

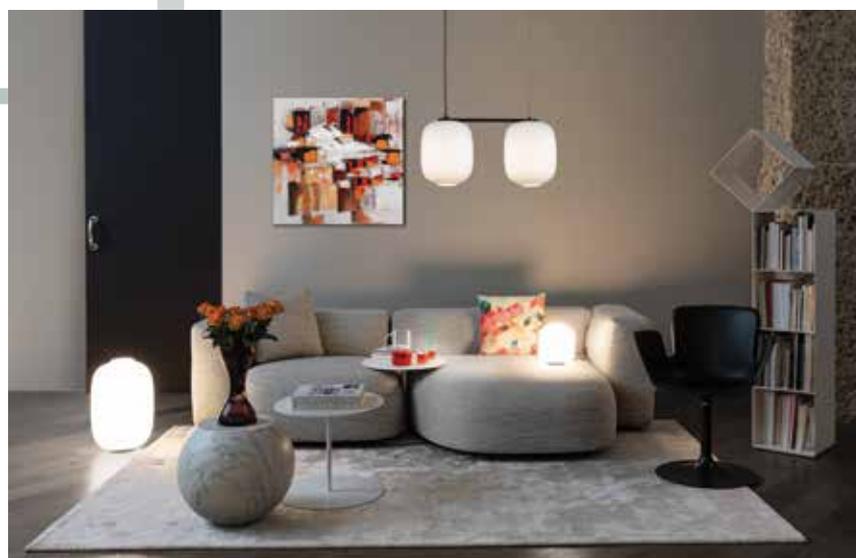
AHB HOLDINGS BERHAD

Registration No. 199301020171 (274909-A)

2022



Annual Report



The Integrated Systems Company

AHB HOLDINGS BERHAD



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

ARTWRIGHT SHOWROOM
MIID REKA 2019 DESIGN EXCELLENCE GOLD AWARD

AHB.COM.MY | **THE INTEGRATED SYSTEMS COMPANY**

AHB HOLDINGS BERHAD
OFFICE 22F, 22ND FLOOR
UBN TOWER 10, JALAN P. RAMLEE
50250 KUALA LUMPUR
T: 03-2022 2228 E: mailbox@ahb.com.my



KUALA LUMPUR • SINGAPORE • BRUSSELS • RIYADH • MUMBAI • DELHI • PANAMA • HO CHI MINH



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

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



Artwright®

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

www.artwright.com

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

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

TABLE OF CONTENTS



| | |
|---------------|--|
| AR 5 | CORPORATE INFORMATION |
| AR 6 | GROUP CORPORATE STRUCTURE |
| AR 7 | BOARD OF DIRECTORS' PROFILE |
| AR 12 | MANAGEMENT DISCUSSION & ANALYSIS |
| AR 14 | CORPORATE SUSTAINABILITY STATEMENT |
| AR 15 | CORPORATE GOVERNANCE OVERVIEW STATEMENT |
| AR 34 | STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS |
| AR 35 | AUDIT COMMITTEE'S REPORT |
| AR 37 | ADDITIONAL COMPLIANCE INFORMATION |
| AR 39 | STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL |
| AR 41 | FINANCIAL STATEMENTS |
| AR 136 | ANALYSIS OF SHAREHOLDINGS |
| AR 138 | NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING |
| AR 144 | ADMINISTRATIVE GUIDE FOR SHAREHOLDERS |
| | FORM OF PROXY |
| | REQUISITION OF PRINTED ANNUAL REPORT |



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chow Hung Keey
Executive Director

Teh Boon Hong
Executive Director

Siva Kumar A/L Kalugasalam
Independent Non-Executive Director

Loh Woen Tsau
Independent Non-Executive Director

Gan Wen Ting @ Gan Moou Heang
Independent Non-Executive Director

Susan Wong Yun Tsu
Independent Non-Executive Director

Dato' Fizal Bin Kamarudin @ Fauzi
Independent Non-Executive Director

Terence Cheah Eu Lee
Independent Non-Executive Director

BOARD COMMITTEES**AUDIT COMMITTEE**

Siva Kumar A/L Kalugasalam (Chairman)
Dato' Fizal Bin Kamarudin @Fauzi
Loh Woen Tsau
Susan Wong Yun Tsu
Gan Wen Ting @ Gan Moou Heang
Terence Cheah Eu Lee

REMUNERATION COMMITTEE

Dato' Fizal Bin Kamarudin @Fauzi (Chairman)
Loh Woen Tsau
Siva Kumar A/L Kalugasalam
Susan Wong Yun Tsu
Gan Wen Ting @ Gan Moou Heang
Terence Cheah Eu Lee

NOMINATION COMMITTEE

Loh Woen Tsau (Chairman)
Siva Kumar A/L Kalugasalam
Dato' Fizal Bin Kamarudin @Fauzi
Susan Wong Yun Tsu
Gan Wen Ting @ Gan Moou Heang
Terence Cheah Eu Lee

SHARE ISSUANCE SCHEME (SIS) COMMITTEE

Siva Kumar A/L Kalugasalam (Chairman)
Terence Cheah Eu Lee
Chow Hung Keey

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA7045482 / SSM PC No. 202208000250)
Thien Lee Mee
(LS0010621 / SSM PC No.201908002254)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Telephone : 03-9770 2200
Facsimile : 03-9770 2239

CORPORATE ADDRESS

Office 22F, 22nd Floor
UBN Tower 10, Jalan P. Ramlee
50250 Kuala Lumpur
Telephone : 03-2022 2228
Website : www.ahb.com.my
Email : mailbox@ahb.com.my

SHARE REGISTRARS

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

AUDITORS

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

PRINCIPAL BANKER

HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

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

CORPORATE WEBSITE

www.ahb.com.my

GROUP CORPORATE STRUCTURE

AS AT 30 SEPTEMBER 2022



BOARD OF DIRECTOR'S PROFILE**Chow Hung Keey***Executive Director**35 years of age, Malaysia, Male*

Mr. Chow Hung Keey was appointed to the Board as an Executive Director on 27 January 2022.

Mr. Chow started as an Audit Associate with KPMG Malaysia in 2010, before joining CIMB Bank as a Relationship Manager, advising on the accounts of selected high-net-worth clients in 2011. He was then promoted as Senior Relationship Manager in 2012.

Between 2012 to 2015, he was an Executive Director of a public company, listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), primarily engaged in software development, system integration, IT management consultancy and other related professional services.

Between 2015 to 2019, he was appointed as a Non-Executive Director for a public company, listed on the ACE Market of Bursa Securities, primarily engaged in track and trace solutions provider that utilizes Radio Frequency Identification (RFID).

He was also a Non-Executive Director of a company listed on the Main Board of Bursa Securities, principally engaged in Flight Training and Air Charter Services from 2017 to 2018. In 2019, he joined a bumiputra construction and property development company taking the roles as the Financial Advisor and subsequently promoted as the Corporate Development Director in 2020.

Mr. Chow is a member of the Association of Chartered Certified Accountants (ACCA), a member of the Malaysian Institute of Accountants (MIA), a member of the ASEAN Chartered Professional Accountant (ASEAN CPA) and also an affiliate member of the Asian Institute of Chartered Bankers (AICB).

Mr. Chow has extensive experience in public listed companies, multinational corporations, small and medium enterprises, in various industries such as IT, Air Charter Services, credit financing, automotive manufacturing, construction and property development.

He is experienced in carrying out due diligence review, quality assurance reviews, budgets, forecasts and review of internal control processes; and familiar in advising business start-ups, corporate planning and advisory, management consulting and corporate restructuring.

Currently, he is an Executive Director of Zen Tech International Berhad (formerly known as Inix Technologies Holdings 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**Teh Boon Hong**

30 years of age, Malaysia, Male

Executive Director

Mr. Teh Boon Hong was appointed to the Board as an Executive Director on 9 February 2022. He has 8 years of experience in corporate managerial roles and investment-related activities in Malaysia and Singapore.

Mr. Jerry Teh joined Ban Hao Machinery Sdn Bhd as a Consultant to restructure the Company's internal operations from January 2013 to December 2018. He then left the Company and joined Chartered Financial Analyst (CFA) Society Malaysia as a Relations Executive from January 2015 to August 2015. He managed ad-hoc and board meetings between counterparts from Hong Kong and Malaysia.

Between June 2017 to December 2019, he founded Swapit Pte. Ltd. which was to develop, negotiate and structure partnership and business opportunities with new business partners to increase revenue streams and managed relationships with investors and existing stakeholders.

Between July 2017 to February 2020, he joined Bountie Holdings Pte. Ltd. as a Financial Advisor on financial planning, forecast and fundraising activities. He then left the Company and partnered with Onedeland which was a food and beverage company based in Malaysia from August 2019 to February 2020.

In August 2020, he founded Valuevest Ventures Sdn Bhd and acted as the Chief Executive Office, a position that he is currently holding. In June 2021, he was appointed as an Executive Director in Grand Phoenix Sdn Bhd but resigned in November 2021 due to personal commitments. He is also a founder and director in Pawshood Sdn. Bhd., a company which is involved in mobile pet-truck grooming in Malaysia.

He does not hold any directorships in any other public companies and listed issuer.

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

Loh Woen Tsau

42 years of age, Malaysia, Male

Independent and Non-Executive Director

Chairman of Nomination Committee

Member of Audit Committee and Remuneration Committee

Mr. Loh Woen Tsau was appointed to the Board as an Independent Non-Executive Director on 27 January 2022. He has strong entrepreneur mindset with 9 years of Sales and Marketing experience and more than 10 years in leadership experience.

Mr. Loh joined Coffee Bean & Tea Leaf as an Assistant Store Manager from April 2003 to September 2006. He then left the Company and joined Spinelli Coffee Company as a District Manager from September 2006 to April 2011. In May 2011, he joined CNB Auto Sdn. Bhd. as a Sales Consultant until April 2014. He then joined Swire Motors Sales and Services Sdn. Bhd. as a Sales Consultant from April 2014 until May 2018.

In June 2018, he started to self-employed until October 2019. He then joined Okkin Sdn. Bhd. as a Personal Assistant from November 2019 until March 2020. In April 2020, he joined Fokus Sentral as a Sales Head until November 2021.

He does not hold any directorships in any other public companies and listed issuer.

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.

Susan Wong Yun Tsu

47 years of age, Malaysia, Female

Independent and Non-Executive Director

Member of Audit Committee, Nomination Committee and Remuneration Committee

Madam Susan Wong Yun Tsu was appointed to the Board as an Independent Non-Executive Director on 15 February 2022.

Madam Susan Wong holds a Diploma from the prestigious Thames Business School in Singapore. Over the course of her career, she has been heavily involved in the property development and commercial leasing throughout Malaysia with hands on experience in Sabah.

She is an advisor and consultant to several major Real Estate and Property Development initiatives, such as the multimillion-dollar KL Paragon Mixed Development Project. As an Executive Director and part of the V Ultimate Senior Executive Team, she is actively involved in marketing and brand building across the portfolio, as well as overseeing corporate and fiduciary compliance.

She does not hold any directorships in any other public companies and listed issuer.

She has no family relationship with any of the directors and/or major shareholders of the Company and its subsidiaries. She 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**Gan Wen Ting @ Gan Moou Heang (F)***51 years of age, Malaysia, Female**Independent and Non-Executive Director**Member of Audit Committee, Nomination Committee and Remuneration Committee*

Ms. Fiona Gan Wen Ting @ Gan Moou Heang was appointed to the Board as an Independent Non-Executive Director on 15 February 2022.

Ms. Fiona Gan is a designation-founder in numerous brands such as DrNano, H2G, Ava and My Thai & My Tradisi. As the founder and the key force of the V Ultimate Wellness group, she is highly experienced and a well-known entrepreneur in this beauty industry. She is a renowned entrepreneur in the beauty and aesthetic industries, with over 25 years hands on experience.

She does not hold any directorships in any other public companies and listed issuer.

She has no family relationship with any of the directors and/or major shareholders of the Company and its subsidiaries. She 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.

Siva Kumar A/L Kalugasalam*53 years of age, Malaysia, Male**Independent and Non-Executive Director**Chairman of Audit Committee**Member of Nomination Committee and Remuneration Committee*

Mr. Siva Kumar was appointed as Independent Non-Executive Director on 17 March 2022.

Mr. Siva Kumar has a Bachelor of Business in Accounting from University of Technology, Graduate Diploma in Business and Management from University of Sunshine Coast / Segi University and Master of Business Administration from University of Wales Trinity St David, UK. Siva Kumar is also a Fellow of the Institute of Public Accountants, Australia, a Fellow of the Institute Financial Accountants, UK, a Member of the Management Institute of Malaysia, a Fellow of the Chartered Management Institute, UK and Member of Malaysian Institute of Human Resource Management.

Mr. Siva Kumar started his career as Project Based Consultant from February 2016 until August 2016. He then joined Agreyia Group of Companies as the Head of Finance and Administration from September 2012 until January 2016. Subsequently, he joined Sentinel Security Services Sdn. Bhd. as General Manager of Finance and Administration from July 2010 until July 2012.

He then joined APFT Berhad in year 2016. In 2018, he was appointed as Chief Operating Officer. He then appointed as the Group Chief Executive Officer from mid-April 2019 until 30 July 2020.

Currently, he is an Executive Director of Zen Tech International Berhad (formerly known as Inix Technologies Holdings Berhad).

He does not have any family relationship with other Directors and/ or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted for any offences, other than traffic offences (if any), within the past 5 years.

BOARD OF DIRECTOR'S PROFILE

Dato' Fizal Bin Kamarudin @ Fauzi

43 years of age, Malaysia, Male

Independent and Non-Executive Director

Chairman of Remuneration Committee

Member of Audit Committee and Nomination Committee

Dato' Fizal Bin Kamarudin @ Fauzi was appointed as Independent Non-Executive Director on 17 March 2022. He possessed knowledge in DLKM Administrative Management, Diploma in Advanced Malaysian Skills from Department of Skills Development (DSD), Ministry of Human Resources

Honorary Colonel (CD) Dato' Fizal is one of the Director in Ohhsem Network Group of Companies.

Subsequently, he was appointed as Commander of Civil Defense Emergency Response Team (CDERT) Ohhsem Network under Malaysian Civil Defence Force (MCDF).

In addition, he also appointed as Operation Director in Majlis Perundingan Pertubuhan Islam Malaysia (MAPIM) and has extensive experience in conducting humanitarian missions in the country and abroad such as Kosovo, Palu, Syria, & Afghanistan.

He does not hold any directorships in any other public companies and listed issuer.

He does not have any family relationship with other Directors and/ or major shareholders of the Company nor does he have 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.

Terence Cheah Eu Lee

50 years of age, Malaysia, Male

Independent and Non-Executive Director

Member of Audit Committee, Nomination Committee and Remuneration Committee

Terence Cheah Eu Lee, was appointed as Independent Non-Executive Director on 4 April 2022.

He graduated with a Diploma of Business Management in 1994 from Perkim Goon Institution, Penang.

He is a Managing Director of Fairway Logistic (M) Sdn Bhd which he founded in year 2004. In year 2008, he diversified into Food and Beverage Industry whereby he started a Japanese and Nyonya Restaurant in Penang. He eventually became the Group Managing Director for the last sixteen (16) years.

In between March 2019 to August 2019, he was appointed as an Independent Non-Executive Director of SMTRACK Berhad.

In year 2020, he was appointed as the Executive Director of MQ Technology Berhad who responsible for Business Development and Marketing, a position that he is currently holding.

In year 2022, he was appointed as an Independent Non-Executive Director of Jiankun International Berhad.

He does not have any family relationship with other Directors and/ or major shareholders of the Company nor does he have 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 Executive Directors. They are the key senior management and their profile as set out in the Board of Directors' Profile.

MANAGEMENT DISCUSSIONS AND ANALYSIS

The on-going armed conflict in the Ukraine has triggered a global price fluctuation of commodities. Together with the on-going Covid-19 pandemic, US-China-Taiwan tensions, the extreme global climate change, rising interest rates and volatility of currency exchanges, these are likely to create further global security and economic uncertainties which affect the financial performance of the Group in 2022.

