AHB HOLDINGS BERHAD

274909-A

All together.

ANNUAL REPORT 2010

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CORPORATE INFORMATION

BOARD OF DIRECTORS
Mirzan Mahathir
Chairman
Non-Independent Non-Executive Director

Yong Yoke Keong
Managing Director / Chief Executive Officer

Yong Chew Keat
Non-Independent Non-Executive Director

Lim Chee Hoong
Independent Non-Executive Director

Danny Ng Siew L'Leong
Independent Non-Executive Director

PRINCIPAL BANKERS
HSBC Bank Malaysia Berhad
CIMB Bank Berhad

REGISTRARS
Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886

AUDIT COMMITTEE
Lim Chee Hoong
Chairman
Independent Non-Executive Director

Yong Chew Keat
Non-Independent Non-Executive Director

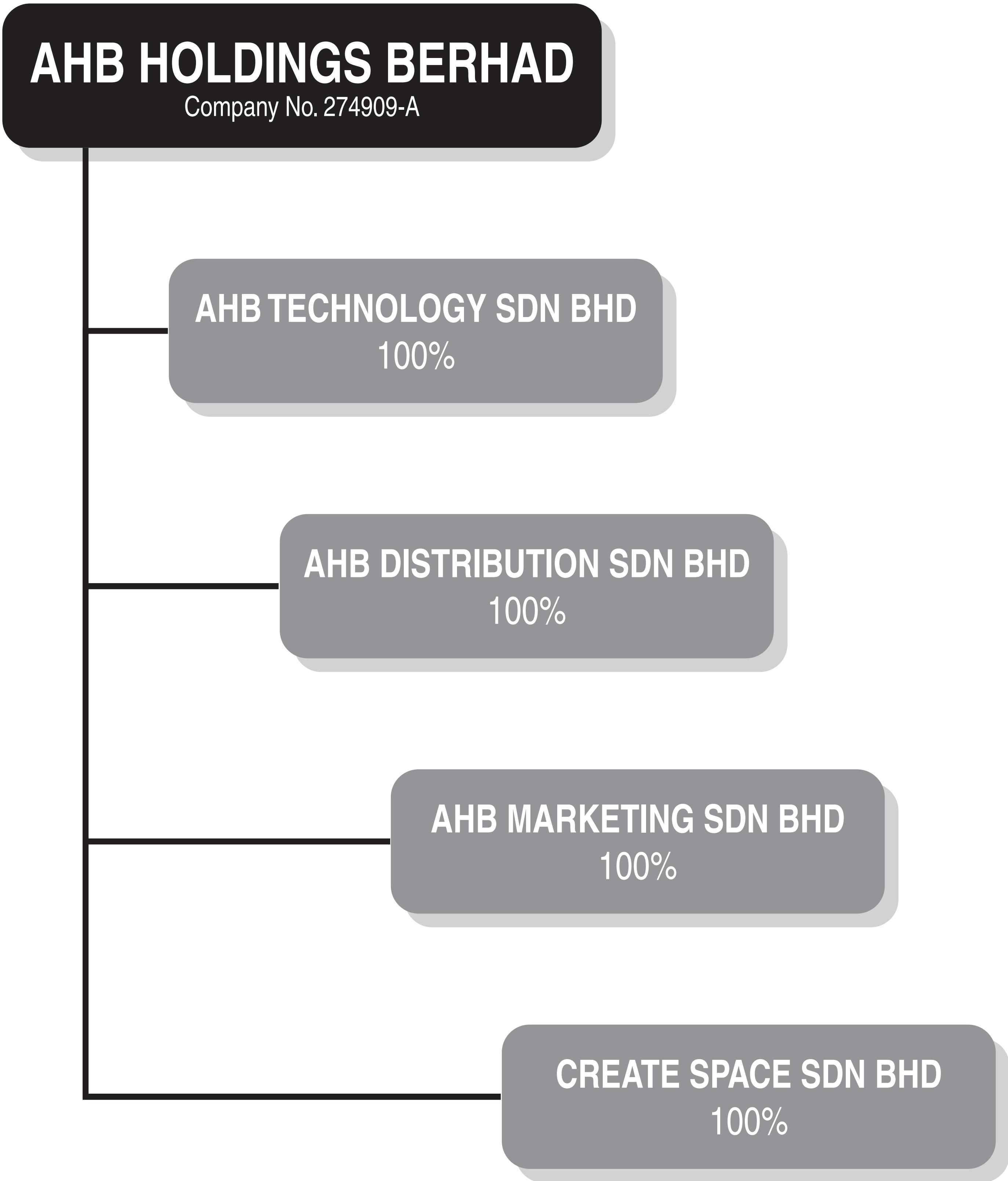
Danny Ng Siew L'Leong
Independent Non-Executive Director

