>	<u>(14,096,000)</u>	<u>(5,202,000)</u>	<u>12,662,000</u>
WAEP	0.15	0.098	0.099	0.15	0.13

The fair values of share options granted were estimated using a binomial option pricing model (2020: binomial option pricing model), taking into account the terms and conditions upon which the options were granted.

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

26. **Share Issuance Scheme (“SIS”) (Cont’d)**

The fair value of the share options measured at grant date and the assumptions used are as follows:

	<b>Option Date 2 May 2019</b>	<b>Option Date 7 August 2020</b>	<b>Option Date 12 August 2020</b>
Fair value of share options at the grant date (RM)	0.0937	0.0628	0.071
Weighted average ordinary share price (RM)	0.165	0.1011	0.1115
Exercise price of share option (RM)	0.15	0.095	0.102
Expected volatility (%)	60.513	86.21	88.38
Expected life (years)	5	5	5
Risk free rate (%)	3.613	2.001	2.005

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 27. 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 9 and 18.

(c) Compensation of key management personnel

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

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 28. Segment Information

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

(a) Business segment

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

(b) Geographic information

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

	<b>Revenue</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>South-Eastern Asia</b>		
- Malaysia	6,192,480	5,534,489
- Singapore	65,764	258,897
- Fiji	-	171,057
<b>Middle East</b>		
- Saudi Arabia	1,624,522	4,055,191
<b>South-Central Asia</b>		
- India	74,368	-
<b>Europe</b>		
- Netherlands	-	17,300
<b>America</b>		
- Panama	-	21,100
	<b>7,957,134</b>	<b>10,058,034</b>

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 RM5,867,836 (2020: RM5,796,673) contributed to more than 74% (2020: 58%) of the Group's revenues.



**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021**

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

(b) Net loss on financial instruments

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Net loss on impairment of financial instruments		
- Financial assets at amortised cost	<u>161,813</u>	<u>1,245,997</u>

(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 of the receivables are credit impaired.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 29. 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:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>South-Eastern Asia</b>		
- Malaysia	1,775,687	1,681,853
- Singapore	-	4,332
<b>Middle East</b>		
- Saudi Arabia	1,449,120	2,347,479
<b>South-Central Asia</b>		
- India	-	6,096
<b>Europe</b>		
- Netherlands	-	14,955
<b>America</b>		
- Panama	-	216,329
- British Virgin Island	-	366
	<b>3,224,807</b>	<b>4,271,410</b>

As at the end of financial year, the Group had 3 customers (2020: 3 customers) that owed the Group a total amount of approximately RM3 million (2020: RM3.89 million) which accounted for approximately 93% (2020: 91%) of all the receivables outstanding.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021****29. 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 29. Financial Instruments (Cont'd)

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

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	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Group</b>						
<b>2021</b>						
<b>Non-derivative financial liabilities</b>						
Trade payables	139,256	-	-	-	139,256	139,256
Other payables	1,334,194	-	-	-	1,334,194	1,334,194
Amount due to Directors	99,000	-	-	-	99,000	99,000
Lease liabilities	1,097,274	1,176,838	2,456,614	1,351,067	6,081,793	5,598,658
	<u>2,669,724</u>	<u>1,176,838</u>	<u>2,456,614</u>	<u>1,351,067</u>	<u>7,654,243</u>	<u>7,171,108</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

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

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

(ii) Liquidity risk (Cont'd)

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. (Cont'd)

<b>Group 2020 Non-derivative financial liabilities</b>	<b>On demand or within 1 year RM</b>	<b>1 to 2 years RM</b>	<b>2 to 5 years RM</b>	<b>After 5 years RM</b>	<b>Total contractual cash flows RM</b>	<b>Total carrying amount RM</b>
Trade payables	2,014,041	-	-	-	2,014,041	2,014,041
Other payables	1,244,781	-	-	-	1,244,781	1,244,781
Amount due to Directors	35,850	-	-	-	35,850	35,850
Lease liabilities	388,663	545,274	2,208,258	2,204,369	5,346,564	4,769,351
	<u>3,683,335</u>	<u>545,274</u>	<u>2,208,258</u>	<u>2,204,369</u>	<u>8,641,236</u>	<u>8,064,023</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 29. Financial Instruments (Cont'd)