AHB's Financial Year 2022 under review has not been exempted from the above said negative impacts and concerns.

Our Group saw some revival of business activities during the recovery movement control order period, the market was again dampened by the third wave of the COVID-19 pandemic in Malaysia which directly impacted our Group's business activities as a result of the cautious slow resumption of the industry.

The Group recorded a revenue of RM10,203,936 and a loss of RM9,091,510 for the 12 months financial year 2022 ended 30th September 2022, compared to RM7,957,134 and a loss of RM5,531,705 for the financial year ended 30th September 2021. The increase in loss was mainly attributable to the increase in cost of sales, administrative expenses, depreciation and other operating costs.



Taking into consideration the challenges faced and lacklustre financial performance of our Group, our Company had taken steps to explore and identify new business opportunities to provide alternative source of revenue to our Group.

Our Group's targeted to venture into the property development activities in order to provide alternative revenue source to reduce our Group's dependence on its single business segment.

We believe that these actions will enable us to contribute positively to our Group's future earnings and consequentially improve the financial position of our Group.

In addition, the Group planning to organize various marketing functions and events to promote for new furniture products in coming year.

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 Group believe that the venture into property development will improve our core business as there is potential to be synergised by furnishing units of projects the group develops. We are optimistic that the above strategies would improve results in the coming financial year(s).

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 Board remains committed to upholding high standards of ethical and governance practices as we view good governance as essential to effectively deliver on our business strategies to generate sustainable value for our stakeholders.

Throughout FYE2022, the Group actively joining and sponsored several community events as well as charitable campaign.

Lighting and air-conditioning are the main sources of energy consumption, which are also significant contributors to greenhouse gas emissions. As part of our efforts to reduce electricity consumption, the Group has committed, and its employees are required to switch off the lighting and air-conditioning during lunch time or when they are not in use. In addition, our company also cut down office paper waste by putting more emphasis on online and digital communications.

Besides, the company also encourage employee to ride via telecommuting and we are appreciated our employees start practicing as a move to help to reduce the carbon footprint.

The Group believes that employees are key resources that drives long term and sustainable organisational success. As such, the Group continuously creates a safe, pleasant and conducive working environment for its people and promote employee safety, well-being, gender diversity and career growth.

The Group respects the different cultures, gender and religions of our stakeholders as we understand that diversity gives us broader range of competence, skills and experience to enhance our capabilities to achieve business results which is important for the overall business sustainability. Thus, the Group is committed to provide our staff with equal opportunity to strive while promoting diversity in workforce.

The Group had also organised a few e-training sessions for all level of its staff in order to obtain new skills.

AHB does not perceive the current position as a final destination, but rather as a starting point for taking new initiatives to ensure continuous improvement and sustainable growth. Through an ongoing process of identification and evaluation, the Board will continues to establish the direction of our sustainability strategy and keeping up performance and growth remains a priority.



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 2022 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 Company’s website at www.ahb.com.my.

PART I - BOARD RESPONSIBILITIES

1. Board’s Leadership on Objectives and Goals

1.1 - Strategic Aims, Values and Standards

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

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

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

- Review and Adopt Strategic Plan of the Group

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

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

The Board is fully alert of the responsibilities to maintain a proper internal control system. The Board’s responsibilities for the Group’s system of internal controls include financial condition of the business, operational, regulatory compliance as well as risk management matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- To Formulate Succession Planning

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

The Board, together with the Management, put in place informal structure and practice to ensure 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.

The roles and responsibilities of the Independent Non-Executive Directors and Executive Directors are clearly defined and properly segregated. All the Independent Non-Executive Directors are independent of the management and major shareholders of the Company and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations.

The Executive Directors 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:-

- Relevant operational reports from the Management;
- Reports on the financial performance;
- Specific proposals for capital expenditure and acquisitions, if any;
- Major problem and opportunities for the Company, if any; and
- Quarterly financial statements for announcement to authorities.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Executive Directors hold 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 Executive Directors, are also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Executive Directors are 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 Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

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.

1.2 - The Chairman

The Board is of the opinion that the current Board size is optimum and well-managed under the leadership of the Board as a whole. With a strong and effective representation of Independent Non-Executive Directors, which forms a majority in the Board, the necessary check and balance is in place. Hence, the Board is of the view to maintain the current well-balanced board composition until such time where the need for a Chairman arises. The Board as a whole is wholly responsible for matters pertaining to the overall conduct of the Group and is committed to good corporate governance practices.

1.3 - The positions of Chairman and Executive Directors

Given the relatively small size of the Group, the Group does not have an independent Chairman and a CEO. The Group is of the view that the current Board size is optimum and caters effectively to the scope of the Group's operations. The strong and majority representation of Independent Non-Executive Directors in the Board provides the necessary check and balance to safeguard the interests of all shareholders and stakeholders and to preserve a balance of authority, power and accountability. The Executive Directors lead the senior management of the Company in the day-to-day management and running of the Group as well as the implementation of the Board's decisions and policies. The Independent Non-Executive Directors facilitate communication with shareholders and stakeholders in order to address and deal appropriately with any concerns raised.

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.

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.

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. The Board with the Management has developed the policies and procedures on whistle blowing. It is always mindful of the importance of having formal whistle blowing policies as a way to create conditions necessary for the effective management.

3.3 - Anti Bribery and Anti-Corruption Policy

In line with the Corporate Liability Provision under the new Section 17A MACC (Amendment) Act 2018, the Board adopted Corporate Liability Policy to show the Group's commitment in doing businesses ethically and lawfully. Any forms of bribery and corruption are unacceptable and will not be tolerated. It has always been the Group's corporate philosophy and our principle of placing integrity before profits.

3.4 - Directors' Fit and Proper Policy

The Board had adopted the Directors' Fit and Proper Policy. The Policy serve as guide to the Nominating Committee ("NC") and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election. This Policy is to ensure that Directors must possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The fit and proper criteria will be applicable at the time of appointment as a director and on a continuing basis as all directors of the Company and/or its subsidiaries are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations. The Directors' Fit and Proper Policy is available on the Company's website at www.ahb.com.my.

4. Sustainability measure to support the Company's long term strategy and success

The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies.

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 Sustainability Statement in the Annual Report 2022.

The Board has committed to stay abreast with the latest development in the sustainability issues relevant to the Group. The Board gains access to the sustainability issues updates via news, publications from relevant agencies and attending various seminars or trainings.

The Board recognises the importance of sustainability in all its business operation and would include sustainability as one of the criteria in the performance evaluations its Board members going forward. Please refer to the Sustainability Statement which outlined sustainability activities by the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

**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:-

5.1- 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 eight (8) Directors, with six (6) out of eight (8) Directors being Independent Directors and two (2) Executive Directors.

The six (6) Independent Non-Executive Directors are complied with the requirement of one-third (1/3) Independent Directors and at least one (1) female in the Board (currently two (2) females 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.

5.2 - 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

5.3 - 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 <i>(resigned on 9 February 2022)</i> | 1/1 | 100% |
| (B) | AR Vincent Lee Kon Keong <i>(resigned on 27 January 2022)</i> | 1/1 | 100% |
| (C) | Yong Yoke Keong <i>(resigned on 9 February 2022)</i> | 1/1 | 100% |
| (D) | Khor Ben Jin <i>(resigned on 27 January 2022)</i> | 1/1 | 100% |
| (E) | Tan Sri Datuk Seri Mazlan Bin Lazim <i>(appointed on 9 February 2022 and resigned on 26 September 2022)</i> | 3/3 | 100% |
| (F) | Chow Hung Keey <i>(appointed on 27 January 2022)</i> | 3/3 | 100% |
| (G) | Loh Woen Tsau <i>(appointed on 27 January 2022)</i> | 3/3 | 100% |
| (H) | Teh Boon Hong <i>(appointed on 9 February 2022)</i> | 3/3 | 100% |
| (I) | Susan Wong Yun Tsu <i>(appointed on 15 February 2022)</i> | 3/3 | 100% |
| (J) | Gan Wen Ting @ Gan Moou Heang <i>(appointed on 15 February 2022)</i> | 3/3 | 100% |
| (K) | Siva Kumar A/L Kalugasalam <i>(appointed on 17 March 2022)</i> | 2/2 | 100% |
| (L) | Dato' Fizal Bin Kamarudin @ Fauzi <i>(appointed on 17 March 2022)</i> | 2/2 | 100% |
| (M) | Terence Cheah Eu Lee <i>(appointed on 4 April 2022)</i> | 2/2 | 100% |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

5.4 - 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 | Date | Programmes attended |
|-----------------------------------|-----------------------|---|
| Chow Hung Key | 13 January 2022 | Reimagining financial services for 2035 |
| | 19 January 2022 | 10th ACCA Asia Pacific Thought Leadership Forum - 2022 Economic Outlook: A roaring Tiger or a Lazy Cat? |
| | 27 January 2022 | The Principles and Methodology of Task Force on Climate Related Financial Disclosures (TCFD) in ESG Reporting |
| | 15 June 2022 | Courageous Conversations |
| | 15 June 2022 | What's on the radar looking forward? How to use risk hot spot updates |
| | 15 June 2022 | IFRS sustainability standards: are you ready? |
| | 20 June 2022 | Accounting for inflation |
| | 27 July 2022 | APAC Thought Leadership Virtual Forum - Fintech |
| | 24 August 2022 | Build confidence & beat imposter syndrome at work |
| | 3 September 2022 | IAS 2 - Inventories (Updated) |
| | 4 September 2022 | Understanding Financial Instruments |
| | 6 September 2022 | Crisis Management |
| | 21 October 2022 | IFRS projects in progress |
| Loh Woen Tsau | 6 – 8 April 2022 | Mandatory Accreditation Programme (MAP) |
| Teh Boon Hong | 6 – 8 April 2022 | Mandatory Accreditation Programme (MAP) |
| Susan Wong Yun Tsu | 6 – 8 April 2022 | Mandatory Accreditation Programme (MAP) |
| Gan Wen Ting @ Gan Moou Heang | 6 – 8 April 2022 | Mandatory Accreditation Programme (MAP) |
| Siva Kumar A/L Kalugasalam | 5 – 14 September 2022 | Certificate In Compliance - Awarded By The Basel Institute On Governance Switzerland |
| | 16 – 24 August 2022 | Certificate in Anti Corruption Compliance - Awarded By The Basel Institute On Governance Switzerland |
| Dato' Fizal Bin Kamarudin @ Fauzi | 21 – 23 June 2022 | Mandatory Accreditation Programme (MAP) |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Save as disclosed above, Terence Cheah Eu Lee was not able to attend any seminar and/or training programme during the financial year due to busy work schedule. However, he has kept himself abreast on financial and other business aspect through readings and meetings to enable him effectively discharge his duties and contribute to the Board.

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.

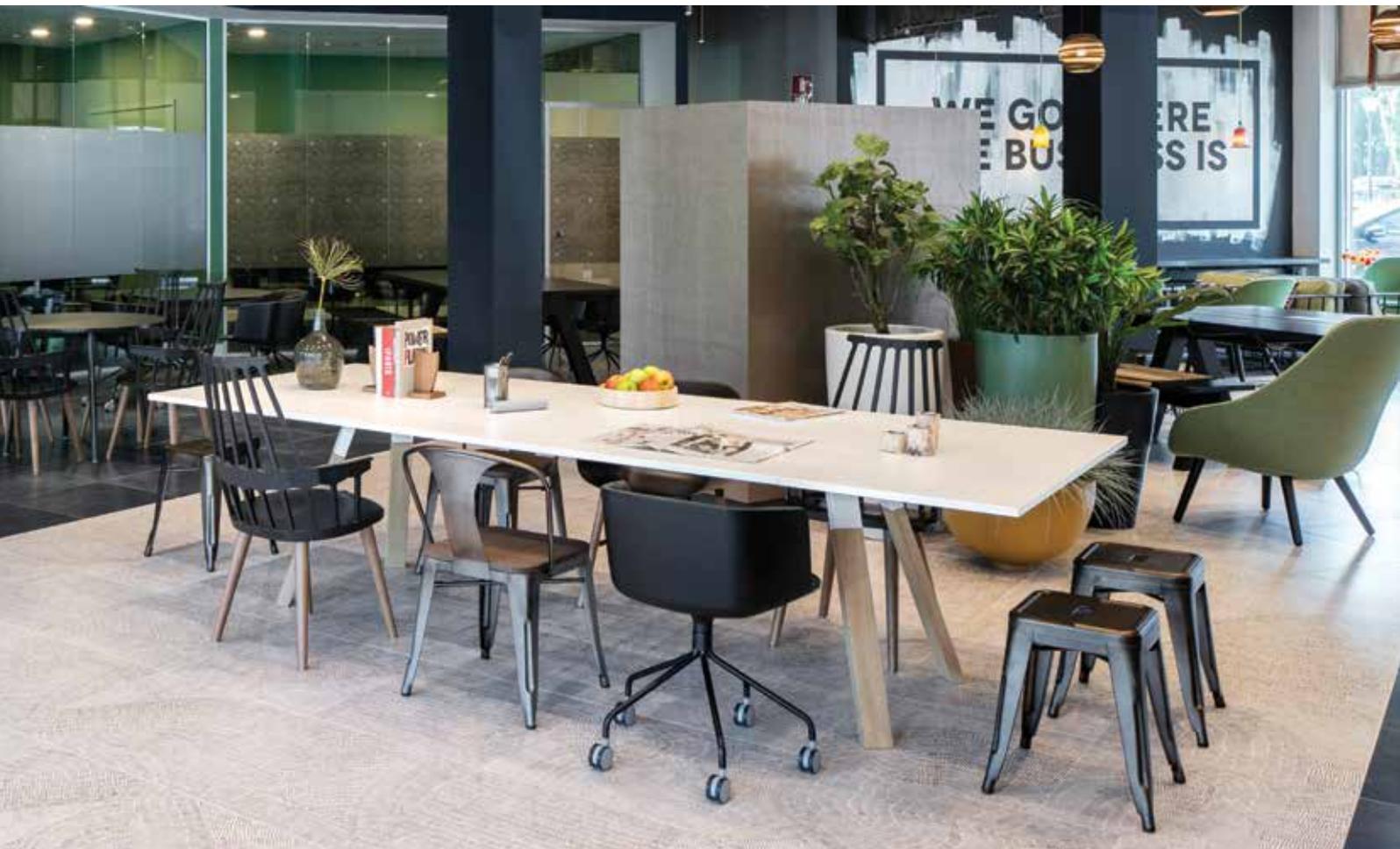
5.5 - Tenure of Independent Director

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.

Practice 5.3 of the MCGG states that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years' term, an Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director.

If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years' term, it should justify and seeks annual shareholders' approval through a two-tier voting process. The Independent Non-Executive Director will not be further retained beyond the cumulative term of twelve (12) years.

As of the date of this statement, none 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**5.6 - 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.

5.7 - 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.

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

5.8 - Gender Diversity

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCGG 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 has two (2) female members out of a total of eight (8) Board members, representing a percentage of approximately 25%. The Board will working towards achieving the country's aspirational target of achieving 30% representation of women on boards.

5.9 - 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.

5.10 - 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 - Mr. Loh Woen Tsau (Independent Non-Executive Director) *(appointed on 27 January 2022)*
Member - Madam Susan Wong Yun Tsu (Independent Non-Executive Director) *(appointed on 15 February 2022)*
Member - Ms. Gan Wen Ting @ Gan Moou Heang (Independent Non-Executive Director) *(appointed on 15 February 2022)*
Member - Mr. Siva Kumar A/L Kalugasalam (Independent Non-Executive Director) *(appointed on 17 March 2022)*
Member - Dato' Fizal Bin Kamarudin @ Fauzi (Independent Non-Executive Director) *(appointed on 17 March 2022)*
Member - Mr. Terence Cheah Eu Lee (Independent Non-Executive Director) *(appointed on 4 April 2022)*

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.

The summary of activities undertaken by the Nomination Committee during the financial year ended 2022 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;
- ii) Reviewed and recommended the retirement and re-election of Directors at the forthcoming Annual General Meeting in accordance with the Company's Constitution;
- iii) Reviewed and assessed the contribution and performance of the AC and each individual AC member;
- iv) Reviewed the size of the Board and had concluded that it was appropriate; and
- v) Reviewed and assessed the proposed appointment of new Directors of Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

6. Overall Effectiveness of the Board and Individual Directors

6.1 - 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 2022, 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.