AUDITORS
SJ Grant Thornton (AF0737)
Level 11, Faber Imperial Court
Jalan Sultan Ismail
P.O. Box 12337
50774 Kuala Lumpur
Tel : 03-2692 4022
Fax : 03-2691 5229

COMPANY SECRETARIES
Yeoh Chong Keat
(MIA 2736)
Pua Lei Ngor
(MAICSA 7049116)

REGISTERED OFFICE
Suite 11.1A, Level 11
Menara Weld
76, Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2031 1988
Fax : 03-2031 9788

GROUP CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present to you the 2010 Annual Report and Financial Statements of AHB Holdings Berhad ("AHB") for the financial year ended 30 June 2010.

Generally we have improved compared to the preceding financial year, taking into account the various adverse factors facing our Group. While the global economic climate had stabilized, our major export markets were affected by the recent global financial crisis. Because our Group's earnings from exports contributed more than 85 percent of our total revenue, the strength of the Malaysian Ringgit is the single most challenging issue facing our Group. We are glad that our multi-sourcing strategy had established reliable supply chains; hence our Group's cost structure is quite flexible and has enabled us to respond correspondingly to sporadic demands that are typical of the market segment of premium office furniture projects.

Our Group has always upheld our customers as our key focus, and we believe that customer satisfaction is vital for long-term growth. Our Group's customer satisfaction has borne fruit in terms of stable orders from major multi-national companies around the world. During the year in review, our recently introduced new products contributed the most to our profits and had to a large extent mitigated the negative impact of our country's strong currency. Our new products had further enhanced AHB's performance as a niche player in the premium office furniture market segment. In the event that our currency weakens, it will certainly assist our Group in its undertakings to export more of our products. Going forward, our Group looks to further improve our financial performance, barring any unforeseen circumstances.

As usual, our dedication to the exacting standards of our products and our commitment to a professional service experience set our Group apart from our rivals. Our Group's commitment to continually explore new ideas and to improve our product offerings has enhanced customer confidence.

We are also committed to the protection of our natural environment. We shall ensure that the materials selected for use in our production process consists of a high percentage of recycled content so as to contribute to waste reduction and protect the environment. Our energy usage and carbon foot print is also being carefully observed. Our facility in Seri Kembangan, Selangor has made good progress towards our environmental performance. While continuing the work-in-progress of the compliance of the ISO14001, we are also actively working on the "LEED" certification of our products and facilities.

The Group recorded a turnover of RM 27.2 million for the financial year ended 30 June 2010 compared to RM 25.1 million in the preceding financial year. Our profit after tax for the year is RM 0.96 million compared to RM 0.97 million in the preceding financial year. As we have always done in the past, we in AHB believe that we must do business with integrity wherever we are. As such, we will continue our efforts to inculcate a culture of good corporate governance within AHB. For the benefit of Islamic investors, we are pleased to note that we are Syariah compliant.

On behalf of the Board, I would like to extend my unreserved appreciation to the management and staff of AHB group of companies, for their continuing hard work, commitment and dedication. I take this opportunity to thank all our shareholders, bankers, advisors, business associates, customers and relevant government authorities. We sincerely treasure your invaluable support and confidence over the years, and hope that you will continue to be there for us as we move forward into the future.

Last but not least, I would like to place on record my gratitude and appreciation to my colleagues on the Board for their wise counsel and consultation.