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

##### (ii) Liquidity risk (Cont'd)

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. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Company</b>						
<b>2021</b>						
<b>Non-derivative financial liabilities</b>						
Other payables	181,659	-	-	-	181,659	181,659
Amount due to subsidiary companies	5,948,461	-	-	-	5,948,461	5,948,461
Amount due to Directors	91,100	-	-	-	91,100	91,100
	<u>6,221,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,221,220</u>	<u>6,221,220</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
30 SEPTEMBER 2021

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

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

(ii) Liquidity risk (Cont'd)

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. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
<b>Company</b>						
<b>2020</b>						
<b>Non-derivative financial liabilities</b>						
Other payables	99,666	-	-	-	99,666	99,666
Amount due to subsidiary companies	5,964,190	-	-	-	5,964,190	5,964,190
Amount due to Directors	32,800	-	-	-	32,800	32,800
Lease liabilities	24,570	22,680	49,140	-	96,390	87,054
	<u>6,121,226</u>	<u>22,680</u>	<u>49,140</u>	<u>-</u>	<u>6,193,046</u>	<u>6,183,710</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021**

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

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

(iii) Market risk

(a) Foreign currency risk

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021**

29. **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 foreign currency denominated financial assets at the end of the reporting period are as follows:

	←-----Denominated in-----→				Total RM
	USD RM	EUR RM	SGD RM	RM	
<b>Group</b>					
<b>2021</b>					
Trade receivables	5,944,448	-	-	-	5,944,448
Cash and bank balances	417,570	-	-	-	417,570
	<u>6,362,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,362,018</u>
<b>2020</b>					
Trade receivables	8,429,736	-	5,055	-	8,434,791
Other receivables	293,755	10,553	-	-	304,308
Cash and bank balances	115,755	-	-	-	115,755
	<u>8,839,246</u>	<u>10,553</u>	<u>5,055</u>	<u>-</u>	<u>8,854,854</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 29. Financial Instruments (Cont'd)

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

##### (iii) Market risk (Cont'd)

##### (a) Foreign currency risk (Cont'd)

##### 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 loss before taxation to a reasonably possible change in the USD, EUR and SGD exchange rates against RM, with all other variable held constant.

		2021		2020	
	Change in	Effect on		Change in	Effect on
	currency rate	profit before		currency rate	profit before
		taxation		taxation	taxation
		RM		RM	RM
USD	Strengthened 5%	318,101		Strengthened 5%	441,962
	Weakened 5%	(318,101)		Weakened 5%	(441,962)
EUR	Strengthened 5%	-		Strengthened 5%	528
	Weakened 5%	-		Weakened 5%	(528)
SGD	Strengthened 5%	-		Strengthened 5%	253
	Weakened 5%	-		Weakened 5%	(253)

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021**

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

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

(iii) Market risks (Cont'd)

(b) Interest rate risk

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

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

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Fixed rate instrument</b>				
Financial liabilities	5,598,658	4,769,351	-	87,054

**Interest rate risk sensitivity analysis**

Fair value sensitivity analysis for fixed rate instruments

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021****29. Financial Instruments (Cont'd)****(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.

**30. 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 year.

**31. Significant and Subsequent Event During the Financial Year**

The following significant and subsequent events took place for the Company and its subsidiary companies during and subsequent to the financial year:

- (a) On 15 April 2021, the Company announced the proposal to undertake private placement up to 111,440,000 placement shares, representing approximately 30% of the enlarged number of issued shares of 371,593,594 of the Company's shares upon completion of the proposed private placement to a director and major shareholders as well as independent third party investors and submitted the plan to Bursa Malaysia Securities Berhad ("Bursa").

On 22 June 2021, Bursa approved the above plan subject to inter alia, the following conditions:

- (i) The Company or its advisor must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Private Placement; and
- (ii) The Company and the advisor to inform Bursa upon completion of the Private Placement; and

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 31. Significant and Subsequent Event During the Financial Year (Cont'd)

The following significant and subsequent events took place for the Company and its subsidiary companies during and subsequent to the financial year: (Cont'd)

- (a) On 15 April 2021, the Company announced the proposal to undertake private placement up to 111,440,000 placement shares, representing approximately 30% of the enlarged number of issued shares of 371,593,594 of the Company shares upon completion of the proposed private placement to a director and major shareholders as well as independent third party investors and submitted the plan to Bursa Malaysia Securities Berhad (“Bursa”). (Cont'd)

On 22 June 2021, Bursa approved the above plan subject to inter alia, the following conditions: (Cont'd)

- (iii) The Company and the advisor to furnish Bursa with a written confirmation of its compliance with the terms and conditions of Bursa’s approval once the Private Placement is completed; and
- (iv) The Company to provide a certified true copy of the resolution pass by shareholders in general meeting approving the proposed private placement; and
- (v) The Company and the advisor to furnish Bursa with details of the places in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the propose private placement.