7.1 - 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.

7.2 - Remuneration Committee

In line with the best practices of the Code, the Board has set up a Remuneration Committee which comprises six (6) members of which all are 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 - Dato' Fizat Bin Kamarudin @ Fauzi (Independent Non-Executive Director) *(appointed on 17 March 2022)*
Member - Mr. Loh Woen Tsau (Independent Non-Executive Director) *(appointed on 27 January 2022)*
Member - Madam Susan Wong Yun Tsu (Independent Non-Executive Director) *(appointed on 15 February 2022)*
Member - Ms. Gan Wen Ting @ Gan Moou Heang (Independent Non-Executive Director) *(appointed on 15 February 2022)*
Member - Mr. Siva Kumar A/L Kalugasalam (Independent Non-Executive Director) *(appointed on 17 March 2022)*
Member - Mr. Terence Cheah Eu Lee (Independent Non-Executive Director) *(appointed on 4 April 2022)*

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2022 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/Executive Directors

8. Remuneration of Directors

8.1 - Directors' Remuneration

The details of the Aggregate Directors' Remuneration of the Directors for financial year 2022 under review are as follows:

| Directorship | Fees (RM) | Salary (RM) | Share Based Payment (RM) | Defined Contribution Plan (RM) | Other benefit (RM) | Total (RM) |
|---|-------------------|------------------|-----------------------------|-----------------------------------|-----------------------|----------------|
| Company | | | | | | |
| Dr. Folk Jee Yoong (resigned on 9 February 2022) | 7,500.00 | - | 10,682 | - | - | 18,182 |
| AR Vincent Lee Kon Keong (resigned on 27 January 2022) | 6,000.00 | - | - | - | - | 6,000.00 |
| Yong Yoke Keong (resigned on 9 February 2022) | 6,000.00 | - | - | - | - | 6,000.00 |
| Khor Ben Jin (resigned on 27 January 2022) | 6,000.00 | - | - | - | - | 6,000.00 |
| Tan Sri Datuk Seri Mazlan Bin Lazim (appointed on 9 February 2022 and resigned on 26 September 2022) | 80,000.00 | - | - | - | - | 80,000.00 |
| Chow Hung Keey (appointed on 27 January 2022) | 30,000.00 | 60,000.00 | - | 7,681 | 3,780 | 101,461 |
| Loh Woen Tsau (appointed on 27 January 2022) | 27,000.00 | - | - | - | - | 27,000.00 |
| Teh Boon Hong (appointed on 9 February 2022) | 42,000.00 | - | - | - | - | 42,000.00 |
| Susan Wong Yun Tsu (appointed on 15 February 2022) | 24,000.00 | - | - | - | - | 24,000.00 |
| Gan Wen Ting @ Gan Moou Heang (appointed on 15 February 2022) | 24,000.00 | - | - | - | - | 24,000.00 |
| Siva Kumar A/L Kalugasalam (appointed on 17 March 2022) | 30,000.00 | - | - | - | - | 30,000.00 |
| Dato' Fizal Bin Kamarudin @ Fauzi (appointed on 17 March 2022) | 18,000.00 | - | - | - | - | 18,000.00 |
| Terence Cheah Eu Lee (appointed on 4 April 2022) | 30,000.00 | - | - | - | - | 30,000.00 |
| Total | 330,500.00 | 60,000.00 | 10,682 | 7,681 | 3,780 | 412,643 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

| Directorship | Fees (RM) | Salary (RM) | Share Based Payment (RM) | Defined Contribution Plan (RM) | Other benefit (RM) | Total (RM) |
|---|-------------------|------------------|--------------------------------|---|--------------------------|----------------|
| Group | | | | | | |
| Dr. Folk Jee Yoong (resigned on 9 February 2022) | 7,500.00 | - | 10,682 | - | - | 18,182 |
| AR Vincent Lee Kon Keong (resigned on 27 January 2022) | 6,000.00 | - | - | - | - | 6,000.00 |
| Yong Yoke Keong (resigned on 9 February 2022) | 6,000.00 | - | - | - | - | 6,000.00 |
| Khor Ben Jin (resigned on 27 January 2022) | 6,000.00 | - | - | - | - | 6,000.00 |
| Tan Sri Datuk Seri Mazlan Bin Lazim (appointed on 9 February 2022 and resigned on 26 September 2022) | 80,000.00 | - | - | - | - | 80,000.00 |
| Chow Hung Key (appointed on 27 January 2022) | 30,000.00 | 60,000.00 | - | 7,681 | 3,780 | 101,461 |
| Loh Woen Tsau (appointed on 27 January 2022) | 27,000.00 | - | - | - | - | 27,000.00 |
| Teh Boon Hong (appointed on 9 February 2022) | 42,000.00 | - | - | - | - | 42,000.00 |
| Susan Wong Yun Tsu (appointed on 15 February 2022) | 24,000.00 | - | - | - | - | 24,000.00 |
| Gan Wen Ting @ Gan Moou Heang (appointed on 15 February 2022) | 24,000.00 | - | - | - | - | 24,000.00 |
| Siva Kumar A/L Kalugasalam (appointed on 17 March 2022) | 30,000.00 | - | - | - | - | 30,000.00 |
| Dato' Fizal Bin Kamarudin @ Fauzi (appointed on 17 March 2022) | 18,000.00 | - | - | - | - | 18,000.00 |
| Terence Cheah Eu Lee (appointed on 4 April 2022) | 30,000.00 | - | - | - | - | 30,000.00 |
| Total | 330,500.00 | 60,000.00 | 10,682 | 7,681 | 3,780 | 412,643 |

8.2 - Remuneration of Top Five (5) Senior Management

The Board is of the opinion that the disclosure of the Senior Management personnel names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and security reasons. The Board ensures that the remuneration of Senior Management commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully. Excessive remuneration pay-outs are not made to Senior Management personnel in any instance.

The disclosure of the remuneration of the top five Senior Management of the Company is currently made on an aggregate basis and it allows stakeholders to make an appreciable link between remuneration of Senior Management and the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

9. Effective Audit And Risk Management

I - Audit Committee

9.1 - 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 - Mr. Siva Kumar A/L Kalugasalam (Independent Non-Executive Director) *(appointed on 17 March 2022)*
Member - Dato' Fizat Bin Kamarudin @ Fauzi (Independent Non-Executive Director) *(appointed on 17 March 2022)*
Member - Mr. Loh Woen Tsau (Independent Non-Executive Director) *(appointed on 27 January 2022)*
Member - Madam Susan Wong Yun Tsu (Independent Non-Executive Director) *(appointed on 15 February 2022)*
Member - Ms. Gan Wen Ting @ Gan Moou Heang (Independent Non-Executive Director) *(appointed on 15 February 2022)*
Member - Mr. Terence Cheah Eu Lee (Independent Non-Executive Director) *(appointed on 4 April 2022)*

The Audit Committee is chaired by Mr. Siva Kumar A/L Kalugasalam, 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.

9.2 - 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2022.

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

9.3 - 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.

9.4 - 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

10.1 - 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

10.2 - 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.

10.3 - Internal Audit Function

The Group has out-sourced the Internal Audit Function to an independent consulting firm to provide an independent assessment of the adequacy, efficiency, effectiveness of the Group's internal control system. The Internal Auditors reports directly to the Audit Committee on its activities based on approved annual Internal Audit plan. 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 RM13,017.86 for the internal audit work conducted within the Group for the financial year ended 30 September 2022.

11. 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.

11.1 - 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.

12.1 - 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 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.

12.2 - 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

12.3 - 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.

12.4 - 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 30 January 2023.



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 2022, 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 2022.

MEMBERS OF AUDIT COMMITTEE

The Audit Committee ("AC") consists of six (6) members, whom are Independent Non-Executive Directors. The present members of the AC are:-

| Director | Position |
|---------------------------------------|------------------------------------|
| Siva Kumar A/L Kalugasalam (Chairman) | Independent Non-Executive Director |
| Dato' Fikal Bin Kamarudin @Fauzi | Independent Non-Executive Director |
| Loh Woen Tsau | Independent Non-Executive Director |
| Susan Wong Yun Tsu | Independent Non-Executive Director |
| Gan Wen Ting @ Gan Moou Heang | Independent Non-Executive Director |
| Terence Cheah Eu Lee | 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

The AC met four (4) times during the financial year ended 30 September 2022 and the details of the attendance are as follows:-

| Names | No. of AC Meetings Attended |
|--|-----------------------------|
| Siva Kumar A/L Kalugasalam (Chairman) <i>(appointed on 17 March 2022)</i> | 2/2 |
| Dato' Fikal Bin Kamarudin @Fauzi <i>(appointed on 17 March 2022)</i> | 2/2 |
| Loh Woen Tsau <i>(appointed on 27 January 2022)</i> | 3/3 |
| Susan Wong Yun Tsu <i>(appointed on 15 February 2022)</i> | 3/3 |
| Gan Wen Ting @ Gan Moou Heang <i>(appointed on 15 February 2022)</i> | 3/3 |
| Terence Cheah Eu Lee <i>(appointed on 4 April 2022)</i> | 2/2 |
| Dr. Folk Jee Yoong <i>(resigned on 9 February 2022)</i> | 1/1 |
| Ar Vincent Lee Kon Keong <i>(resigned on 27 January 2022)</i> | 1/1 |
| Khor Ben Jin <i>(resigned on 27 January 2022)</i> | 1/1 |

Other Board members, Finance Manager and representatives of the External Auditors and Internal Auditors were invited to brief the Committee on the specific issues, as and when necessary, with the Company Secretaries in attendance.

REPORT OF THE AUDIT COMMITTEE

The Summary of the activities undertaken by the AC during the financial year ended 30 September 2022 are summarised as follows:-

- a) Reviewed the unaudited quarterly financial results prior to submission to the Board for consideration and approval for the announcement to be released.
- b) Reviewed the annual audited financial statements, Directors' and Auditors' Reports and other significant accounting issues arising from the audit of the financial year ended 30 September 2022.
- c) Reviewed with the External Auditors on their plans for the financial year ended 30 September 2022 and conducted private meetings with them without the presence of the Executive Directors.
- d) Reviewed with the Internal Auditors on their audit plans, audit reports and status of pending matters.
- e) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to submission to the Board for approval and inclusion in the 2022 Annual Report.
- f) Evaluated the performance of the external auditors for the FY2022 covering areas such as quality, audit team resources and experience, audit scope, audit communication, audit governance and independence of the audit team and thereafter considered and make recommendation on the re-appointment of the external auditors.
- g) Reviewed the related party transactions and conflict of interest situation that may arise within the Company or the Group.
- h) Reviewed the Company's compliance with the Listing Requirements, applicable approved accounting standards and other relevant legal and regulatory requirements.

INTERNAL AUDIT FUNCTION

The AC is supported by the Internal Audit team, which has been outsourced to Vaersa Advisory Sdn Bhd. Its primary role is to assess the adequacy and effectiveness of the risk, control and governance framework for the Group. The Internal Auditors report directly to the AC and its role are to independently review the internal control system established by the management, its adequacy and effectiveness with the objectives set and to make appropriate recommendations for further improvement.

During the financial year ended 30 September 2022, the Group had conducted review on the Group's ability to continue operation in the event of a risk being realised.

This AC Report is made in accordance with the resolution of the Board on 30 January 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 30 September 2022 were as follows:

| | Company (RM) | Group (RM) |
|---|-----------------|---------------|
| Audit Services Rendered | 55,000 | 112,300 |
| Non-Audit Services Rendered | - | - |
| (a) Review of statement on Risk Management and Internal Control | 5,000 | 5,000 |

2. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

There was no recurrent related party transaction of revenue or trading nature during the financial year ended 30 September 2022.

3. REVALUATION POLICY

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

4. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

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

5. UTILISATION OF PROCEEDS

Private Placement of up to 111,440,000 new ordinary shares in AHB ("AHB Shares"), representing approximately 43% of the existing number of issued AHB shares (excluding any treasury shares) at an issue price to be determined later ("Private Placement")

The Private Placement approved by the Shareholders during the Extraordinary General Meeting of the Company held on 29 July 2021 was completed on 31 January 2022, raising total gross proceeds of approximately RM10.97 million.

The status of utilisation of proceeds is as follows:

| Utilisation Purposes | Actual proceeds raised (RM'000) | Actual use of proceeds (RM'000) | Balance unused (RM'000) | Expected Timeframe for Utilisation |
|--|------------------------------------|------------------------------------|----------------------------|------------------------------------|
| Working capital | 10,704 | 10,704 | - | Within 12 months |
| Capital expenditure | 15 | 15 | - | Within 12 months |
| Marketing expenses | 5 | 5 | - | Within 12 months |
| Estimated expenses for the Private Placement | 245 | 245 | - | Immediately |
| Total | 10,969 | 10,969 | - | |

ADDITIONAL COMPLIANCE INFORMATION

6. SHARE ISSUANCE SCHEME (“SIS”)

The SIS which was approved by the shareholders at the Extraordinary General Meeting held on 4 September 2018 and governed by SIS By-Law.

The SIS was implemented on 2 May 2019 and shall be in force for a period of five (5) years and may be extended by the Board at its absolute discretion upon recommendation from the SIS Committee, without having to obtain approval from the shareholders, for a further period of up to five (5) years, but will not exceed ten (10) years from the date of implementation or such longer period as may be allowed by relevant authorities.

The movement of the number of share options and the weighted average exercise prices are as follows:

| Date of offer | Exercise price | Number of options over ordinary shares | | | | At 30.9.2022 |
|----------------|----------------|--|-----------|-----------|---------|--------------|
| | | At 1.10.2021 | Granted | Exercised | Lapsed | |
| 2 May 2019 | 0.150 | 1,952,000 | 1,952,000 | 2,912,000 | 166,000 | 826,000 |
| 7 August 2020 | 0.095 | 840,000 | - | 370,000 | - | 470,000 |
| 12 August 2020 | 0.102 | 1,470,000 | - | 780,000 | - | 690,000 |
| | | 4,262,000 | 1,952,000 | 4,062,000 | 166,000 | 1,986,000 |



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 team 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 team 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 team monitors remedial actions on internal control issues identified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTIONS

The Group has an Internal Audit team 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 RM13,017.86 for the internal audit work conducted within the Group for the financial year ended 30 September 2022.

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 2022.

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 Executive Directors. 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 30 January 2023.



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

REPORTS AND FINANCIAL STATEMENTS

30 SEPTEMBER 2022

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

Principal place of business:
Office 22F, 22nd Floor
UBN Tower 10
Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan, Malaysia

AHB HOLDINGS BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS**30 SEPTEMBER 2022****INDEX**

| | Page No. |
|--|-----------------|
| DIRECTORS' REPORT | 43 - 48 |
| STATEMENT BY DIRECTORS | 49 |
| STATUTORY DECLARATION | 50 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS | 51 - 57 |
| STATEMENTS OF FINANCIAL POSITION | 58 - 59 |
| STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 60 |
| STATEMENTS OF CHANGES IN EQUITY | 61 - 64 |
| STATEMENTS OF CASH FLOWS | 65 - 67 |
| NOTES TO THE FINANCIAL STATEMENTS | 68 - 134 |

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 2022.

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:

| | Group RM | Company RM |
|--|---------------------|-----------------------|
| Loss for the financial year, attributable to owners of the parent | <u>9,091,510</u> | <u>27,859,414</u> |

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 32 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) 30,000,000 new ordinary shares at issue price of RM0.0881 per ordinary share for a total cash consideration of RM2,643,000 including the placement fee, through private placement; and
- (b) 25,720,000 new ordinary shares at issue price of RM0.1062 per ordinary share for a total cash consideration of RM2,731,464 including the placement fee, through private placement; and
- (c) 55,720,000 new ordinary shares at issue price of RM0.1004 per ordinary share for a total cash consideration of RM5,594,288 including the placement fee, through private placement; and
- (d) 4,062,000 new ordinary shares through the exercise of the Share Issuance Scheme ("SIS") Options at an average issue price of RM0.116 for a total cash consideration of RM551,510.