Mirzan Mahathir
Chairman

BOARD OF DIRECTORS

Mirzan Mahathir, Malaysian, aged 52, is the Non-Independent Non-Executive Chairman of AHB Holdings Berhad ("AHB" or "the Company"). He was appointed to the Board of AHB on 13 March 1996.

He holds a Masters in Business Administration from the Wharton School, University of Pennsylvania, Philadelphia, United States of America and a Bachelor of Science (Honours) Degree in Computer Science from Brighton Polytechnic, England. After obtaining his Masters in Business Administration in 1987, he worked for two years with Salomon Brothers Inc., an investment bank based in New York, USA, as an Investment Banking Associate. From April 1989 to February 1990, he was seconded to the Asia Pacific Investment Banking Department of Salomon Brothers Hong Kong Ltd., where he provided intensive investment banking advice on mergers and acquisitions, privatizations and capital raising. Since his return to Malaysia in March 1990, he was appointed as a director of several public listed companies on Bursa Malaysia Securities Berhad. Currently he is the Chairman & CEO of Crescent Capital Sdn Bhd, a Malaysian investment holding and independent strategic and financial advisory firm which he founded.

He is the Chairman of Malaysian Youth Orchestra Foundation and President of the Asian Strategy and Leadership Institute and a member of the Wharton School Asian Executive Board.

En Mirzan Mahathir is a substantial shareholder of AHB, with indirect holding of 3,294,720 ordinary shares.

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 within the past 10 years.

En Mirzan Mahathir attended four (4) of the five (5) Board of Directors' Meetings of the Company held during the financial year ended 30 June 2010.

Yong Yoke Keong, Malaysian, aged 51, was appointed as Director of AHB on 3 May 1994 and is currently the Managing Director/ Chief Executive Officer of the Group.

He graduated from McGill University, Canada with a Bachelor of Engineering Degree majoring in Mechanical Engineering in 1982. He also obtained his Masters in Business Administration in 1985 from the same university with multiple concentrations in Finance, Management Information Systems and International Business. Upon graduation, he took charge of the administration and product development of the Group. By 1988, he was in charge of the Group's overall operations. Through his leadership and innovative management style, he has been the catalyst for numerous technological advancements experienced by the Group. He previously was a council member of the Federation of Malaysian Manufacturers (FMM) and he was also the founding Joint Chairman of Institut Perekabentuk Dalaman Malaysia Industry Partners (IPDM-ip).

Mr Yong Yoke Keong is a substantial shareholder of AHB, with direct holding of 10,150,269 ordinary shares.

Mr Yong Yoke Keong is the brother of Mr Yong Chew Keat, a Non-Independent Non-Executive Director of the Group. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Mr Yong Yoke Keong attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 30 June 2010.

Yong Chew Keat, Malaysian, aged 61, was appointed as Director of AHB on 3 May 1994 and retired at the Annual General Meeting held on 27 December 2007. However, he was re-appointed as the Non-Independent Non-Executive Director of the Company on 28 February 2008. He is also the member of the Nomination, Remuneration and Audit Committees.

He is one of the founder members of the AHB business. Over the past 30 years, he had jointly managed the companies in the AHB Group with his late father until 1988. He has extensive experience in the furniture industry and his entrepreneurial skills have helped steer the Group into one of the leading office furniture companies in Malaysia.

Mr Yong Chew Keat is a substantial shareholder of AHB, with direct holding of 2,929,770 ordinary shares.

Mr Yong Chew Keat is the brother of Mr Yong Yoke Keong, the Managing Director/Chief Executive Officer of the Group. He has no conflict of interest with the Company and has not been convicted for any offences within the past 10 years.

Mr Yong Chew Keat attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 30 June 2010.

BOARD OF DIRECTORS (cont.)

Lim Chee Hoong, Malaysian, aged 50, was appointed as an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee on 28 May 2007. He is also the member of the Nomination and Remuneration Committees. He is a member of the Malaysian Institute of Certified Public Accountants as well as the Malaysian Institute of Accountants. Presently, Mr Lim is a practising accountant in Malaysia under Messrs LLTC. He is also a partner in Lee Teik Swee & Co. Prior to that, Mr Lim was attached to various firms and has more than 21 years experience in the field of accounting. He currently sits on the Board of Furniweb Industrial Products Berhad.