On 29 July 2021, the proposed private placement and proposed reduction in share capital were approved by the shareholders at the Extraordinary General Meetings.

On 7 December 2021, the Company and its advisor wishes to announce that the Company had on 7 December 2021 submitted an application to Bursa seeking its approval for a time extension of 6 months until 21 June 2022 for the Company to complete the implementation of the private placement.

On 13 December 2021, the Board had on to-date (“Price-fixing Date”) fixed the issue price for up to 55,720,000 of the Placement Shares at RM0.0881 each (“Issue Price”) in relation to the allocation of Mr. Yong Yoke Keong, the Managing Director, Chief Executive Officer and major shareholder of the Company The Issue Price represents a discount of approximately 19.98% to the 5-day volume weighted average market price of the Company shares up to and including 10 December 2021, being the last market day immediately preceding the price-fixing date of RM0.1101 per the Company share.

On 21 December 2021, the Company raised RM2,643,000 by issuance of 30,000,000 units shares through private placement.

On 23 December 2021, Bursa has granted the Company an extension of time of 6 months until 21 June 2022 to complete the implementation of the private placement.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2021

#### 31. Significant and Subsequent Event During the Financial Year (Cont'd)

The following significant and subsequent events took place for the Company and its subsidiary companies during and subsequent to the financial year: (Cont'd)

- (a) On 15 April 2021, the Company announced the proposal to undertake private placement up to 111,440,000 placement shares, representing approximately 30% of the enlarged number of issued shares of 371,593,594 of the Company shares upon completion of the proposed private placement to a director and major shareholders as well as independent third party investors and submitted the plan to Bursa Malaysia Securities Berhad (“Bursa”). (Cont'd)

On 7 January 2022, the Board had on to-date (“Price fixing Date) fixed the issue price for the placement shares at RM0.1062 each (“Issue Price”) in relation to the private placement. The Issue Price represents a discount of approximately 19.97% of the 5-day volume weighted average market price of the Company shares up to and including 6 January 2021, being the last market day immediately preceding the price-fixing date of RM0.1327 per the Company’s share.

On 20 January 2022, the Company raised RM2,731,464 by issuance of 25,720,000 units shares through private placement.

- (b) On 15 April 2021, the Company announced on Share Capital Reduction entails the reduction of RM26,000,000 of the issued share capital of the Company pursuant to Section 116 of the Companies Act. The corresponding credit of RM26,000,000 arising from such cancellation will be utilized to eliminate the accumulated losses of the Company and the balance will be credited to the retained earnings account of the Company which can be utilized to set-off future losses and such other manners as the Board deems fit as permitted by the relevant and applicable laws and the Constitution of the Company.

On 29 July 2021, the proposed private placement and proposed reduction in share capital were approved by the shareholders at the Extraordinary General Meetings.

- (c) Effect of outbreak of coronavirus pandemic

On 11 March 2020, the World Health Organisation declared the novel Coronavirus (“Covid-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. The Government of Malaysia imposed the Movement Control Order (“MCO”) on 18 March 2020 and has subsequently entered into various phases of the MCO, which has been further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved. The emergence of Covid-19 since early 2020 has brought significant economic uncertainties to the Group’s and to the Company’s operating environment and caused financial impact to the Group's and to the Company’s revenue, earnings and cash flow.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021****31. Significant and Subsequent Event During the Financial Year (Cont'd)****(c) Effect of outbreak of coronavirus pandemic (Cont'd)**

The Group and the Company are cognizant of the challenges posed by these developing events and the potential impact to the Group and to the Company. As at the date of this report, the management of the Group has assessed the overall impact of the situation on the business operations, including the recoverability of the carrying amount of assets and measurement of assets and liabilities. Based on the assessment, there is no doubt a financial impact for current financial year and subsequent financial. Nevertheless, the Group has seen positive developments on its business operations with the progressive uplifting of restriction on interstate travel and domestic tourism activities. The Group and the Company will continuously assess the situation, work closely with the local authorities to support their efforts in containing the spread of Covid-19, and effectuate appropriate and timely measures to minimise the impact of the outbreak on the Group's and on the Company's operations.