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 27 to the financial statements.

As at 30 September 2022, 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 30.9.2022 |
|----------------|----------------|--|-----------|-----------|---------|--------------|
| | | At 1.10.2021 | Granted | Exercised | Lapsed | |
| 2 May 2019 | 0.150 | 1,952,000 | 1,952,000 | 2,912,000 | 166,000 | 826,000 |
| 7 August 2020 | 0.095 | 840,000 | - | 370,000 | - | 470,000 |
| 12 August 2020 | 0.102 | 1,470,000 | - | 780,000 | - | 690,000 |
| | | 4,262,000 | 1,952,000 | 4,062,000 | 166,000 | 1,986,000 |

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:

| | |
|-------------------------------------|--|
| Chow Hung Keey* | (Appointed on 27 January 2022) |
| Loh Woen Tsau | (Appointed on 27 January 2022) |
| Teh Boon Hong* | (Appointed on 9 February 2022) |
| Susan Wong Yun Tsu | (Appointed on 15 February 2022) |
| Gan Wen Ting @ Gan Moou Heang | (Appointed on 15 February 2022) |
| Siva Kumar a/l Kalugasalam | (Appointed on 17 March 2022) |
| Dato' Fizal Bin Kamarudin @ Fauzi | (Appointed on 17 March 2022) |
| Terence Cheah Eu Lee | (Appointed on 4 April 2022) |
| Tan Sri Datuk Seri Mazlan Bin Lazim | (Appointed on 9 February 2022, resigned on 26 September 2022) |
| AR Vincent Lee Kon Keong | (Resigned on 27 January 2022) |
| Khor Ben Jin | (Resigned on 27 January 2022) |
| Yong Yoke Keong | (Resigned on 9 February 2022) |
| Dr. Folk Jee Yoong | (Resigned on 9 February 2022) |

* *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 1.10.2021 | Bought | Sold | At 30.9.2022 |
| Interests in the Company | | | | |
| Indirect interests | | | | |
| Teh Boon Hong | - | 4,482,300 | - | 4,482,300 |

By virtue of the above directors' interest in the shares of the Company and of the holding company, the abovementioned directors are also deemed to have an interest in the shares of the subsidiaries to the extent that the Company and the holding company have an interest.

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 amount of remuneration received or due and receivable by Directors as disclosed in the Directors' Remuneration" of this report) 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.

Neither during nor 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.

Directors' Remuneration

The detail of the Directors' remuneration for the financial year ended 30 September 2022 are set out below:

| | Group RM | Company RM |
|-------------------------------|---------------------|-----------------------|
| Fees | 330,500 | 330,500 |
| Salaries and other emoluments | 60,000 | 60,000 |
| Share-based payment expenses | 10,682 | 10,682 |
| Defined contribution plans | 7,200 | 7,200 |
| Social security contributions | 481 | 481 |
| Other benefits | 3,780 | 3,780 |
| | <u>412,643</u> | <u>412,643</u> |

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Group and 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps: (Cont'd)

- (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
- (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 Companies

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

DIRECTORS' REPORT**Significant and Subsequent Events**

Significant and subsequent events during the financial year are disclosed in Note 32 to the financial statements.

Auditors

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

The details of the auditors' remuneration for the financial year are as follows:

| | Group RM | Company RM |
|--------------------|---------------------|-----------------------|
| Statutory audit | 112,300 | 55,000 |
| Non-audit services | 5,000 | 5,000 |
| | <u>117,300</u> | <u>60,000</u> |

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

CHOW HUNG KEEY

TEH BOON HONG

KUALA LUMPUR

30 JANUARY 2023

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

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 2022 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,

CHOW HUNG KEEY

TEH BOON HONG

KUALA LUMPUR

30 JANUARY 2023

**DECLARATION BY THE DIRECTOR
PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY
Pursuant to Section 251(1)(b) of the Companies Act 2016**

AHB HOLDINGS BERHAD
(Incorporated in Malaysia)

**DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE
FINANCIAL MANAGEMENT OF THE COMPANY
Pursuant to Section 251(1)(b) of the Companies Act 2016**

I, Chow Hung Keey, 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.

CHOW HUNG KEEY

Subscribed and solemnly declared by the abovenamed Chow Hung Keey at Kuala Lumpur in Federal Territory, this 30th January 2023.

Before me,

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 2022 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 54 to 134.

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 2022, 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>Net Valuation of Inventories</p> <p>At 30 September 2022, the Group held inventories of approximately RM5.97 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"> • Obtained an understanding of management's process in the write-down of inventories based on the Group's Policy; • Reviewed the valuation method of inventories in accordance with MFRS 102 <i>Inventories</i>; • Reviewed the management's estimation on net realisable value of inventories and the level of inventory written down during the financial year; and • Tested the expected price of future sales of inventory by reviewing the price of a sample of inventory sold after the reporting date. |

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

Key Audit Matters (Cont'd)

| Key Audit Matters | How we addressed the key audit matters |
|---|--|
| <p>Impairment on Trade Receivables</p> <p>The Group's trade receivables amounting to approximately RM6.27 million, representing approximately 32% of the Group's total current assets as at 30 September 2022.</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 2022.</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: 03485/02/2024 J

Chartered Accountant

KUALA LUMPUR

30 JANUARY 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

| | Note | Group | | Company | |
|--------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 4 | 6,961,393 | 8,236,947 | 7,545 | - |
| Right-of-use assets | 5 | 4,353,659 | 5,215,298 | 154,434 | - |
| Goodwill on consolidation | 6 | - | 1,935,486 | - | - |
| Investment in subsidiary companies | 7 | - | - | 37,517,423 | 51,800,425 |
| Deferred tax assets | 8 | 4,000,000 | 4,000,000 | - | - |
| Amount due from subsidiary companies | 9 | - | - | 4,574,112 | 11,784,639 |
| | | <u>15,315,052</u> | <u>19,387,731</u> | <u>42,253,514</u> | <u>63,585,064</u> |
| Current Assets | | | | | |
| Inventories | 10 | 5,965,866 | 6,148,536 | - | - |
| Trade receivables | 11 | 6,269,213 | 3,224,807 | - | - |
| Other receivables | 12 | 6,221,820 | 596,011 | 1,789,901 | 5,900 |
| Cash and bank balances | | 561,119 | 558,774 | 212,057 | 2,184 |
| Fixed deposit | 13 | 240,066 | 2,945,193 | 200,000 | 2,945,193 |
| | | <u>19,258,084</u> | <u>13,473,321</u> | <u>2,201,958</u> | <u>2,953,277</u> |
| Total Assets | | <u>34,573,136</u> | <u>32,861,052</u> | <u>44,455,472</u> | <u>66,538,341</u> |

STATEMENTS OF FINANCIAL POSITION (Cont'd)
AS AT 30 SEPTEMBER 2022

| | Note | Group | | Company | |
|-------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Equity | | | | | |
| Share capital | 14 | 60,913,214 | 49,171,397 | 60,913,214 | 49,171,397 |
| Reserves | 15 | (32,871,631) | (23,611,553) | (16,882,258) | 11,145,724 |
| Total Equity | | <u>28,041,583</u> | <u>25,559,844</u> | <u>44,030,956</u> | <u>60,317,121</u> |
| Non-Current Liability | | | | | |
| Lease liabilities | 16 | <u>3,577,289</u> | <u>4,641,978</u> | <u>-</u> | <u>-</u> |
| Current Liabilities | | | | | |
| Trade payables | 17 | 311,091 | 139,256 | - | - |
| Other payables | 18 | 1,421,514 | 1,464,294 | 267,546 | 181,659 |
| Amount due to subsidiary companies | 9 | - | - | - | 5,948,461 |
| Amount due to Directors | 19 | - | 99,000 | - | 91,100 |
| Lease liabilities | 16 | <u>1,221,659</u> | <u>956,680</u> | <u>156,970</u> | <u>-</u> |
| | | <u>2,954,264</u> | <u>2,659,230</u> | <u>424,516</u> | <u>6,221,220</u> |
| Total Liabilities | | <u>6,531,553</u> | <u>7,301,208</u> | <u>424,516</u> | <u>6,221,220</u> |
| Total Equity and Liabilities | | <u>34,573,136</u> | <u>32,861,052</u> | <u>44,455,472</u> | <u>66,538,341</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 2022**

| | Note | Group | | Company | |
|---|------|--------------------|--------------------|---------------------|------------------|
| | | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Revenue | 20 | 10,203,936 | 7,957,134 | - | - |
| Other operating income | | 694,593 | 66,511 | 12,054,627 | 49,693 |
| Purchase of trading merchandise | | (8,359,457) | (6,479,747) | - | - |
| Directors' remuneration | 25 | (1,129,273) | (748,906) | (412,643) | (152,005) |
| Staff costs | | (2,459,994) | (1,914,074) | (220,803) | (182,902) |
| Depreciation of property, plant and equipment | | (1,457,379) | (1,462,642) | (1,405) | - |
| Depreciation of right-of-use assets | | (1,131,899) | (916,118) | (115,825) | - |
| Finance costs | 21 | (152,705) | (196,618) | (6,711) | - |
| Other operating expenses | | (4,013,505) | (1,675,432) | (22,256,654) | (355,011) |
| Net loss on impairment of financial instruments | | <u>(1,285,827)</u> | <u>(161,813)</u> | <u>(16,900,000)</u> | <u>-</u> |
| Loss before tax | 22 | (9,091,510) | (5,531,705) | (27,859,414) | (640,225) |
| Taxation | 23 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Loss for the financial year representing total comprehensive loss for the financial year | | <u>(9,091,510)</u> | <u>(5,531,705)</u> | <u>(27,859,414)</u> | <u>(640,225)</u> |
| Loss per share (sen) | 24 | | | | |
| Basic | | (2.67) | (2.16) | | |
| Diluted | | <u>(2.66)</u> | <u>(2.15)</u> | | |

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

| Attributable to owners of the parent | | | | | | |
|---|------------------------|--------------------------|--------------------------|--------------|-----------------------------|-------------|
| Non-distributable | | | | | | |
| Note | Share Capital RM | Capital Reserve RM | Share Issuance Scheme | | Accumulated Losses RM | Total RM |
| | | | Option Reserve RM | RM | | |
| Group | | | | | | |
| At 1 October 2021 | 49,171,397 | 21,305,406 | 340,024 | (45,256,983) | | 25,559,844 |
| Net loss for the financial year, representing total comprehensive loss for the financial year | - | - | - | (9,091,510) | | (9,091,510) |
| Transfer to retained earnings | - | (21,305,406) | - | 21,305,406 | | - |
| Transactions with owners: | | | | | | |
| Issuance of ordinary shares: | | | | | | |
| - private placement | 10,838,837 | - | - | - | | 10,838,837 |
| - exercise of SIS options | 902,980 | - | (351,470) | - | | 551,510 |
| Grant of SIS options | - | - | 182,902 | - | | 182,902 |
| Lapse of SIS options | - | - | (15,554) | 15,554 | | - |
| Total transactions with owners | 11,741,817 | - | (184,122) | 15,554 | | 11,573,249 |
| At 30 September 2022 | 60,913,214 | - | 155,902 | (33,027,533) | | 28,041,583 |

Group
At 1 October 2021
Net loss for the financial year, representing total comprehensive loss for the financial year
Transfer to retained earnings

Transactions with owners:
Issuance of ordinary shares:
- private placement
- exercise of SIS options
Grant of SIS options
Lapse of SIS options
Total transactions with owners
At 30 September 2022

**STATEMENTS OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

| | | Attributable to owners of the parent | | | | |
|---|------------------|--------------------------------------|----------------------------|--------------------------------|-------------|--|
| | | Non-distributable | | Share Issuance Scheme | | |
| Note | Share Capital RM | Capital Reserve RM | Option Reserve RM Restated | Accumulated Losses RM Restated | Total RM | |
| Group | | | | | | |
| 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) | |
| Transactions with owners: | | | | | | |
| Issuance of ordinary shares: | | | | | | |
| - private placement | 14 | - | - | - | 1,702,257 | |
| - exercise of SIS options | 14 | - | (266,876) | - | 401,851 | |
| Grant of SIS options | 15 | - | 243,807 | - | 243,807 | |
| Lapse of SIS options | 15 | - | (141,862) | 141,862 | - | |
| Total transactions with owners | | - | (164,931) | 141,862 | 2,347,915 | |
| At 30 September 2021 | 49,171,397 | 21,305,406 | 340,024 | (45,256,983) | 25,559,844 | |

**STATEMENTS OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

| | | Attributable to Owners of the Parent | | | | |
|----------------------------------|---|--------------------------------------|--------------------------|---|-----------------------------|--------------|
| | | Non-distributable | | | | |
| | | Share Capital RM | Capital Reserve RM | Share Issuance Scheme Option Reserve RM | Accumulated Losses RM | Total RM |
| Company | | | | | | |
| | At 1 October 2021 | 49,171,397 | 21,305,406 | 340,024 | (10,499,706) | 60,317,121 |
| | Net loss for the financial year, representing total comprehensive loss for the financial year | - | - | - | (27,859,414) | (27,859,414) |
| | Transfer to retained earnings | - | (21,305,406) | - | 21,305,406 | - |
| Transactions with owners: | | | | | | |
| | Issuance of ordinary shares: | | | | | |
| | - private placement | 10,838,837 | - | - | - | 10,838,837 |
| | - exercise of SIS options | 902,980 | - | (351,470) | - | 551,510 |
| | Grant of SIS options | - | - | 182,902 | - | 182,902 |
| | Lapse of SIS options | - | - | (15,554) | 15,554 | - |
| | Total transactions with owners | 11,741,817 | - | (184,122) | 15,554 | 11,573,249 |
| | At 30 September 2022 | 60,913,214 | - | 155,902 | (17,038,160) | 44,030,956 |

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**STATEMENTS OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

| Note | Attributable to Owners of the Parent | | | | | | Total RM |
|---|--------------------------------------|--------------------------|-------------------------|-----------------------------|----------|------------|-------------|
| | Non-distributable | | Share Issuance Scheme | | | | |
| | Share Capital RM | Capital Reserve RM | Option Reserve RM | Accumulated Losses RM | Restated | Restated | |
| Company | | | | | | | |
| 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) | |
| Transactions with owners: | | | | | | | |
| 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 | - | - | (141,862) | 141,862 | | - | |
| Total transactions with owners | 2,370,984 | - | (164,931) | 141,862 | | 2,347,915 | |
| At 30 September 2021 | 49,171,397 | 21,305,406 | 340,024 | (10,499,706) | | 60,317,121 | |

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

| | Group | | Company | |
|---|-------------|-------------|--------------|------------|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Cash Flows from Operating Activities | | | | |
| Loss before tax | (9,091,510) | (5,531,705) | (27,859,414) | (640,225) |
| Adjustments for: | | | | |
| Depreciation of: | | | | |
| - property, plant and equipment | 1,457,379 | 1,462,642 | 1,405 | - |
| - right-of-use assets | 1,131,898 | 916,118 | 115,825 | - |
| Interest expenses | 152,705 | 196,618 | 6,711 | - |
| Impairment loss on: | | | | |
| - trade receivables | 1,285,827 | 161,813 | - | - |
| - amount due from subsidiary company | - | - | 16,900,000 | - |
| Inventories written down | 1,012,327 | 87,335 | - | - |
| Interest income | (11,167) | (49,477) | (11,167) | (49,477) |
| (Gain)/Loss on disposal of subsidiary companies | (556,125) | - | 21,427,999 | - |
| Reversal of impairment loss on investment in subsidiary companies | - | - | (6,095,000) | - |
| Impairment loss written off | 5,702,234 | 113,922 | - | - |
| Waiver of debt | - | - | (5,948,461) | - |
| Share-based payments expenses | 182,902 | 243,807 | 182,902 | 243,807 |
| Unrealised (gain)/loss on foreign exchange | (31,234) | 12,846 | - | - |
| Operating profit/(loss) before working capital changes | 1,235,236 | (2,386,081) | (1,279,200) | (445,895) |