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

Mr Lim Chee Hoong attended all the five (5) Board of Directors' Meeting of the Company held during the financial year ended 30 June 2010.

Danny Ng Siew L'Leong, Malaysian, aged 52, was appointed as an Independent Non-Executive Director of the Company and the member of the Audit Committee on 28 May 2007. He is also the Chairman of the Nomination and Remuneration Committees.

He graduated with a Bachelor degree in Agribusiness (Honours) with a major in Financial Management from University Pertanian Malaysia in 1982. He was with United Malayan Banking Corporation Berhad as a Credit Analyst for the central region from 1982 to 1986, as Accounts Manager of the Corporate Banking Department from 1986 to 1990, as Unit Head of the Northern Region of the Corporate Banking Department from 1990 to 1991, and as Head of Credit and Marketing for its Corporate Banking Department from 1991 to 1994. He currently sits on the Board of New Hoong Fatt Holdings Berhad and SMIS Corporation Berhad.

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

Mr Ng Siew L'Leong attended all the five (5) Board of Directors' Meeting of the Company held during the financial year ended 30 June 2010.

AUDIT COMMITTEE REPORT

COMPOSITION

Mr Lim Chee Hoong	-	Chairman, Independent Non-Executive Director
Mr Danny Ng Siew L'Leong	-	Member, Independent Non-Executive Director
Mr Yong Chew Keat	-	Member, Non-Independent Non-Executive Director

TERMS OF REFERENCE

Constitution

The Board has established a Committee of the Board to be known as the Audit Committee.

Membership

- The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members, all the Committee members must be non-executive directors, with a majority of whom shall be independent directors. A quorum requires the majority of members present to be independent non-executive directors.
- At least one member of the Committee :-
  (a) must be a member of the Malaysian Institute of Accountants; or
  (b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and:-
    (i) he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    (ii) he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
  (c) must fulfill such other requirements as prescribed or approved by the Exchange from time to time.
- No alternate director is appointed as a member of the Committee.
- The members of the Committee shall elect a Chairman from among their members who shall be an independent non-executive director.
- If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Review of the Audit Committee

The Board of Directors shall review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

Authority

- The Committee is authorised to investigate any activity within its terms of reference and to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Committee.
- The Committee is authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders to attend the meetings where necessary.
- The Committee shall have unrestricted access to both the internal and external auditors and is able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.
- The Committee shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions and Duties

The functions of the Committee shall be amongst others:-

(1) To review the following and report the same to the Board of Directors:-
  (a) with the external auditor, the audit plan and the nature and scope of the audit before commencement;
  (b) with the external auditor, the evaluation of the system of internal controls;
  (c) with the external auditor, the audit reports, management letters and management response;
  (d) the assistance given by the Company's employees to the external auditor;
  (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  (f) The internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

AUDIT COMMITTEE REPORT (cont.)

Functions and Duties (cont.)

(g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing on:-
(i) changes in or implementation of major accounting policy changes;
(ii) significant and unusual events; and
(iii) compliance with accounting standards and other legal requirements;
(h) any related party transactions and conflict of interest situation that may arise within the Company or Group.
(i) any letter of resignation from the external auditors; and
(j) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment.

(2) To recommend the nomination of a person or persons as external auditors.
(3) To verify the allocation of options pursuant to a share scheme for employees at the end of each financial year and to prepare a statement verifying such allocation in the annual reports.
(4) To report promptly to Bursa Malaysia Securities Berhad ("Bursa Securities") on any matter reported by the Committee to the Board which has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements.

Meetings

- Meetings shall be held not less than four times a year.
- The Internal Auditor, other Board members and employees may also attend the Audit Committee meeting upon the invitation of the Committee.
- The Company Secretary or his nominee shall be the Secretary of the Committee.