The Group and the Company have taken into account the impact of the pandemic and its consequential effects on its results in the financial statements for the current financial year ended 30 September 2021.

**32. Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 January 2022.



## ANALYSIS OF SHAREHOLDINGS

### AHB HOLDINGS BERHAD

#### ANALYSIS OF SHAREHOLDINGS AS AT 31 DECEMBER 2021

Issued Shares Capital	:	290,305,594 ordinary shares
Voting Rights	:	One vote for each ordinary share held

#### DISTRIBUTION OF SHAREHOLDINGS AS AT 31 DECEMBER 2021

Size of Holdings	No. of shareholders	% of shareholders	No. of Shares	% of shares
1 – 99	61	1.635	2,830	0.001
100 - 1,000	345	9.244	190,983	0.066
1,001 - 10,000	1,382	37.031	7,606,879	2.620
10,001 - 100,000	1,606	43.033	61,861,332	21.309
100,001 – 12,985,279*	336	9.003	129,672,824	44.668
12,985,280 AND ABOVE**	2	0.054	90,970,746	31.336
<b>Total</b>	<b>3,732</b>	<b>100.000</b>	<b>290,305,594</b>	<b>100.000</b>

\*Less than 5% of issued shares

\*\*5% and above of issued shares

#### SUBSTANTIAL SHAREHOLDERS AS AT 31 DECEMBER 2021

No.	Name of Substantial Shareholders	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	Yong Yoke Keong	64,464,557	22.206	-	-
2	Arc Argent Asia Cap Sdn Bhd	26,516,800	9.134	-	-
3	Tunku Yaacob Khyra	-	-	26,516,800*	9.134

\* Deemed interested by virtue of his shareholdings held through Arc Argent Asia Cap Sdn Bhd pursuant to Section 8 of the Act

#### DIRECTORS' INTERESTS IN SHARES AS AT 31 DECEMBER 2021

No.	Name of Substantial Shareholders	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	Yong Yoke Keong	64,464,557	22.206	-	-
2	Dr Folk Jee Yong	700,000	0.241	-	-
3	Ar. Vincent Lee Kon Keong	350,000	0.121	-	-
4	Khor Ben Jin	-	-	-	-

## ANALYSIS OF SHAREHOLDINGS

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS  
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 31 DECEMBER 2021)

No.	Name of Shareholders	No. of shares	%
1	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Yoke Keong (Margin)	64,464,557	22.206
2	Arc Argent Asia Cap Sdn Bhd	26,516,800	9.134
3	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bu Yaw Seng (MY3086)	7,210,000	2.484
4	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Wee Kiat (8042510)	4,317,000	1.487
5	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Geok Wah (B Brklang-CI)	4,000,000	1.378
6	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Wee Fook (7000699)	2,250,000	0.775
7	Aw Kheng Tong	2,222,200	0.765
8	Omni Presence Sdn Bhd	1,991,500	0.686
9	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kuan Teck	1,959,100	0.675
10	Keh Wee Kiet	1,826,200	0.629
11	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	1,703,000	0.587
12	Lau Meng Hong	1,545,600	0.532
13	Ng Than Seng	1,500,000	0.517
14	Tan Phan Lien	1,500,000	0.517
15	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Nga Ing	1,487,500	0.512
16	Tay Chin Heng	1,458,100	0.502
17	Kenanga Nominees (Tempatan) Sdn Bhd See Kim Leong	1,442,000	0.497
18	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kim Heung (MY1989)	1,350,000	0.465
19	Qui Chai @ Siow Kon Fah	1,326,000	0.457
20	Yeong Sau Teck	1,065,000	0.367
21	Chong Sin Hao	1,000,000	0.344
22	Lim Thiam Wan	1,000,000	0.344
23	Prakas A/L Kizhakke Veetil Kesavan Nair	980,000	0.338
24	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Koh Yung	957,600	0.330
25	Lee Kok Hoong	954,000	0.329
26	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ting Kie Hing	950,000	0.327
27	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo En Chie	913,200	0.315
28	Teo Yu Hong	900,100	0.310
29	Low Yee Juan	900,000	0.310
30	Ting Kwong Soon	887,900	0.306

## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

### AHB HOLDINGS BERHAD

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

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Eighth (28<sup>th</sup>) Annual General Meeting (“AGM”) of AHB Holdings Berhad (“the Company”) will be conducted fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) Facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Friday, 25 February 2022 at 9.00 a.m. or any adjournment thereof for the purpose of transacting the following businesses:

#### **AS ORDINARY BUSINESS**

- |  |  |
|--|--|
| 1. To receive the Audited Financial Statements for the financial year ended 30 September 2021 together with the Reports of the Directors and Auditors thereon.   | <i>Refer to<br/>Explanatory<br/>Note 1<br/>Ordinary<br/>Resolution 1</i> |
| 2. To approve the payment of Directors’ fees and other benefits payable of up to RM102,000 to be divided amongst the Directors in such manner as the Directors may determine for the period from 26 February 2022 until the conclusion of the next AGM of the Company. | <i>Ordinary<br/>Resolution 2</i>   |
| 3. To re-elect Dr. Folk Jee Yoong who is retiring pursuant to Clause 105(1) of the Company’s Constitution and being eligible, has offered himself for re-election.   | <i>Ordinary<br/>Resolution 3</i>   |
| 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.   | <i>Ordinary<br/>Resolution 4</i>   |

#### **AS SPECIAL BUSINESS**

To consider and if thought fit, with or without modifications to pass the following resolution: -

- |   |                                  |
|---|----------------------------------|
| 5. <b>AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016</b> | <i>Ordinary<br/>Resolution 4</i> |
|---|----------------------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Additional Temporary Relief Measures to Listed Corporations for Covid-19, issued by Bursa Securities on 16 April 2020 and its subsequent letter dated 23 December 2021 on the extension of implementation of the 20% General Mandate and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time (“20% General Mandate”); AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities which would be utilised before 31 December 2022 and thereafter, the 10% general mandate will be reinstated;

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

- |  |  |
|--|--|
| 6. To transact any other ordinary business for which due notice shall have been given pursuant to the Act. |  |
|--|--|

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482/ SSM PC No. 201908002253)  
THIEN LEE MEE (LS0009760/ SSM PC No. 201908002254)  
Company Secretaries

Selangor  
Dated: 27 January 2022

## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

### Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/ her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
5. 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, must be deposited at the Company’s Share Registrars Office at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Section 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
6. For the purpose of determining a member who shall be entitled to attend the 28<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 17 February 2022. Only members whose name appears on the Record of Depositors as at 17 February 2022 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
7. All the resolutions set out in this Notice of Meeting will be put to vote by poll.
8. In view of the COVID-19 pandemic and as part of the Company’s measures to curb the spread of COVID-19, the AGM will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) Facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia. Please read and follow the procedures as set out in the Administrative Guide of the AGM in order to register, participate and vote remotely via the RPV facilities.

### **Explanatory Notes to Ordinary and Special Business: -**

#### **1. Audited Financial Statements for the financial year ended 30 September 2021**

*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 1 – Payment of Directors’ Fees and other benefits**

*Section 230(1) of the Act provides that the fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.*

*Pursuant thereto, the total estimated amount of Director’s benefit payable is calculated based on the number of scheduled Board’s and Board’s Committee Meeting and other benefits from the conclusion of 28<sup>th</sup> AGM or at any adjournment thereof until the conclusion of the next AGM of the Company.*

*In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged board composition size), approval will be sought at the next AGM of the Company for additional fees to meet the shortfall.*

#### **3. Ordinary Resolution 2 - Re-election of Director under Clause 105(1) of the Constitution of the Company**

*The Board has undertaken an annual assessment of Dr. Folk Jee Yoong who is seeking for re-election pursuant to Clause 105(1) of the Constitution of the Company at the forthcoming 28<sup>th</sup> AGM.*

## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

### 4. Ordinary Resolution 3 – Re-appointment of Auditors

The Board, through the Audit Committee had reviewed and was satisfied with the performance and independence of Messrs. UHY (“UHY”) during the financial year under review. The Board has therefore recommended the re-appointment of UHY as external auditors of the Company of the financial year ending 30 September 2022.

### 5. Special Business - Ordinary Resolution 4 – Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 4, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 20% of the total number of issued share of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

Bursa Securities has via their letter dated 23 December 2021 granted an extension to the temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being (“20% General Mandate”). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, pursuant to Section 76(4) of the Companies Act, 2016 from its shareholders at the forthcoming 28<sup>th</sup> AGM of the Company.

The 20% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/ or acquisitions. The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the 31 December 2022.

The Board of Directors of the Company, after due consideration, is of the opinion that in the face of unprecedented challenges to the Company brought by Covid-19 pandemic, this 20% General Mandate will enable the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this 20% General Mandate is expected be used as working capital to finance day-to-day operational expenses, on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its subsidiaries.