**STATEMENTS OF CASH FLOWS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

| | Group | | Company | |
|---|---------------------|--------------------|---------------------|--------------------|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Cash Flows from Operating Activities (Cont'd) | | | | |
| Changes in working capital: | | | | |
| Inventories | (829,657) | (299,480) | - | - |
| Trade receivables | (10,664,316) | 747,058 | - | - |
| Other receivables | (5,625,809) | 424,141 | (1,784,001) | 2,999 |
| Trade payables | 171,934 | (1,874,785) | - | - |
| Other payables | 3,155,066 | 198,466 | 85,887 | 81,993 |
| | <u>(13,792,782)</u> | <u>(804,600)</u> | <u>(1,698,114)</u> | <u>84,992</u> |
| Cash used in operation | (12,557,546) | (3,190,681) | (2,977,314) | (360,903) |
| Interest received | 11,167 | 49,477 | 11,167 | 49,477 |
| Interest paid | (152,705) | (196,618) | (6,711) | - |
| | <u>(141,538)</u> | <u>(147,141)</u> | <u>4,456</u> | <u>49,477</u> |
| Net cash used in operating activities | <u>(12,699,084)</u> | <u>(3,337,822)</u> | <u>(2,972,858)</u> | <u>(311,426)</u> |
| Cash Flows from Investing Activities | | | | |
| Advance to subsidiary companies | - | - | (9,689,473) | (3,930,603) |
| Purchase of additional share in subsidiary companies | - | - | (1,050,000) | - |
| Purchase of property, plant and equipment | (225,024) | (66,417) | (8,950) | - |
| Proceed from disposal of investment in subsidiary companies | (1,389) | - | 3 | - |
| Net cash used in investing activities | <u>(226,413)</u> | <u>(66,417)</u> | <u>(10,748,420)</u> | <u>(3,930,603)</u> |

STATEMENTS OF CASH FLOWS (Cont'd)
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

| | Group | | Company | |
|---|-----------------------|-------------------------|-----------------------|-------------------------|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Cash Flows from Financing Activities | | | | |
| (Repayment to)/Advance from Directors | (99,000) | 63,150 | (91,100) | 58,300 |
| Advance from subsidiary companies | - | - | - | (15,729) |
| Proceeds from issuance of ordinary shares | 10,838,837 | 1,702,257 | 10,838,837 | 1,702,257 |
| Proceeds from exercise of SIS options | 551,510 | 401,851 | 551,510 | 401,851 |
| Payment of lease liabilities | (1,069,969) | (783,972) | (113,289) | - |
| Net cash from financing activities | <u>10,221,378</u> | <u>1,383,286</u> | <u>11,185,958</u> | <u>2,146,679</u> |
| Net decrease in cash and cash equivalents | (2,704,119) | (2,020,953) | (2,535,320) | (2,095,350) |
| Cash and cash equivalents at the beginning of the financial year | 3,503,967 | 5,513,956 | 2,947,377 | 5,042,727 |
| Effect of exchange translation difference on cash and cash equivalent | 1,337 | 10,964 | - | - |
| Cash and cash equivalents at the end of the financial year | <u>801,185</u> | <u>3,503,967</u> | <u>412,057</u> | <u>2,947,377</u> |
| Cash and cash equivalents at the end of the financial year comprise: | | | | |
| Cash and bank balances | 561,119 | 558,774 | 212,057 | 2,184 |
| Fixed deposit with a licensed bank | 240,066 | 2,945,193 | 200,000 | 2,945,193 |
| | <u>801,185</u> | <u>3,503,967</u> | <u>412,057</u> | <u>2,947,377</u> |

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2022

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. With effect from 30 November 2022, the Company's principal place of business has been relocated to Office 22F, 22nd Floor, UBN Tower 10, Jalan P. Ramlee, 50250 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The registered office of the Company was located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. With effect from 2 January 2023, the Company's registered office has been relocated to B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200, Kuala Lumpur, Wilayah Persekutuan, Malaysia.

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 2022

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 MFRS 16 | Covid-19-Related Rent Concessions |
| Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4, MFRS 16 | Interest Rate Benchmark Reform - Phase 2 |
| Amendments to MFRS 16 | Covid-19-Related Rent Concessions beyond 30 June 2021 |

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 3 | Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116 | Property, Plant and Equipment – Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137 | Onerous Contracts – Cost of Fulfilling a Contract | 1 January 2022 |
| Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141 | Annual Improvement to MFRS Standards 2018-2020 | 1 January 2022 |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 | Initial application of MFRS 17 and MFRS 9 – Comparative Information | 1 January 2023 |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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 101 | Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to MFRS 101 | Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 | 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 101 | Presentation of Financial Statements - Non-current Liabilities with Covenant | 1 January 2024 |
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback | 1 January 2024 |
| 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 2022****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 2022****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 2022****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 2022****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 requires 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 27.

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 2022****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 2022****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 2022****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 2022****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 2022

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% |
| Signage | 10% |

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 2022****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:

| | |
|----------------|-----|
| Motor vehicles | 20% |
| Office | 85% |

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 2022**

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 2022****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 2022****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 2022****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 2022****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 2022****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 2022****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 2022****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 2022****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 2022****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 2022

4. Property, Plant and Equipment

| Group 2022 Cost | 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 | Signage RM | Total RM |
|---------------------------------|--------------------------|---|---|--|---------------------------------|-----------------------|---------------------|
| At 1 October 2021 | 2,246,960 | 48,509 | 13,195,022 | 8,592,536 | 48,000 | - | 24,131,027 |
| Additions | 5,100 | - | - | 217,724 | - | 2,200 | 225,024 |
| Disposal of subsidiaries | (210,359) | - | (111,544) | (970,965) | - | - | (1,292,868) |
| At 30 September 2022 | 2,041,701 | 48,509 | 13,083,478 | 7,839,295 | 48,000 | 2,200 | 23,063,183 |
| Accumulated depreciation | | | | | | | |
| At 1 October 2021 | 777,612 | 46,756 | 6,649,564 | 8,372,149 | 47,999 | - | 15,894,080 |
| Charge for the financial year | 207,381 | - | 1,203,296 | 46,482 | - | 220 | 1,457,379 |
| Disposal of subsidiaries | (189,348) | - | (101,560) | (958,761) | - | - | (1,249,669) |
| At 30 September 2022 | 795,645 | 46,756 | 7,751,300 | 7,459,870 | 47,999 | 220 | 16,101,790 |
| Carrying amount | | | | | | | |
| At 30 September 2022 | 1,246,056 | 1,753 | 5,332,178 | 379,425 | 1 | 1,980 | 6,961,393 |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

| | Renovation RM | Plant and machinery RM | Tools, equipment and moulds RM | Office and computer equipment, furniture and fittings and air-conditioners RM | Motor vehicle RM | Total RM |
|---------------------------------|------------------|---------------------------------|--|--|------------------------|-------------|
| Group | | | | | | |
| 2021 | | | | | | |
| Cost | | | | | | |
| 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 |
| Accumulated depreciation | | | | | | |
| 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 |
| Carrying amount | | | | | | |
| At 30 September 2021 | 1,469,348 | 1,753 | 6,545,458 | 220,387 | 1 | 8,236,947 |

**NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022**

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

| | Furniture and fittings RM | Renovation RM | Signage RM | Total RM |
|---------------------------------|---------------------------------|------------------|---------------|-------------|
| Company | | | | |
| 2022 | | | | |
| Cost | | | | |
| At 1 October 2021 | - | - | - | - |
| Additions | 5,100 | 1,650 | 2,200 | 8,950 |
| At 30 September 2022 | 5,100 | 1,650 | 2,200 | 8,950 |
| Accumulated depreciation | | | | |
| At 1 October 2021 | - | - | - | - |
| Charge for the financial year | 1,020 | 165 | 220 | 1,405 |
| At 30 September 2022 | 1,020 | 165 | 220 | 1,405 |
| Carrying amount | | | | |
| At 30 September 2022 | 4,080 | 1,485 | 1,980 | 7,545 |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

5. Right-of-Use Assets

| | Office RM | Buildings RM | Warehouse RM | Motor vehicles RM | Total RM |
|---------------------------------|----------------|------------------|------------------|-------------------------|------------------|
| Group | | | | | |
| 2022 | | | | | |
| Cost | | | | | |
| At 1 October 2021 | - | 5,570,429 | 1,426,537 | 143,000 | 7,139,966 |
| Addition | 270,259 | - | - | - | 270,259 |
| At 30 September 2022 | <u>270,259</u> | <u>5,570,429</u> | <u>1,426,537</u> | <u>143,000</u> | <u>7,410,225</u> |
| Accumulated depreciation | | | | | |
| At 1 October 2021 | - | 1,428,097 | 441,754 | 54,817 | 1,924,668 |
| Charge for the financial year | 115,825 | 549,792 | 437,681 | 28,600 | 1,131,898 |
| At 30 September 2022 | <u>115,825</u> | <u>1,977,889</u> | <u>879,435</u> | <u>83,417</u> | <u>3,056,566</u> |
| Carrying Amount | | | | | |
| At 30 September 2022 | <u>154,434</u> | <u>3,592,540</u> | <u>547,102</u> | <u>59,583</u> | <u>4,353,659</u> |
| Group | | | | | |
| 2021 | | | | | |
| Cost | | | | | |
| At 1 October 2020 | | 5,383,687 | - | 143,000 | 5,526,687 |
| Effect of adopting MFRS 16 | | 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> |
| Accumulated depreciation | | | | | |
| 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> |
| Carrying Amount | | | | | |
| At 30 September 2021 | | <u>4,142,332</u> | <u>984,783</u> | <u>88,183</u> | <u>5,215,298</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

| | Office RM | Motor vehicle RM | Total RM |
|---------------------------------|----------------|---------------------|----------------|
| Company | | | |
| 2022 | | | |
| Cost | | | |
| At 1 October 2022 | - | - | - |
| Addition | 270,259 | - | 270,259 |
| At 30 September 2022 | <u>270,259</u> | <u>-</u> | <u>270,259</u> |
| Accumulated depreciation | | | |
| At 1 October 2022 | - | - | - |
| Charge for the financial year | 115,825 | - | 115,825 |
| At 30 September 2022 | <u>115,825</u> | <u>-</u> | <u>115,825</u> |
| Carrying Amount | | | |
| At 30 September 2022 | <u>154,434</u> | <u>-</u> | <u>154,434</u> |
| 2021 | | | |
| Cost | | | |
| At 1 October 2021 | - | 143,000 | 143,000 |
| Transfer to subsidiary company | - | (143,000) | (143,000) |
| At 30 September 2021 | <u>-</u> | <u>-</u> | <u>-</u> |
| Accumulated depreciation | | | |
| At 1 October 2021 | - | 26,217 | 26,217 |
| Transfer to subsidiary company | - | (26,217) | (26,217) |
| At 30 September 2021 | <u>-</u> | <u>-</u> | <u>-</u> |
| Carrying Amount | | | |
| At 30 September 2021 | <u>-</u> | <u>-</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

(a) 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 | |
|-----------------------|-----------|-------------|-----------|------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Aggregate costs | 270,259 | 1,613,279 | 270,259 | - |
| Less: Lease financing | (270,259) | (1,613,279) | (270,259) | - |
| Cash payments | - | - | - | - |

6. Goodwill on Consolidation

| | Group | |
|--|-------|-----------|
| | 2022 | 2021 |
| | RM | RM |
| Cost | | |
| At the beginning/end of the financial year | - | 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.

An impairment loss of RM1,935,486 (2021: Nil) representing the write down of goodwill to the recoverable amount was recognised in profit or loss as the carrying amount of the combined CGU was in excess than its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

6. Goodwill on Consolidation (Cont'd)

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

Group

| Gross margin | | Growth rate | | Discount rate | |
|---------------------|-------------|--------------------|-------------|----------------------|-------------|
| 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| 43% | 40% - 42% | 15% - 122% | 5% - 214% | 10% | 10% |

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

(a) Budgeted growth rate

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

(b) Budgeted gross margin

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

(c) Discount rate

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

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 | |
|-------------------------------------|-------------------|-------------------|
| | 2022 | 2021 |
| | RM | RM |
| In Malaysia | | |
| At cost | | |
| Unquoted shares | 49,722,920 | 70,100,922 |
| Less: Accumulated impairment losses | (12,205,497) | (18,300,497) |
| | <u>37,517,423</u> | <u>51,800,425</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

7. Investment in Subsidiary Companies (Cont'd)

In determining recoverable amount for AHB Technology 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.

| Name of company | Place of business/ Country of incorporation | Effective interest | | Principal activities |
|----------------------------|--|--------------------|-----------|---|
| | | 2022 % | 2021 % | |
| AHB Technology Sdn. Bhd. | Malaysia | 100 | 100 | Trading of office furniture and specialised computer furniture |
| AHB Marketing Sdn. Bhd. | Malaysia | -* | 100 | Trading of office interior products |
| Create Space Sdn. Bhd. | Malaysia | -* | 100 | Trading of office interior products |
| AHB Distribution Sdn. Bhd. | Malaysia | -* | 100 | Trading of office interior products |
| AHB Development Sdn. Bhd. | Malaysia | 100# | - | Trading of general merchants, property investment, constructions, and development goods |
| AHB Biz Sdn. Bhd. | Malaysia | 100@ | - | Trading of transportation products |

* Disposed during the financial year

@ Acquired during the financial year

Incorporated during the financial year

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

7. Investment in Subsidiary Companies (Cont'd)

a) Acquisition of subsidiary companies

On 17 February 2022, the Company acquired 100% equity interest in AHB Biz Sdn. Bhd.. The purchase consideration for the acquisition consists of cash subscription of RM1.

On 23 February 2022, the Company incorporated a 100% owned subsidiary company, AHB Development Sdn. Bhd., with cash subscription of RM1.

b) Disposal of subsidiary companies

On 10 June 2022, the Company disposed of its 100% equity interest in AHB Marketing Sdn. Bhd., AHB Distribution Sdn. Bhd. and Create Space Sdn. Bhd. for cash consideration of RM1 for each company, which had resulted a loss of RM21,427,999.

The effect of the disposal of AHB Marketing Sdn. Bhd., AHB Distribution Sdn. Bhd. and Create Space Sdn. Bhd. on the financial position of the Group as at the date of disposal were as follows:

| | RM |
|--|-------------|
| Property, plant & equipments | 43,199 |
| Trade receivables | 661,746 |
| Cash and bank balances | 1,392 |
| Trade payables | (99) |
| Other payable | (46,058) |
| Amt owing to related companies | (3,133,131) |
| Amt owing to holding company | (18,657) |
| Net liabilities | (2,491,608) |
| Add: Non-controlling interests | 1,935,486 |
| Total net liabilities disposed | (556,122) |
| Gain on disposal | 556,125 |
| Proceeds from disposal | 3 |
| Less: cash and cash equivalents disposed | (1,392) |
| Net cash inflows from disposal | (1,389) |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

8. **Deferred Tax Assets**

| | Group | |
|--|------------------|------------------|
| | 2022 | 2021 |
| | RM | RM |
| 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:

| | Group | |
|--------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| | RM | RM |
| Deferred tax assets | 5,137,549 | 5,226,512 |
| Deferred tax liabilities | <u>(1,137,549)</u> | <u>(1,226,512)</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:

| | Accelerated capital allowances | |
|---------------------------------|---------------------------------------|--------------------|
| | 2022 | 2021 |
| | RM | RM |
| Group | | |
| Deferred tax liabilities | | |
| At 1 October | (1,226,512) | (1,153,299) |
| Recognised in profit or loss | (82,431) | (71,627) |
| Over provision in prior year | 171,394 | (1,586) |
| At 30 September | <u>(1,137,549)</u> | <u>(1,226,512)</u> |

| | Unutilised tax losses | |
|------------------------------|------------------------------|------------------|
| | 2022 | 2021 |
| | RM | RM |
| Group | | |
| Deferred tax assets | | |
| At 1 October | 5,226,512 | 5,153,299 |
| Recognised in profit or loss | <u>(88,963)</u> | <u>73,213</u> |
| At 30 September | <u>5,137,549</u> | <u>5,226,512</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

8. Deferred Tax Assets (Cont'd)

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

| | Group | | Company | |
|-------------------------------|-------------------|-------------------|----------------|----------------|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Unutilised tax losses | 7,690,554 | 9,439,384 | 414,346 | 414,346 |
| Unutilised capital allowances | 6,119,433 | 5,296,091 | - | - |
| | <u>13,809,987</u> | <u>14,735,475</u> | <u>414,346</u> | <u>414,346</u> |

9. Amount Due from/(to) Subsidiary Companies

| | Company | |
|--------------------------------------|---------------------|--------------------|
| | 2022 RM | 2021 RM |
| Amount due from subsidiary companies | 21,474,112 | 16,872,994 |
| Less: Accumulated impairment losses | <u>(16,900,000)</u> | <u>(5,088,355)</u> |
| | <u>4,574,112</u> | <u>11,784,639</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.