Reporting Procedures

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

AUDIT COMMITTEE MEETINGS AND ATTENDANCE

During the financial year ended 30 June 2010, the Committee held a total of five (5) meetings. The details of attendance of the Committee members (including Company Secretary's attendance) are as follows:-

Audit Committee Members	Number of Audit Committee Meetings Attended
Mr Lim Chee Hoong	5/5
Mr Danny Ng Siew L'Leong	5/5
Mr Yong Chew Keat	5/5
Company Secretary	5/5

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2010, the Audit Committee, in discharging its functions and duties, had carried out the following activities:-

1. Reviewed the quarterly reports of the Group to ensure adherence to legal and regulatory reporting requirements before recommending to the Board of Directors for approval.
2. Reviewed the audited annual financial statements of the Company and the Group before recommending to the Board of Directors for approval.
3. Reviewed and approved the draft Audit Committee Report and Statement on Internal Control to be incorporated in the Annual Report for the financial year ended 30 June 2010.
4. Reviewed the internal audit plan in order to identify key risk areas and processes to be covered during the financial year for the purpose of improvement to internal controls, procedures and risk management.
5. Reviewed the internal audit reports, audit recommendations made and management response to those recommendations and reviewed the follow-up audits to ensure that appropriate actions were taken and recommendations of the Internal Auditors were implemented.
6. Reviewed with External Auditors, their audit planning memorandum, audit approach and reporting requirements prior to the commencement of audit works.
7. Met with the External Auditors, in the absence of the Management, to discuss problems and reservations arising from their final audit.
8. Discussed the audit findings and reviewed the audit report with the external auditors.

AUDIT COMMITTEE REPORT (cont.)

INTERNAL AUDIT FUNCTION

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

In addition to the Internal Audit Department, the Company has also outsourced its internal audit function to Messrs Cheng & Co., an independent professional consultancy firm with the aim of providing independent and systematic reviews on the systems of internal control. The Internal Audit function provides an independent and objective feedback to the Audit Committee and the Board on the adequacy, effectiveness and efficiency of the internal control system within the Group. Throughout the financial year, the audit assignments were carried out in accordance with the annual internal audit plan.

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

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

1. Prepared the annual audit plan for the approval of the Audit Committee.
2. Performed risk based audits on strategic business units of the Company and of the Group, which covered reviews of the internal control system, accounting and management information system and risk management.
3. Issued audit reports to the Audit Committee and Management identifying weaknesses and issues as well as highlighting recommendations for improvements.
4. Acted on suggestions made by the Audit Committee and/or Senior Management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.
5. Reported to the Audit Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor information technology management, procurement, design & development and payment.
6. Reviewed on the appropriateness of the disclosure statements in regard to compliance with the Malaysian Code on Corporate Governance [Revised 2007] and the state on internal controls as well as the Audit Committee Report.
7. Attended Audit Committee meetings to table and discuss the audit reports and followed up on matters raised.

This Audit Committee Report is made in accordance with the resolution passed at the Board of Directors' meeting held on 26 October 2010.

CORPORATE GOVERNANCE STATEMENT

Introduction
AHB Holdings Berhad ("the Company") acknowledges the importance of good corporate governance and thus, the Directors are committed to direct and manage the Company in ensuring that the Group practices good corporate governance in line with the Malaysian Code on Corporate Governance [Revised 2007] (the "Code") in achieving its primary goal of enhancing shareholder value and to protect the interests of shareholders.

In preparing this report, the Board has considered the manner in which the Company has applied the principles of the Code and the extent to which it has complied with the Best Practices of the Code. The Board of Directors is of the opinion that save as set out below, the Group has applied the principles set out in Part 1 of the Code and has complied with the best practices set out in Part 2 of the Code throughout the financial year ended 30 June 2010.

BOARD OF DIRECTORS

The Board
The Company is led and managed by an experienced Board comprising members with wide range of experience in relevant fields such as manufacturing, marketing, merchandising, secretarial, finance, accounting, etc. Together the Directors bring a broad range of skills, experiences and knowledge required to successfully direct and supervise the Company's business activities, which are vital to the success of the Group.

a) Board Composition

The Board consists of a Non-Independent Non-Executive Chairman, a Group Managing Director, a Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. The roles of the Chairman of the Board and Managing Director are segregated.