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-Seventh (27<sup>th</sup>) Annual General Meeting held on 26 February 2021 and which will lapse at the conclusion of the 28<sup>th</sup> Annual General Meeting.

### STATEMENT ACCOMPANYING NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

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

1. The Director who is standing for re-election at the 28<sup>th</sup> Annual General Meeting of the Company is Dr. Folk Jee Yoong pursuant to Clause 105(1) of the Company’s Constitution.

The profile of the Director who is seeking re-election at the 28<sup>th</sup> Annual General Meeting of the Company is set out in the Board of Directors’ Profile disclosed in the Annual Report 2021.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities.

Details of the general mandate to allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in the Explanatory Note of the Notice of the 28<sup>th</sup> AGM.

## ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

### AHB HOLDINGS BERHAD – 28<sup>th</sup> Annual General Meeting

<b>Date</b>	: Friday, 25 February 2022
<b>Time</b>	: 9.00 a.m. or at any adjournment thereof
<b>Virtual Meeting accessible at</b>	: <a href="https://web.vote2u.my">https://web.vote2u.my</a> as provided by Agmo Digital Solutions Sdn Bhd in Malaysia (Domain Registration No. with MYNIC-D6A471702)

In light of the Coronavirus Disease 2019 (COVID-19) pandemic and as part of the safety measures and control for the well-being of the shareholders of AHB as well as the employees and Directors of AHB, the Company's forthcoming 28th AGM will be conducted virtually from the Broadcast Venue by using Remote Participation and Voting ("RPV") Facilities, as the safety of our shareholders, Directors, staff and other stakeholders who will attend the 28th AGM is of paramount importance to us. This is in line with the Guidance Note on Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 and subsequent updates from time to time.

We strongly encourage our shareholders whose names appear on the Record of Depositors as at 17 February 2022 and holders of proxy for those shareholders to participate in the virtual AGM and vote remotely at this AGM. In line with the Malaysian Code on Corporate Governance Practice 12.3, this virtual AGM will facilitate greater shareholder's participation (including posing questions to the Board of Directors and/or Management of the Company) and vote at the AGM without being physically present at the venue. For shareholders who are unable to participate in this virtual AGM, you may appoint proxy(ies) or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn. Bhd. ("**AGMO**") via its **Vote2U Online** website at <https://web.vote2u.my>

### PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarized below:

#### BEFORE AGM DAY

#### A: REGISTRATION

#### Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	<p>The registration will open from the day of notice</p> <ol style="list-style-type: none"> <li>Access website at <a href="https://web.vote2u.app">https://web.vote2u.app</a></li> <li>Click "<b>Sign Up</b>" to sign up as a user.</li> <li>Read the 'Privacy Policy' and 'Terms &amp; Conditions' and indicate your acceptance of the 'Privacy Policy' and 'Terms &amp; Conditions' on a small box <input type="checkbox"/>. Then click "<b>Next</b>".</li> <li>*Fill-in your details (note: create your own password). Then click "<b>Continue</b>".</li> <li>Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian).</li> <li>Click "<b>Submit</b>" to complete the registration</li> <li>Your registration will be verified and an email notification will be sent to you. Please check your email.</li> </ol> <p><b>Note:</b> If you have registered as a user with Vote2U Online previously, you are not required to register again.</p> <p>*Check your email address is keyed in correctly. *Remember the password you have keyed-in.</p>

## ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

## B: REGISTER PROXY

## Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	<p>The closing time to submit your hardcopy Form of Proxy is at <b>9.00am, Wednesday, 23 February 2022</b>.</p> <p>a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information:</p> <ul style="list-style-type: none"> <li>o MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy</li> <li>o *Email address of the Proxy</li> </ul> <p>b. Submit/Deposit the hardcopy Form of Proxy to {insert address}</p> <p><u>Note:</u> After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy could use the temporary password to log in to Vote2U.</p> <p>*Check the email address of Proxy is written down correctly.</p>

Shareholders who appoint Proxy(ies) to participate the virtual AGM must ensure that the hardcopy Form of Proxy is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

## ON AGM DAY

## A: WATCH LIVE STREAMING

## Individual Shareholders &amp; Proxies

	Description	Procedure
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	<p>The Vote2U online portal will open for log in starting from <b>8.00 a.m., Friday 25 February 2022</b>, one (1) hour before the commencement of the AGM.</p> <p>a. Login with your email and password</p> <p>b. Select the General Meeting event (for example, "AHB AGM").</p> <p>c. Check your details.</p> <p>d. Click "<b>Watch Live</b>" button to view the live streaming.</p>