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

| | Company | |
|-------------------------------|--------------------|------------------|
| | 2022 RM | 2021 RM |
| At 1 October | 5,088,355 | 5,088,355 |
| Impairment loss recognised | 16,900,000 | - |
| Transfer to other receivables | <u>(5,088,355)</u> | <u>-</u> |
| At 30 September | <u>16,900,000</u> | <u>5,088,355</u> |

| | Company | |
|------------------------------------|------------|--------------------|
| | 2022 RM | 2021 RM |
| Amount due to subsidiary companies | <u>-</u> | <u>(5,948,461)</u> |

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

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

10. **Inventories**

| | Group | |
|---|------------------|------------------|
| | 2022 | 2021 |
| | RM | RM |
| Trading merchandise | <u>5,965,866</u> | <u>6,148,536</u> |
| Recognised in profit or loss: | | |
| Inventories recognised as cost of sales | 3,049,745 | 4,637,357 |
| Inventories written down | <u>519,554</u> | <u>87,335</u> |

11. **Trade Receivables**

| | Group | |
|-------------------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| | RM | RM |
| Trade receivables | 8,259,901 | 10,338,954 |
| Less: Accumulated impairment losses | <u>(1,990,688)</u> | <u>(7,114,147)</u> |
| | <u>6,269,213</u> | <u>3,224,807</u> |

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

| | Group | |
|--------------------------------|--------------------|------------------|
| | 2022 | 2021 |
| | RM | RM |
| At 1 October | 7,114,147 | 7,066,256 |
| Disposal of subsidiary company | (707,052) | - |
| Impairment losses recognised | 1,285,827 | 161,813 |
| Impairment losses written off | <u>(5,702,234)</u> | <u>(113,922)</u> |
| At 30 September | <u>1,990,688</u> | <u>7,114,147</u> |

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.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

11. Trade Receivables (Cont'd)

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

| | Gross amount RM | Loss allowance RM | Net Amount RM |
|-------------------------------|--------------------------------|----------------------------------|------------------------------|
| 2022 | | | |
| Neither past due nor impaired | 2,291,778 | - | 2,291,778 |
| Past due nor impaired: | | | |
| 31 to 60 days | 11,451 | - | 11,451 |
| 61 to 90 days | - | - | - |
| More than 90 days | 4,081,024 | (115,040) | 3,965,984 |
| | <u>4,092,475</u> | <u>(115,040)</u> | <u>3,977,435</u> |
| | 6,384,253 | (115,040) | 6,269,213 |
| Credit impaired: | | | |
| Individual impaired | 1,875,648 | (1,875,648) | - |
| | <u>8,259,901</u> | <u>(1,990,688)</u> | <u>6,269,213</u> |
| | Gross amount RM | Loss allowance RM | Net Amount RM |
| 2021 | | | |
| 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 |
| | <u>2,989,985</u> | <u>(99,583)</u> | <u>2,890,402</u> |
| | 3,343,690 | (118,883) | 3,224,807 |
| Credit impaired: | | | |
| Individual impaired | 6,995,264 | (6,995,264) | - |
| | <u>10,338,954</u> | <u>(7,114,147)</u> | <u>3,224,807</u> |

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

As at 30 September 2022, trade receivables of RM3,977,435 (2021: RM2,890,402) 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 RM1,875,648 (2021: RM6,995,264), 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.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

12. **Other Receivables**

| | Group | | Company | |
|-------------------------------------|------------------|----------------|------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Other receivables | 8,611,044 | 519,816 | 5,107,222 | 5,900 |
| Less: Accumulated impairment losses | (5,080,266) | (166,802) | (5,080,266) | - |
| | <u>3,530,778</u> | <u>353,014</u> | <u>26,956</u> | <u>5,900</u> |
| Deposits | 2,005,147 | 242,997 | 1,761,050 | - |
| Prepayments | 685,895 | - | 1,895 | - |
| | <u>6,221,820</u> | <u>596,011</u> | <u>1,789,901</u> | <u>5,900</u> |

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. **Fixed Deposits with Licensed Banks**

The range of interest rates and maturities of deposits of the Group at the reporting date are 1.15%-1.99% (30.9.2021: 1.40%-1.65%) per annum and 7 days to 3 months (30.9.2021: 1 month to 3 months).

14. **Share Capital**

| | Group and Company | | | |
|---------------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | Number of shares | | Amount | |
| | 2022 | 2021 | 2022 | 2021 |
| | Units | Units | RM | RM |
| Issued and fully paid | | | | |
| At 1 October | 260,305,594 | 243,855,394 | 49,171,397 | 46,800,413 |
| Issuance of new shares: | | | | |
| - private placement | 111,440,000 | 12,818,200 | 10,838,837 | 1,702,257 |
| - exercise of SIS options | 4,062,000 | 3,632,000 | 551,510 | 401,851 |
| - share issued under SIS [Note 15(b)] | - | - | 351,470 | 266,876 |
| At 30 September | <u>375,807,594</u> | <u>260,305,594</u> | <u>60,913,214</u> | <u>49,171,397</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

14. Share Capital (Cont'd)

During the financial year, the Company issued:

- (a) 30,000,000 new ordinary shares at issue price of RM0.0881 per ordinary share for a total cash consideration of RM2,643,000 through private placement; and
- (b) 25,720,000 new ordinary shares at issue price of RM0.1062 per ordinary share for a total cash consideration of RM2,731,464 including the placement fee, through private placement; and
- (c) 55,720,000 new ordinary shares at issue price of RM0.1004 per ordinary share for a total cash consideration of RM5,594,288 including the placement fee, through private placement; and
- (d) 4,062,000 new ordinary shares through the exercise of the Share Issuance Scheme (“SIS”) Options at an average issue price of RM0.116 for a total cash consideration of RM551,510.

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.

15. Reserves

| | Note | Group | | Company | |
|--|------|---------------------|------------------------|---------------------|------------------------|
| | | 2022 RM | 2021 RM Restated | 2022 RM | 2021 RM Restated |
| Capital reserve | (a) | - | 21,305,406 | - | 21,305,406 |
| Share Issuance Scheme Option reserve | (b) | 155,902 | 340,024 | 155,902 | 340,024 |
| Accumulated losses | | <u>(33,027,533)</u> | <u>(45,256,983)</u> | <u>(17,038,160)</u> | <u>(10,499,706)</u> |
| | | <u>(32,871,631)</u> | <u>(23,611,553)</u> | <u>(16,882,258)</u> | <u>11,145,724</u> |

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

- (a) Capital reserve

The capital reserve amounted to RM21,305,406 was transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

The nature of reserve of the Group and of the Company is as follows: (Cont'd)

(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.

16. **Lease Liabilities**

| | Group | | Company | |
|--------------------------------|------------------|------------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| At 1 October | 5,598,658 | 4,769,351 | - | 87,054 |
| Additions | 270,259 | 1,613,279 | 270,259 | - |
| Payment | (1,069,969) | (783,972) | (113,289) | - |
| Transfer to subsidiary company | - | - | - | (87,054) |
| At 30 September | <u>4,798,948</u> | <u>5,598,658</u> | <u>156,970</u> | <u>-</u> |
| Presented as: | | | | |
| Non-current | 3,577,289 | 4,641,978 | - | - |
| Current | 1,221,659 | 956,680 | 156,970 | - |
| | <u>4,798,948</u> | <u>5,598,658</u> | <u>156,970</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

16. Lease Liabilities (Cont'd)

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

| | Group | | Company | |
|---|------------------|------------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Within one year | 1,336,838 | 1,097,274 | 156,970 | - |
| Later than one year and not later than two years | 834,838 | 1,176,838 | - | - |
| Later than two years and not later than five years | 1,621,776 | 2,456,614 | - | - |
| Later than five year | 1,351,065 | 1,351,067 | - | - |
| | <u>5,144,517</u> | <u>6,081,793</u> | <u>156,970</u> | <u>-</u> |
| Less: Future finance charges | (345,569) | (483,135) | - | - |
| Present value of lease liabilities | <u>4,798,948</u> | <u>5,598,658</u> | <u>156,970</u> | <u>-</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.

17. Trade Payables

Credit terms of trade payables of the Group range from 30 to 100 days (2021: 30 to 100 days) depending on the terms of the contracts.

18. Other Payables

| | Group | | Company | |
|----------------|------------------|------------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Other payables | 1,090,094 | 1,313,147 | 10,206 | 125,359 |
| Accruals | 331,420 | 130,100 | 257,340 | 56,300 |
| GST payable | - | 21,047 | - | - |
| | <u>1,421,514</u> | <u>1,464,294</u> | <u>267,546</u> | <u>181,659</u> |

19. Amount Due to Directors

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

**NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022****20. Revenue**

| | Group | |
|---|-------------------|------------------|
| | 2022 | 2021 |
| | RM | RM |
| Revenue from contracts with customers: | | |
| Sales of goods | <u>10,203,936</u> | <u>7,957,134</u> |

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

21. Finance Costs

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Interest expenses on: | | | | |
| Lease liabilities | 152,705 | 154,799 | 6,711 | - |
| Trade finance facilities | - | 37,884 | - | - |
| Others | - | 3,935 | - | - |
| | <u>152,705</u> | <u>196,618</u> | <u>6,711</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

22. Loss Before Tax

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

| | Group | | Company | |
|---|------------|------------|-------------|------------|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Auditors' remuneration | | | | |
| - Statutory audit | | | | |
| - Current year | 112,300 | 113,400 | 55,000 | 47,300 |
| - Non-statutory audit | 5,000 | 5,000 | 5,000 | 5,000 |
| Depreciation of: | | | | |
| - Property, plant and equipment | 1,457,379 | 1,462,642 | 1,405 | - |
| - Right-of-use assets | 1,131,898 | 916,118 | 115,825 | - |
| Impairment loss on: | | | | |
| - trade receivables | 1,285,827 | 161,813 | - | - |
| - amount due from subsidiary company | - | - | 16,900,000 | - |
| Inventories written down | 1,012,327 | 87,335 | - | - |
| (Gain)/loss on foreign exchange | | | | |
| - realised | - | 2,378 | - | - |
| - unrealised | (31,234) | 12,846 | - | - |
| (Gain)/Loss on disposal of subsidiary companies | (556,125) | - | 21,427,999 | - |
| Lease expenses relating to short-term leases | - | 204,007 | 598 | - |
| Interest income | (11,167) | (49,477) | (11,167) | (49,477) |
| Reversal of impairment loss on investment in subsidiary companies | - | - | (6,095,000) | - |
| Impairment loss written off | 5,702,234 | 113,922 | - | - |
| Share-based payments expenses | 182,902 | 243,807 | 182,902 | 243,807 |
| Waiver of debts | - | - | (5,948,461) | - |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

23. Taxation

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 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 | |
|--|--------------------|--------------------|---------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Loss before tax | <u>(9,091,510)</u> | <u>(5,531,705)</u> | <u>(27,859,414)</u> | <u>(640,225)</u> |
| At Malaysian statutory tax rate of 24% (2021: 24%) | (2,181,962) | (1,327,609) | (6,686,259) | (153,654) |
| Income not subject to tax | (1,235,519) | - | - | - |
| Expenses not deductible for tax purposes | 2,827,349 | 522,430 | 6,686,259 | 153,654 |
| Deferred tax assets not recognised | <u>590,132</u> | <u>805,179</u> | <u>-</u> | <u>-</u> |
| Tax credit for the financial year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The Group and the Company has estimated unutilised capital allowances and tax losses available for offset against future taxable profits as follows:

| | Group | | Company | |
|-------------------------------|-------------------|-------------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Unutilised tax losses | 29,097,008 | 31,216,518 | 414,346 | 414,346 |
| Unutilised capital allowances | <u>6,119,433</u> | <u>5,296,091</u> | <u>-</u> | <u>-</u> |
| | <u>35,216,441</u> | <u>36,512,609</u> | <u>414,346</u> | <u>414,346</u> |

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.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

23. Taxation (Cont'd)

| | Group | | Company | |
|--|-------------------|-------------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Unutilised tax losses to be carried forward until: | | | | |
| - YA 2025 | 22,399,651 | 25,737,025 | - | - |
| - YA 2026 | 1,196,395 | 1,196,395 | - | - |
| - YA 2027 | 1,355,808 | 1,355,808 | - | - |
| - YA 2028 | 2,927,290 | 2,927,290 | - | - |
| - YA 2029 | 1,217,864 | - | - | - |
| | <u>29,097,008</u> | <u>31,216,518</u> | <u>-</u> | <u>-</u> |

24. 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:

| | Group | |
|---|--------------------|--------------------|
| | 2022 | 2021 |
| | RM | RM |
| Loss attributable to owners of the parent | <u>(9,091,510)</u> | <u>(5,531,705)</u> |
| Weighted average number of shares in issue | | |
| Issued shares at 1 October | 260,305,594 | 243,855,394 |
| Effect of shares issued during the financial year | <u>80,658,364</u> | <u>12,295,584</u> |
| Weighted average number of shares at 30 September | <u>340,963,958</u> | <u>256,150,978</u> |
| Basic loss per shares (sen) | <u>(2.67)</u> | <u>(2.16)</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

24. **Loss Per Share (Cont'd)**

(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:

| | Group | |
|---|--------------------|--------------------|
| | 2022 | 2021 |
| | RM | RM |
| Loss attributable to owners of the parent | <u>(9,091,510)</u> | <u>(5,531,705)</u> |
| Weighted average number of shares used in the calculation of basic earnings per share | 340,963,958 | 256,150,978 |
| Effect of share options on issue | <u>1,381,995</u> | <u>799,381</u> |
| Weighted average number of shares at 30 September | <u>342,345,953</u> | <u>256,950,359</u> |
| Diluted loss per share (in sen) | <u>(2.66)</u> | <u>(2.15)</u> |

25. **Staff Costs**

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Salaries, wages and other emoluments | 2,437,057 | 1,918,649 | 102,900 | 91,100 |
| Defined contribution plans | 295,528 | 223,933 | 12,192 | - |
| Other Directors' fees | 330,500 | - | 330,500 | - |
| Share-based payment expenses | 182,902 | 243,807 | 182,902 | 243,807 |
| Social security contributions | 16,764 | 11,125 | 1,172 | - |
| Other benefits | 326,516 | 265,466 | 3,780 | - |
| | <u>3,589,267</u> | <u>2,662,980</u> | <u>633,446</u> | <u>334,907</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

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

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Executive Directors | | | | |
| <u>Existing Directors of the Company</u> | | | | |
| Fees | 72,000 | 27,500 | 72,000 | 22,000 |
| Salaries and other emoluments | 60,000 | 528,036 | 60,000 | - |
| Share-based payment expenses | - | 43,102 | - | 43,102 |
| Defined contribution plans | 7,200 | 63,365 | 7,200 | - |
| Social security contributions | 481 | - | 481 | - |
| Other benefits | 3,780 | - | 3,780 | - |
| | <u>143,461</u> | <u>662,003</u> | <u>143,461</u> | <u>65,102</u> |
| Non-Executive Directors | | | | |
| <u>Existing Directors of the Company</u> | | | | |
| Fees | 258,500 | 69,100 | 258,500 | 69,100 |
| Share-based payment expenses | 10,682 | 17,803 | 10,682 | 17,803 |
| | <u>269,182</u> | <u>86,903</u> | <u>269,182</u> | <u>86,903</u> |
| Total Directors' Remuneration | <u>412,643</u> | <u>748,906</u> | <u>412,643</u> | <u>152,005</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