The number of independent Directors complies with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") which requires that at least two (2) or one third (1/3) of the Board, whichever is the higher, are independent directors. In the event of any vacancy in the Board of Directors of the Company, resulting in non-compliance with Paragraph 15.02(1) of the Main Market Listing Requirements of BMSB, the Company shall fill the vacancy within three (3) months of that event.

The two (2) Independent Non-Executive Directors of the Company provide the Board with a good mix of industry-specific knowledge plus broad business and commercial experience. They provide guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity are maintained by the Group.

b) Board Responsibilities

The Board retains full and effective control of the Group and has developed corporate objectives and position descriptions including the limits to Management's responsibilities, which the Executive Director is aware and is responsible for meeting. The Board had an understanding of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and divestment policy, approval for major capital expenditures, consideration of significant financial matters and review of the financial and operating performance of the Group.

c) Supply of Information

Prior to Board meetings, an agenda together with the relevant documents and information are distributed to all Directors. The Group Managing Director and/or other relevant Board members will provide comprehensive explanation of pertinent issues and recommendations by the Management. The issues would then be deliberated and discussed thoroughly by the Board prior to decision-making.

Apart from the above, the Board members are updated on the Company's activities and its operations on a regular basis. All Directors whether as a full board or in their individual capacity have access to all information of the Company on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities.

All Directors have access to the advice and services of the Company Secretary and to obtain independent professional advice, whenever necessary, at the expense of the Group.

d) Board Meetings

There were five (5) Board of Directors' meetings held during the financial year ended 30 June 2010. Details of attendance of Directors holding office during the financial year (including Company Secretary's attendance) are as follows:-

CORPORATE GOVERNANCE STATEMENT (cont.)

d) Board Meetings (con't.)

Directors	Number of Board Meetings Attended
En Mirzan Mahathir	4/5
Mr Yong Yoke Keong	5/5
Mr Yong Chew Keat	5/5
Mr Lim Chee Hoong	5/5
Mr Danny Ng Siew L'Leong	5/5
Company Secretary	5/5

e) Appointment to the Board

A Nomination Committee has been established by the Board comprising wholly Non-Executive Directors, majority of whom are independent Directors, as follows:-

1. Mr Danny Ng Siew L'Leong — Chairman, Independent Non-Executive Director
2. Mr Lim Chee Hoong — Member, Independent Non-Executive Director
3. Mr Yong Chew Keat — Member, Non-Independent Non-Executive Director

The Committee is generally responsible to:-

(i) assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

(ii) assess the size of the Board and review the mix of skills and experience and other qualities of the Board members required for the Board to function completely and efficiently.

(iii) assess and recommend new nominees for appointment to the Board for the Board's final decision-making.

The Board is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors.

f) Re-election

In accordance with the provisions of the Articles of Association of the Company, one-third (1/3) of the Board of Directors for the time being, or, if their number is not three (3) or multiples of three (3), then the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting and shall be eligible for re-election.

g) Directors' Training

The Directors of the Company had attended the following training:-

Name of Directors	Date of Training	Subject
Mr Yong Yoke Keong	-	Did not attend due to work commitments
Mr Yong Chew Keat	6 & 7 October 2009	EMS Internal Audit (ISO 14001) & EMS Requirement (MS/ISO 14001)
En Mirzan Mahathir	-	Did not attend due to work commitments
Mr Lim Chee Hoong	2 & 3 July 2009 4 & 5 August 2009 22 April 2010 23 April 2010 6 & 7 July 2010 3 August 2010	Financial Instruments: Recognition, Measurement, Disclosure & Presentation (FRS132, FRS139 & IFRS7) National Tax Conference 2009 Blue Ocean Strategy Northern Region Tax Forum 2010 National Tax Conference 2010 ICAA-MICPA Audit Forum "Audit Oversight Board - Implications for Public Interest Entities"
Mr Danny Ng Siew L'Leong	7 July 2010 13 July 2010	Recent Trends in Valuation Audit Committee Institute Roundtable discussion titled: Going Forward: Risk & Reform - Implications for Audit Committee Oversight

CORPORATE GOVERNANCE STATEMENT (cont.)