## B: ASK QUESTION

## Individual Shareholders &amp; Proxies

	Description	Procedure
i.	Ask Question during AGM (real-time)	<p>Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question.</p> <p>a. Click "<b>Ask Question</b>" button to post question(s).</p> <p>b. Type in your question and click "<b>Submit</b>".</p> <p>The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the AGM.</p>

## ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

### C: VOTING REMOTELY

#### Individual Shareholders & Proxies

	Description	Procedure
i.	Online Remote Voting	<p>Once the Chairman announces the opening of remote voting:</p> <ol style="list-style-type: none"> <li>Click “<b>Confirm Details &amp; Start Voting</b>”.</li> <li>To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click “<b>Next</b>” to continue voting for all resolutions.</li> <li>To change your vote, click “<b>Back</b>” and select another voting choice.</li> <li>After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click “<b>Confirm</b>” to submit your vote.</li> </ol> <p>[Please note that you are <u>not able</u> to change your voting choices after you have confirmed and submitted your votes.]</p>

#### ADDITIONAL INFORMATION

##### Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

##### No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this AGM.

##### Enquiry

- If you have enquiry relating to the AGM Administrative Guide for Shareholders, please contact our **Investor Relation** during office hours:

Email: [ir@artwright.com](mailto:ir@artwright.com)

- If you have enquiry relating to the RPV or encounters issues with the log in, steps to connect to live streaming and online voting:

Email: [vote2u@agmostudio.com](mailto:vote2u@agmostudio.com)

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

No. of Shares held	
CDS Account No.	

**FORM OF PROXY**

I/We \_\_\_\_\_ [Full Name in Block Letters] NRIC No. \_\_\_\_\_  
of \_\_\_\_\_  
\_\_\_\_\_ [Full Address]  
\_\_\_\_\_ [Email Address] \_\_\_\_\_ [Contact No.] being a  
member(s) of AHB HOLDINGS BERHAD, hereby appoint

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		
Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		
		100%

or failing him/her \*, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Eighth (28<sup>th</sup>) Annual General Meeting of the Company to be conducted fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) Facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Friday, 25 February 2022 at 9.00 a.m. or any adjournment thereof to vote as indicated below:

Resolutions	Subject	*For	*Against
Ordinary Resolution 1	To approve the payment of Directors’ fees and other benefits payable of up to RM102,000 to be divided amongst the Directors in such manner as the Directors may determine for the period from 26 February 2022 until the conclusion of the next AGM of the Company.		
Ordinary Resolution 2	To re-elect Dr. Folk Jee Yoong as Director		
Ordinary Resolution 3	Re-appointment of Messrs. UHY as Auditors of the Company		
<b>As Special Business:-</b>			
Ordinary Resolution 4	Authority to allot and issue 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 \_\_\_\_\_ 2022

\_\_\_\_\_  
Signature of shareholder(s)  
or Common Seal

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/ her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, must be deposited at the Company’s Share Registrars Office at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Section 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
6. For the purpose of determining a member who shall be entitled to attend the 28<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 17 February 2022. Only members whose name appears on the Record of Depositors as at 17 February 2022 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
7. All the resolutions set out in this Notice of Meeting will be put to vote by poll.
8. In view of the COVID-19 pandemic and as part of the Company’s measures to curb the spread of COVID-19, the AGM will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) Facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia. Please read and follow the procedures as set out in the Administrative Guide of the AGM in order to register, participate and vote remotely via the RPV facilities.

Fold here for sealing

**Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No 5 Jalan Prof Khoo Kay Kim, Section 13  
46200 Petaling Jaya, Selangor  
Malaysia

Fold here for sealing

✂

Affix Stamp

**The Share Registrar Office of  
AHB HOLDINGS BERHAD**  
[Registration No. 199301020171 (274909-A)]

**Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No 5 Jalan Prof Khoo Kay Kim, Section 13  
46200 Petaling Jaya, Selangor  
Malaysia

Fold here for sealing

**REQUISITION OF PRINTED ANNUAL REPORT**

To:

**Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No 5 Jalan Prof Khoo Kay Kim, Section 13  
46200 Petaling Jaya, Selangor  
Malaysia  
Telephone No : (603) 7890 4700  
Fax No : (603) 7890 4670

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Fold here for sealing

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

I/We wish to request a copy of printed Annual Report 2021 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.