26. **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 | Non-cash changes New lease RM | At 30 September RM |
|-------------------------|-----------------------|--|--|--------------------------|
| Group | | | | |
| 2022 | | | | |
| Lease liabilities | 5,598,658 | (1,069,969) | 270,259 | 4,798,948 |
| Amount due to Directors | 99,000 | (99,000) | - | - |
| | <u>5,697,658</u> | <u>(1,168,969)</u> | <u>270,259</u> | <u>4,798,948</u> |
| 2021 | | | | |
| 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>1,613,279</u> | <u>5,697,658</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

26. **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 2021 RM | Net changes from financing cash flows RM | Non-cash changes | | At 30 September 2022 |
|------------------------------------|-------------------------------|---|------------------|----------------------|----------------------------|
| | | | New lease RM | Waiver of debt RM | |
| Company | | | | | |
| 2022 | | | | | |
| Lease liabilities | - | (113,289) | 270,259 | - | 156,970 |
| Amount due to Directors | 91,100 | (91,100) | - | - | - |
| Amount due to subsidiary companies | 5,948,461 | - | - | (5,948,461) | - |
| | <u>6,039,561</u> | <u>(204,389)</u> | <u>270,259</u> | <u>(5,948,461)</u> | <u>156,970</u> |
| 2021 | | | | | |
| 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>-</u> | <u>6,039,561</u> |

**NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022****27. 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 2022

27. 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 | |
| 2022 | | | | | |
| SIS | | | | | |
| First Grant | 1,952,000 | 1,952,000 | (2,912,000) | (166,000) | 826,000 |
| Second Grant | 840,000 | - | (370,000) | - | 470,000 |
| Third Grant | 1,470,000 | - | (780,000) | - | 690,000 |
| | <u>4,262,000</u> | <u>1,952,000</u> | <u>(4,062,000)</u> | <u>(166,000)</u> | <u>1,986,000</u> |
| WAEP | 0.13 | - | 0.136 | 0.15 | 0.12 |

| | Number of options over ordinary shares | | | | At 30 September |
|--------------|---|-------------------------|--------------------|------------------------|------------------------|
| | At 1 October Restated | Granted Restated | Exercised | Lapsed Restated | |
| 2021 | | | | | |
| SIS | | | | | |
| First Grant | 1,692,000 | 2,602,000 | (828,000) | (1,514,000) | 1,952,000 |
| Second Grant | 2,034,000 | - | (1,194,000) | - | 840,000 |
| Third Grant | 3,080,000 | - | (1,610,000) | - | 1,470,000 |
| | <u>6,806,000</u> | <u>2,602,000</u> | <u>(3,632,000)</u> | <u>(1,514,000)</u> | <u>4,262,000</u> |
| WAEP | 0.13 | - | 0.111 | 0.15 | 0.14 |

The fair values of share options granted were estimated using a binomial option pricing model (2021: binomial option pricing model), taking into account the terms and conditions upon which the options were granted.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

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

| | Option Date 2 May 2019 | Option Date 7 August 2020 | Option Date 12 August 2020 |
|--|---|--|---|
| 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 2022****28. 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 19.

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Note 25.

29. 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.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

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. (Cont'd)

(b) **Geographic information**

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

| | Revenue | |
|---------------------------|-------------------|------------------|
| | 2022 | 2021 |
| | RM | RM |
| South-Eastern Asia | | |
| - Malaysia | 8,194,420 | 6,192,480 |
| - Singapore | - | 65,764 |
| Middle East | | |
| - Saudi Arabia | 2,009,516 | 1,624,522 |
| South-Central Asia | | |
| - India | - | 74,368 |
| | <u>10,203,936</u> | <u>7,957,134</u> |

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

(c) **Major customers**

Revenue from two major customers amount to RM6,469,704 (2021: RM5,867,836) contributed to more than 63% (2021: 74%) of the Group's revenues.

30. **Financial Instruments**

(a) **Classification of financial instruments**

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

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

30. Financial Instruments (Cont'd)

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

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

| Group | At amortised cost | |
|--------------------------------------|--------------------------|-------------------|
| | 2022 | 2021 |
| | RM | RM |
| Financial Assets | | |
| Trade receivables | 6,269,213 | 3,224,807 |
| Other receivables | 5,535,925 | 596,011 |
| Cash and bank balances | 561,119 | 558,774 |
| Fixed deposit | 240,066 | 2,945,193 |
| | <u>12,366,257</u> | <u>4,379,592</u> |
| Financial Liabilities | | |
| Trade payables | 311,091 | 139,256 |
| Other payables | 1,421,514 | 1,443,247 |
| Amount due to Directors | - | 99,000 |
| Lease liabilities | 4,798,948 | 5,598,658 |
| | <u>6,531,553</u> | <u>7,280,161</u> |
| Company | | |
| Financial Assets | | |
| Other receivables | 1,788,006 | 5,900 |
| Amount due from subsidiary companies | 4,574,112 | 11,784,639 |
| Cash and bank balances | 212,057 | 2,184 |
| Fixed deposit | 200,000 | 2,945,193 |
| | <u>6,574,175</u> | <u>11,792,723</u> |
| Financial Liabilities | | |
| Other payables | 267,546 | 181,659 |
| Amount due to subsidiary companies | - | 5,948,461 |
| Amount due to Directors | - | 91,100 |
| Lease liabilities | 156,970 | - |
| | <u>424,516</u> | <u>6,221,220</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

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

(b) Net loss on financial instruments

| | 2022 | 2021 |
|---|------------------|----------------|
| | RM | RM |
| Net loss on impairment of financial instruments | | |
| - Financial assets at amortised cost | <u>1,285,827</u> | <u>161,813</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 2022

30. 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 year are as follows:

| | Group | |
|---------------------------|--------------|-------------|
| | 2022 | 2021 |
| | RM | RM |
| South-Eastern Asia | | |
| - Malaysia | 5,350,838 | 1,775,687 |
| Middle East | | |
| - Saudi Arabia | 918,375 | 1,449,120 |
| | 6,269,213 | 3,224,807 |

As at the end of financial year, the Group had 3 customers (2021: 3 customers) that owed the Group a total amount of approximately RM5.97 million (2021: RM3 million) which accounted for approximately 95% (2021: 93%) of all the receivables outstanding.

**NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022****30. 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 2022

30. **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 |
|---|-------------------------------------|--------------------|--------------------|------------------------|--|-----------------------------------|
| Group | | | | | | |
| 2022 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Trade payables | 311,091 | - | - | - | 311,091 | 311,091 |
| Other payables | 1,090,094 | - | - | - | 1,090,094 | 1,090,094 |
| Lease liabilities | 1,336,838 | 834,838 | 1,621,776 | 1,351,065 | 5,144,517 | 4,798,948 |
| | <u>2,738,023</u> | <u>834,838</u> | <u>1,621,776</u> | <u>1,351,065</u> | <u>6,545,702</u> | <u>6,200,133</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

30. **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 |
|---|-------------------------------------|--------------------|--------------------|------------------------|--|-----------------------------------|
| Group | | | | | | |
| 2021 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Trade payables | 139,256 | - | - | - | 139,256 | 139,256 |
| Other payables | 1,443,247 | - | - | - | 1,443,247 | 1,443,247 |
| 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>2,778,777</u> | <u>1,176,838</u> | <u>2,456,614</u> | <u>1,351,067</u> | <u>7,763,296</u> | <u>7,280,161</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

30. 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 |
|---|-------------------------------------|--------------------|--------------------|------------------------|--|-----------------------------------|
| Company | | | | | | |
| 2022 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Other payables | 267,546 | - | - | - | 267,546 | 267,546 |
| Lease liabilities | 156,970 | - | - | - | 156,970 | 156,970 |
| | <u>424,516</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>424,516</u> | <u>424,516</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

30. 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 |
|---|-------------------------------------|--------------------|--------------------|------------------------|--|-----------------------------------|
| Company | | | | | | |
| 2021 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| 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 2022

30. 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).

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.

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

| | Denominated In |
|------------------------|-----------------------|
| | USD |
| | RM |
| Group | |
| 2022 | |
| Trade receivables | 2,501,432 |
| Cash and bank balances | 14,272 |
| | <u>2,515,704</u> |
| 2021 | |
| Trade receivables | 5,944,448 |
| Cash and bank balances | 417,570 |
| | <u>6,362,018</u> |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

30. **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 exchange rates against RM, with all other variable held constant.

| | 2022 | | 2021 | |
|-----|----------------------------|--|----------------------------|--|
| | Change in currency rate | Effect on profit before taxation RM | Change in currency rate | Effect on profit before taxation RM |
| USD | Strengthened 5% | 125,785 | Strengthened 5% | 318,101 |
| | Weakened 5% | (125,785) | Weakened 5% | (318,101) |

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

30. 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:

| | Group | | Company | |
|------------------------------|--------------|-------------|----------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| Fixed rate instrument | | | | |
| Financial liabilities | 4,798,948 | 5,598,658 | 156,970 | - |

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 2022****30. 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.

31. 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.

32. 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) Proposed Acquisition and Proposed RCPS Issuance

On 3 June 2022, the Company announced the multiple proposals as following:-

- (i) Proposed joint venture between AHB Development Sdn. Bhd., a wholly-owned subsidiary of AHB, with Awan Jingga Sdn. Bhd. to undertake a residential development on 4 parcels of land located in Mukim Petaling, Kuala Lumpur;
- (ii) Proposed diversification of the principal activities of AHB and its subsidiaries to include property development activities;
- (iii) Proposed issuance of up to 600,000,000, 2% cumulative redeemable convertible preference shares in AHB ("RCPS") at an issue price of RM0.10 per RCPS; and
- (iv) Proposed amendments to the constitution of AHB.

**NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022****32. 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) Proposed Acquisition and Proposed RCPS Issuance (Cont'd)

On 7 November 2022, the Company announce that the application to Bursa Securities for the multiple proposals has been submitted.

On 11 January 2023, approval granted by Bursa securities for the Proposed Acquisition and Proposed RCPS Issuance, respectively, subject to the following conditions:

- (i) AHB and Mercury Securities, being the adviser for the Proposed Acquisition and Proposed RCPS Issuance, must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Acquisition and Proposed RCPS Issuance;
 - (ii) AHB/ Mercury Securities is required to furnish Bursa Securities with a certified true copy of the resolutions passed by its shareholders at a general meeting approving the Proposals prior to the listing and quotation of the Consideration Shares and/or Conversion Shares;
 - (iii) AHB and Mercury Securities are required to inform Bursa Securities upon completion of the Proposed Acquisition and Proposed RCPS Issuance;
 - (iv) AHB and Mercury Securities are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition and Proposed RCPS Issuance are completed;
 - (v) AHB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the RCPS at the end of each quarter together with a detailed computation of listing fees payable; and
 - (vi) On 20 January 2023, the company issued circular to shareholders in relation to the Proposed Acquisition and Proposed RCPS Issuance.
- (b) On 5 October 2022, the Company announced that AHB Development Sdn. Bhd. ("AHBD"), a wholly-owned subsidiary of AHB, and Awan Jingga Sdn. Bhd. ("AJSB") mutually terminated the Joint Venture Agreement and entered into a conditional sale and purchase agreement with AJSB to acquire 4 parcels of land located in Mukim Petaling, Kuala Lumpur for a total consideration of RM9.20 million to be satisfied via a combination of RM4.20 million in cash and the issuance of 45,454,546 new ordinary shares in AHB at an issue price of RM0.11 per consideration share.

**NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022****32. 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)

- (c) On 25 October 2022, the Board of Directors wishes to announce that the Company had on 21 October 2022 received a letter from the Immigration Department Malaysia (“IDM”) informing the Company has been appointed as an agent for the Malaysia Premium Visa Programme (“PVIP”).

33. 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 30 January 2023.



ANALYSIS OF SHAREHOLDINGS

AHB HOLDINGS BERHAD

ANALYSIS OF SHAREHOLDINGS AS AT 30 DECEMBER 2022

| | | |
|-----------------------|---|---------------------------------------|
| Issued Shares Capital | : | 375,807,594 ordinary shares |
| Voting Rights | : | One vote for each ordinary share held |

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 DECEMBER 2022

| Size of Holdings | No. of shareholders | % of shareholders | No. of Shares | % of shares |
|------------------------|------------------------|-------------------|--------------------|----------------|
| 1 – 99 | 61 | 1.609 | 2,875 | 0.001 |
| 100 - 1,000 | 464 | 12.243 | 233,729 | 0.062 |
| 1,001 - 10,000 | 1,420 | 37.467 | 8,152,635 | 2.169 |
| 10,001 - 100,000 | 1,461 | 38.549 | 58,209,831 | 15.489 |
| 100,001 – 18,790,379* | 384 | 10.132 | 309,208,524 | 82.278 |
| 18,790,380 AND ABOVE** | 0 | 0.000 | 0 | 0.000 |
| Total | 3,790 | 100.000 | 375,807,594 | 100.000 |

*Less than 5% of issued shares

**5% and above of issued shares

DIRECTORS' INTERESTS IN SHARES AS AT 30 DECEMBER 2022

| No. | Name of Substantial Shareholders | No. of Shares held | | No. of Shares held | |
|-----|-----------------------------------|--------------------|---|--------------------|-------|
| | | Direct | % | Indirect | % |
| 1 | Chow Hung Keey | - | - | - | - |
| 2 | Teh Boon Hong | - | - | 4,482,300 | 1.193 |
| 3 | Loh Woen Tsau | - | - | - | - |
| 4 | Susan Wong Yun Tsu | - | - | - | - |
| 5. | Gan Wen Ting @ Gan Moou Heang | - | - | - | - |
| 6. | Siva Kumar A/L Kalugasalam | - | - | - | - |
| 7. | Dato' Fizal Bin Kamarudin @ Fauzi | - | - | - | - |
| 8. | Terence Cheah Eu Lee | - | - | - | - |

ANALYSIS OF SHAREHOLDINGS

**LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 30 DECEMBER 2022)**

| No. | Name of Shareholders | No. of shares | % |
|-----|--|---------------|-------|
| 1 | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Chee Teong | 17,665,000 | 4.701 |
| 2 | Hee Min Seng | 16,000,000 | 4.257 |
| 3 | Raymond Tey Jia Wei | 10,000,000 | 2.661 |
| 4 | CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bu Yaw Seng (MY3086) | 9,503,000 | 2.529 |
| 5 | CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tin @ Tan Pek-Han (MF00027) | 9,000,000 | 2.395 |
| 6 | Chu Siu Chiam | 7,500,000 | 1.996 |
| 7 | Tee Sook Huei | 7,500,000 | 1.996 |
| 8 | Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mettiz Capital Sdn Bhd | | |
| 9 | Genia Cheah Suan Li | 6,681,300 | 1.778 |
| 10 | Lim Soon Guan | 6,500,000 | 1.730 |
| 11 | Tan Kar Choon | 6,000,000 | 1.597 |
| 12 | Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Asna Bin Amin | 5,870,300 | 1.562 |
| 13 | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Siew Lynn | 5,360,000 | 1.426 |
| 14 | Moh Kiam Heng | 5,000,000 | 1.330 |
| 15 | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Peter Ernest Shack | 4,800,000 | 1.277 |
| 16 | Bu Yaw Seng | 4,400,000 | 1.171 |
| 17 | Cheah Joo Kiang | 3,700,000 | 0.985 |
| 18 | Affin Hwang Nominees (Tempatan) Sdn Bhd Exempt An for Lim & Tan Securities Pte Ltd (Clients A/C) | 3,588,000 | 0.955 |
| 19 | Kok Seng Ping | 3,535,000 | 0.941 |
| 20 | CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Valuevest Ventures Sdn Bhd (MY4453) | 3,500,000 | 0.931 |
| 21 | AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Choon Hwa (7007201) | 3,010,000 | 0.801 |
| 22 | Kenanga Nominees (Asing) Sdn Bhd Exempt An for Monex Boom Securities (HK) Limited | 2,994,100 | 0.797 |
| 23 | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Genia Cheah Suan Li | 2,826,600 | 0.752 |
| 24 | Redzuan Bin Muhamad Sabar | 2,600,000 | 0.692 |
| 25 | AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tin @ Tan Pek-Han | 2,500,000 | 0.665 |
| 26 | Har Choong Huat | 2,500,000 | 0.665 |
| 27 | Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Moh Kiam Seng (E-Skn) | 2,500,000 | 0.665 |
| 28 | Soh Swee See | 2,500,000 | 0.665 |
| 29 | Safri Bin Che Kub | 2,200,000 | 0.585 |
| 30 | Khathir Sulaiman Bin Abdullah | 2,100,000 | 0.559 |