The Board acknowledges the fact that continuous education is vital for the Board members to gain insight into the state of economy, manufacturing, technological advances in the core business, latest regulatory developments and management strategies.

The Board will evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminar and briefings that will enhance their knowledge and enable them to discharge their duties effectively.

h) Directors' Remuneration

A Remuneration Committee has been established by the Board comprising wholly Non-Executive Directors, the majority of whom are independent, as follows:-

1. Mr Danny Ng Siew L'Leong — Chairman, Independent Non-Executive Director
2. Mr Lim Chee Hoong — Member, Independent Non-Executive Director
3. Mr Yong Chew Keat — Member, Non-Independent Non-Executive Director

The Remuneration Committee shall ensure that the levels of remuneration is sufficient to attract and retain Directors of the quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the executive directors. In the case of non-executive directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the non-executive directors concerned.

Details of Directors' remuneration for the financial year ended 30 June 2010 are as follows:-

Remuneration (RM)	**Executive Director**	**Non-Executive Directors**	**Total**
Directors' Fees*	24,000	96,000	120,000
Salaries & Other emoluments	370,800	0	370,800
Pension Costs – defined contribution plans	0	0	0
Bonus	7,594	0	7,594
Benefits-in-kind	0	0	0
Total	**402,394**	**96,000**	**498,394**

* To be approved at the forthcoming Annual General Meeting.

The number of Directors whose total remuneration during the financial year ended 30 June 2010 falls in each band of RM50,000 are as follows:-

Range of remuneration	**Number of Executive Director**	**Number of Non-Executive Directors**
RM1 - RM50,000	0	4
RM400,001 – RM450,000	1	0
Total	**1**	**4**

SHAREHOLDERS

a) Dialogue with Investors

Recognizing the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Company and the information is communicated to them through the following:

(i) the Annual Report; and
(ii) the various disclosures and announcements made to Bursa Malaysia Securities Berhad including the quarterly financial results and annual financial results.

The Company has also established its website (www.ahb.com.my) to which shareholders can access for further information on the Group.

SHAREHOLDERS (cont.)

a) Dialogue with Investors (cont.)

All shareholders are encouraged to attend the Company's Annual General Meeting and participate in the proceedings. Opportunities will be given to the shareholders to ask questions and seek clarification on the business and performance of the Group.

Apart from contacts at General Meetings, the Directors and/or Management have the option of calling for meetings with investors/ analysts if it deems necessary.

b) General Meetings

The Company's Annual General Meeting serves as a principle forum for dialogue with shareholders. Extraordinary General Meetings is held as and when required.

ACCOUNTABILITY AND AUDIT

a) Financial Reporting

The Directors are responsible to present a true and fair assessment of the Group's position and prospects in the annual reports and quarterly reports. The quarterly financial results were reviewed by the Audit Committee and approved by the Board of Directors prior to the submission to Bursa Malaysia Securities Berhad.

b) Directors' Responsibility Statement in respect of the Audited Financial Statements for the financial year ended 30 June 2010

The Directors of the Company are collectively responsible for ensuring that the financial statements for each financial year are properly drawn up in accordance with the provisions of the Companies Act 1965, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the results and cash flows of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 30 June 2010, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on the going concern basis.

The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose with reasonable accuracy, the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

c) Internal Control

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines. The Statement on Internal Control is set out on page 15 of this Annual Report.

d) Relationship with the Auditors

The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the external auditors in seeking professional advice and ensuring the compliance with the appropriate accounting standards. The Audit Committee met with the external auditors to discuss their audit plan, audit findings and the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

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

ADDITIONAL COMPLIANCE INFORMATION

1. **Utilisation of Proceeds**
   The Company has not implemented any corporate proposal during the financial year ended 30 June 2010.

2. **Share Buy-back**
   The Company does not have a share buy-back programme in place.

3. **Options, Warrants or Convertible Securities**
   No options were exercised during the financial year ended 30 June 2010. The Company has not issued any warrants or convertible securities in respect of the financial year under review.