# NOTES

A large, empty rectangular area defined by a dashed black border, occupying most of the page below the 'NOTES' header. This area is intended for the user to write their notes.

## For People & Space Around the World

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

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

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

## The Integrative yet Adaptive AHB Business Model

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

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

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

## Design is our Passion

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

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

### AHB Holdings Berhad

Registration No. 199301020171 (274909-A)

### Corporate Office :

10 Persiaran KLCC, Level 16  
Naza Tower, Platinum Park  
50088 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

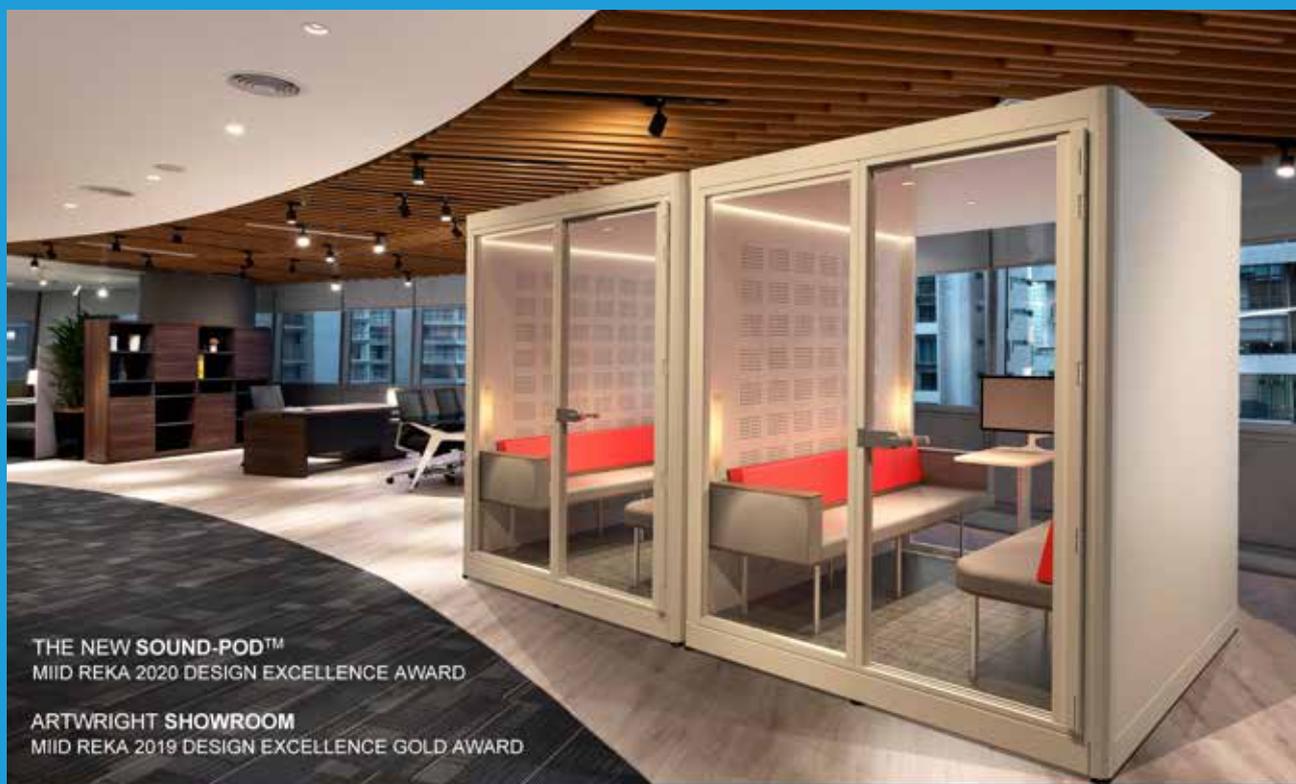
Tel : 03 9212 0822

Fax : 03 9212 0823

Web : [www.artwright.com](http://www.artwright.com)

Email : [mailbox@ahb.com.my](mailto:mailbox@ahb.com.my)

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THE NEW SOUND-POD™  
MIID REKA 2020 DESIGN EXCELLENCE AWARD

ARTWRIGHT SHOWROOM  
MIID REKA 2019 DESIGN EXCELLENCE GOLD AWARD

# **AHB HOLDINGS BERHAD**

Registration No. 199301020171 (274909-A)

**THE INTEGRATED SYSTEMS COMPANY**