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING**AHB HOLDINGS BERHAD**

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

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth (29th) Annual General Meeting (“AGM”) of AHB Holdings Berhad (“the Company”) will be conducted fully virtual basis through live streaming and online remote voting via Remote Participation and Voting (“RPV”) Facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Monday, 13 March 2023 at 10.00 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 2022 together with the Reports of the Directors and Auditors thereon. **Refer to Explanatory Note 1**
2. To approve the payment of Directors’ fees and other benefits payable of up to RM500,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period from 14 March 2023 until the conclusion of the next AGM of the Company. **Ordinary Resolution 1**
3. To re-elect the following Directors who is retiring pursuant to Clause 105(1) of the Company’s Constitution:-
 - (a) Chow Hung Keey **Ordinary Resolution 2**
 - (b) Loh Woen Tsau **Ordinary Resolution 3**
4. To re-elect the following Directors who are retiring in accordance with Clause 114 of the Company’s Constitution: -
 - (a) Siva Kumar A/L Kalugasalam **Ordinary Resolution 4**
 - (b) Dato' Fizal Bin Kamarudin @ Fauzi **Ordinary Resolution 5**
 - (c) Terence Cheah Eu Lee **Ordinary Resolution 6**
5. To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

AS SPECIAL BUSINESS

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

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **Ordinary Resolution 8**

“THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 (“the Act”) read together with Clause 61 of the Company’s Constitution.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“Bursa Securities”) allowed for the time being 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 and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

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

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING**7. PROPOSED GRANTING OF SHARE ISSUANCE SCHEME (“SIS”) OPTIONS TO MR CHOW HUNG KEEY, AN EXECUTIVE DIRECTOR OF THE COMPANY** *Ordinary Resolution 9*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Mr Chow Hung Keey, being the Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Main Market Listing Requirements of Bursa Securities (“Listing Requirements”), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

8. PROPOSED GRANTING OF SIS OPTIONS TO MR TEH BOON HONG, AN EXECUTIVE DIRECTOR OF THE COMPANY *Ordinary Resolution 10*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Mr Teh Boon Hong, being the Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

9. PROPOSED GRANTING OF SIS OPTIONS TO MR SIVA KUMAR A/L KALUGASALAM, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY *Ordinary Resolution 11*

“THAT, the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Mr Siva Kumar A/L Kalugasalam, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

10. PROPOSED GRANTING OF SIS OPTIONS TO MR LOH WOEN TSAU, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY *Ordinary Resolution 12*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Mr Loh Woen Tsau, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Main Market Listing Requirements of Bursa Securities (“Listing Requirements”), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING**11. PROPOSED GRANTING OF SIS OPTIONS TO MS GAN WEN TING @ GAN MOOU HEANG, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY *Ordinary Resolution 13***

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Ms Gan Wen Ting @ Gan Moou Heang, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with her, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirement, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

12. PROPOSED GRANTING OF SIS OPTIONS TO MADAM SUSAN WONG YUN TSU, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY *Ordinary Resolution 14*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Madam Susan Wong Yun Tsu, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with her, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

13. PROPOSED GRANTING OF SIS OPTIONS TO DATO’ FIZAL BIN KAMARUDIN @ FAUZI, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY *Ordinary Resolution 15*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Dato’ Fizal Bin Kamarudin @ Fauzi, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

14. PROPOSED GRANTING OF SIS OPTIONS TO MR TERENCE CHEAH EU LEE, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY *Ordinary Resolution 16*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Mr Terence Cheah Eu Lee, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SIS Shares to be issued (as adjusted or modified from time to time pursuant to the By-Laws) pursuant to the SIS (“SIS Options”), provided that the allocation to any eligible participant who, either singly or collectively through person connected with him, holds 20% or more of the total number of issued AHB Shares (excluding any treasury shares), does not exceed 10% of the SIS Shares, and subject always to such terms and conditions of the SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

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

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482/ SSM PC No. 202208000250)
THIEN LEE MEE (LS0010621/ SSM PC No. 201908002254)
Company Secretaries

Kuala Lumpur
Dated: 31 January 2023

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 Registered Office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur or email to boardroom@boardroom.com.my 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 29th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 6 March 2023. Only members whose name appears on the Record of Depositors as at 6 March 2023 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. Pursuant to Section 327(2) of the Companies Act, 2016, the Chairman will be present at the Broadcast Venue being the main venue of the 29th AGM. Members will not be allowed to attend the 29th AGM in person at the Broadcast Venue on the day of the meeting. Members are to participate, speak via real time submission of typed texts only and vote remotely. Please refer to the Administrative Guide on registration, participation and voting at the 29th AGM.

Explanatory Notes to Ordinary and Special Business: -

1. Audited Financial Statements for the financial year ended 30 September 2022

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 29th 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.

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

3. Ordinary Resolution 2 to 3 – Re-election of Directors under Clause 105(1) of the Constitution of the Company

Clause 105(1) of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The Board has therefore recommended Mr. Chow Hung Keey and Mr. Loh Woen Tsau who are standing for re-election as Directors of the Company in accordance with Clause 105(1) of the Company's Constitution and being eligible, have offered themselves for re-election at the 29th AGM of the Company. The profile of the retiring Directors are set out in the Directors' Profile of this Annual Report.

4. Ordinary Resolution 4 to 6 – Re-election of Directors under Clause 114 of the Constitution of the Company

Clause 114 of the Company's Constitution provides that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The date of appointment of Directors for re-election under Clause 114 of the Company's Constitution as below:

| <u>Name of Director</u> | <u>Appointment Date</u> | <u>Position</u> |
|---------------------------------------|-------------------------|------------------------------------|
| (a) Siva Kumar A/L Kalugasalam | 17 March 2022 | Independent Non-Executive Director |
| (b) Dato' Fizat Bin Kamarudin @ Fauzi | 17 March 2022 | Independent Non-Executive Director |
| (c) Terence Cheah Eu Lee | 4 April 2022 | Independent Non-Executive Director |

5. Ordinary Resolution 7 – 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 2023.

6. Special Business - Ordinary Resolution 8 – Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

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-Eighth (28th) Annual General Meeting held on 25 February 2022 and which will lapse at the conclusion of the 29th Annual General Meeting.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

- 1) Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

Clause 61 of the Company's Constitution provides as follows:

"Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

7. **Special Business – Ordinary Resolutions 9 to 16 - Proposed Granting of SIS Options to Directors**

In accordance with the Listing Requirements, Ordinary Resolutions 9 to 16 are to seek shareholders' approval for the Company to offer and grant SIS Options to the Directors of the Company namely Mr. Chow Hung Keey and Mr. Teh Boon Hong, the Executive Directors of the Company and Mr. Loh Woen Tsau, Mr. Siva Kumar A/L Kalugasalam, Dato' Fikal Bin Kamarudin @ Fauzi, Mr. Terence Cheah Eu Lee, Ms. Gan Wen Ting @ Gan Moou Heang and Ms Susan Wong Yun Tsu, the Independent Non-Executive Directors respectively, to participate in the SIS.

The abovementioned Director of the Company namely, Mr. Chow Hung Keey, Mr. Teh Boon Hong, Mr. Loh Woen Tsau, Mr. Siva Kumar A/L Kalugasalam, Dato' Fikal Bin Kamarudin @ Fauzi, Mr. Terence Cheah Eu Lee, Ms. Gan Wen Ting @ Gan Moou Heang and Ms Susan Wong Yun Tsu are deemed interest in the respective resolutions pertaining to the grant of SIS Options to the respective Director and accordingly have abstained and shall continue to abstain from deliberation and voting in respect of their direct and indirect interest in the Company in their respective allocation to them.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

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

1. The Directors who are standing for re-election at the 29th Annual General Meeting of the Company are:

- (a) Chow Hung Keey (Clause 105(1));
- (b) Loh Woen Tsau (Clause 105(1));
- (c) Siva Kumar A/L Kalugasalam (Clause 114);
- (d) Dato' Fikal Bin Kamarudin @ Fauzi (Clause 114); and
- (e) Terence Cheah Eu Lee (Clause 114).

The profile of the Directors who is seeking re-election at the 29th Annual General Meeting of the Company is set out in the Board of Directors' Profile disclosed in this Annual Report.

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 29th AGM.

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

TWENTY-NINTH ANNUAL GENERAL MEETING (“29th AGM”) OF AHB HOLDINGS BERHAD

| | |
|--------------------------------|---|
| Day & Date | : Monday, 13 March 2023 |
| Time | : 10.00 a.m. or any adjournment thereof |
| Online Meeting Platform | : https://web.vote2u.my |

In light of the COVID-19 outbreak and in the best interest of public health and the health and safety of our shareholders, Board of Directors and employees whilst adhering to the Guidance and Frequently Asked Questions of the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia (“SC”) (“**Guidance Note**”), AHB Holdings Berhad’s (“**AHB**” or the “**Company**”) Twenty-Ninth Annual General Meeting (“**29th AGM**”) will be held as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities provided via Vote2U at <https://web.vote2u.my>.

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 required to ensure that internet connectivity throughout the duration of the meeting is maintained.

ENTITLEMENT TO PARTICIPATE AND VOTE REMOTELY

Shareholders whose names appear on the Record of Depositors (“**ROD**”) as at **6 March 2023** shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/ the Chairman of the 29th AGM to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV

Please follow the procedures to participate in RPV as summarised below:

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

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

| BEFORE THE DAY OF AGM - REGISTRATION | | |
|--------------------------------------|---|--|
| | Description | Procedure |
| (i) | Submit Proxy Form (hardcopy) | <p>a. *Fill-in details on the hardcopy Proxy Form and ensure to provide the following information:</p> <ul style="list-style-type: none"> • MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy • *Email address of the Proxy <p>b. Submit/Deposit the hardcopy Proxy Form to the Registered Office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia</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 to ensure is written down correctly.</p> |
| (ii) | Electronic Lodgement of Proxy Form (e-Proxy Form) *For individual shareholders only* | <p>a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U.</p> <p>b. Click "Register Proxy Now" for e-Proxy registration.</p> <p>c. Select the general meeting event that you wish to attend.</p> <p>d. Select/ add your Central Depository System ("CDS") account number and number of shares.</p> <p>e. Select "Appoint Proxy".</p> <p>f. Fill-in the details of your proxy(ies) – ensure proxy(ies) email address(es) is/are valid.</p> <p>g. Indicate your voting instruction should you prefer to do so.</p> <p>h. Thereafter, select "Submit".</p> <p>i. Your submission will be verified.</p> <p>j. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U.</p> <p><u>Note:</u> You need to register as a shareholder before you can register a proxy and submit the e-Proxy form. Please refer the section "A: Registration" to register as shareholder.</p> |

Shareholders who appoint Proxy(ies) to participate in the fully virtual 29th AGM must ensure that the hardcopy Form of Proxy or e-Proxy Form is submitted not less than forty-eight (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. The Form of Proxy or e-Proxy Form once deposited/submitted will not preclude you from attending and voting in person at the 29th AGM should you subsequently wish to do so

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

ON AGM DAY

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

| | Description | Procedure |
|-----|--|---|
| (i) | Login to fully virtual meeting portal - Vote2U online & watch Live Streaming | <p>The Vote2U online portal will open for log in, one (1) hour before the commencement of the 29th AGM.</p> <ol style="list-style-type: none"> Login with your email and password Select the AHB Holdings Berhad's 29th Annual General Meeting event. Check your details. Click "Watch Live" button to view the live streaming. |

B: ASK QUESTION

Individual Shareholders & 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> <ol style="list-style-type: none"> Click "Ask Question" button to post question(s). Type in your question and click "Submit". <p>The Chairperson / Board of Director will endeavour to respond to questions submitted by remote shareholders and proxies during the 29th AGM.</p> |

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"> Click "Confirm Details & Start Voting". To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "Next" to continue voting for all resolutions. To change your vote, click "Back" and select another voting choice. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "Confirm" to submit your vote. <p>Please note that you are not able to change your voting choices after you have confirmed and submitted your votes.</p> |

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS**ADDITIONAL INFORMATION****Voting Procedure**

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 29th 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 29th AGM.

Enquiry

- a. If you have enquiry relating to the RPV or encounters issues with the log in, steps to connect to live streaming and online voting, please contact Vote2U helpdesk during office hours (8.30 a.m. to 5.30 p.m.) on Mondays to Fridays as follows:

Telephone No. : 03-7664 8520/03-7664 8521

Email : vote2u@agmostudio.com

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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-Ninth (29th) Annual General Meeting of the Company to be conducted fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") Facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Monday, 13 March 2023 at 10.00 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 RM500,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period from 14 March 2023 until the conclusion of the next AGM of the Company. | | |
| Ordinary Resolution 2 | To re-elect Chow Hung Keey as Director | | |
| Ordinary Resolution 3 | To re-elect Loh Woen Tsau as Director | | |
| Ordinary Resolution 4 | To re-elect Siva Kumar A/L Kalugasalam as Director | | |
| Ordinary Resolution 5 | To re-elect Dato' Fizal Bin Kamarudin @ Fauzi as Director | | |
| Ordinary Resolution 6 | To re-elect Terence Cheah Eu Lee as Director | | |
| Ordinary Resolution 7 | Re-appointment of Messrs. UHY as Auditors of the Company | | |
| As Special Business:- | | | |
| Ordinary Resolution 8 | Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016. | | |
| Ordinary Resolution 9 | Proposed Granting of Options to Chow Hung Keey | | |
| Ordinary Resolution 10 | Proposed Granting of Options to Teh Boon Hong | | |
| Ordinary Resolution 11 | Proposed Granting of Options to Siva Kumar A/L Kalugasalam | | |
| Ordinary Resolution 12 | Proposed Granting of Options to Loh Woen Tsau | | |
| Ordinary Resolution 13 | Proposed Granting of Options to Gan Wen Ting @ Gan Moou Heang | | |
| Ordinary Resolution 14 | Proposed Granting of Options to Susan Wong Yun Tsu | | |
| Ordinary Resolution 15 | Proposed Granting of Options to Dato' Fizal Bin Kamarudin @ Fauzi | | |
| Ordinary Resolution 16 | Proposed Granting of Options to Terence Cheah Eu Lee | | |

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 _____ 2023

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 notarially certified copy of that power or authority, must be deposited at the Company’s Registered Office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur or email to boardroom@boardroom.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting 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 29th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 6 March 2023. Only members whose name appears on the Record of Depositors as at 6 March 2023 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. Pursuant to Section 327(2) of the Companies Act, 2016, the Chairman will be present at the Broadcast Venue being the main venue of the 29th AGM. Members will not be allowed to attend the 29th AGM in person at the Broadcast Venue on the day of the meeting. Members are to participate, speak via real time submission of typed texts only and vote remotely. Please refer to the Administrative Guide on registration, participation and voting at the 29th AGM.

Fold here for sealing

**Registered Office of
AHB Holdings Berhad**
(Registration No.: 199301020171 (274909-A))

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur

Fold here for sealing

✂

Affix Stamp

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

Boardroom Share Registrars Sdn Bhd
11th 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
11th 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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Staple here

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Fold here for sealing

Attention : **Mr Muzaffar / Ms. Alice Tey**

I/We wish to request a copy of printed Annual Report 2022 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

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For People & Space Around the World

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

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

Having furnished more than 15,000 workstations to one of the tallest buildings in the world in Kuala Lumpur, Malaysia - the Petronas Twin Towers since 1997, AHB has delivered thousands of work-stations to clients around the world, including American Express, Nestle, 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 :

Office 22F, 22nd Floor
 UBN Tower 10, Jalan P. Ramlee
 50250 Kuala Lumpur
 Tel : 03-2022 2228
 Web : www.ahb.com.my
 Email : mailbox@ahb.com.my

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