4. **Depository Receipt Programme**
   The Company did not sponsor any Depository Receipt Programme in the financial year ended 30 June 2010.

5. **Imposition of Sanctions and Penalties**
   During the financial year under review, there were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, directors or management arising from any significant breach of rules/guidelines/legislation by the relevant regulatory bodies.

6. **Non-Audit Fees**
   There were no non-audit fees paid and payable to the external auditors during the financial year.

7. **Variation in Results**
   There is no significant variance in the Company's audited results for the financial year ended 30 June 2010 from the unaudited results as previously announced.

8. **Revaluation Policy on Landed Property**
   The Group had not adopted any revaluation policy in relation to its landed properties.

9. **Material Contracts**
   There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interest of the Director and major shareholders other than contracts entered into in the normal course of business.

10. **Recurrent Related Party Transactions**
    The Group did not have any recurrent related party transactions during the financial year.

11. **Securities Commission Conditions Imposed on The Company**
    The Securities Commission ("SC") has vide its letter dated 26 October 2005 approved under Section 32(5) of the Securities Commission Act, 1993 the waiver from complying with approval conditions as set out in the SC's letter dated 28 January 2002, as follows:

    (i) The Company should ensure full compliance with paragraph 11.12 of the Policies and Guidelines on Issue/Offer of Securities ("SC Issues Guidelines") with regard to the listing of a trading/retailing company on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") or operate a core business for which listing on the Second Board of Bursa Securities is allowed, within 2 years from the date of the decision letter; and

    (ii) The Company should eliminate its accumulated losses within 2 1/2 years from the date of the decision letter.

    The SC's approval is subject to the condition that the Company or its advisers, Affin Merchant Bank Berhad should submit a detailed proposal to the SC on the Company’s plan to eliminate the accumulated losses and the said proposal should also be announced to Bursa Securities. The Board of Directors of the Company has taken note of the condition imposed by the SC and will deliberate on the same and/or the next course of action to be taken by the Company.

STATEMENT ON INTERNAL CONTROL

1. Introduction

The Malaysian Code on Corporate Governance [Revised 2007] stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board of Directors is taking appropriate initiatives to further strengthen the transparency, accountability and efficiency of operations.

2. The Board's Responsibility

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

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

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

3. Risk Management

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

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

The Internal Audit Department together with the Company Secretary assisted the Audit Committee and Board of Directors by providing assessment and feedback in the areas of:-

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

4. Internal Control System

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

- Regular reviews and discussions are held to identify and resolve business, financial, and other management issues.
- 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.
- The Audit Committee with the assistance of the Internal Audit Department monitors remedial actions on internal control issues identified.

5. Internal Audit Function

In addition to the Internal Audit Department of the Company, the Group has also outsourced its internal audit function to Messrs Cheng & Co. Governance Services Sdn Bhd, an independent professional consultancy firm to review the adequacy and integrity of the internal control system of the Group.

The internal audit function, led by the outsourced Internal Auditors, 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 RM23,000-00 for the internal audit work conducted within the Group for the financial year ended 30 June 2010.

6. Weaknesses in internal control that result in material losses

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Management continues to take measures to strengthen the internal control environment.

7. Review of the Statement by External Auditors

The External Auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the financial year ended 30 June 2010 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

The above Statement is made in accordance with the resolution passed at the Board of Directors' meeting held on 26 October 2010.

Financial Statements

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 June 30, 2010.

PRINCIPAL ACTIVITIES
The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are set out in Note 12 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

	The Group RM	The Company RM
Net profit/(loss) for the year	958,327	(89,281)
Attributable to:		
Equity holders of the Company	998,256	
Minority interests	(39,929)	
	958,327	

DIVIDENDS
No dividend has been paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS
There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES
The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS
No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares under options.

OTHER FINANCIAL INFORMATION
Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

(a) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (cont.)

OTHER FINANCIAL INFORMATION (cont.)

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 and secures the liability of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the previous 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 as and 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 for the succeeding financial year.

DIRECTORS

The Directors who have held office during the financial year since the date of the last report are as follows:

Yong Yoke Keong
Mirzan bin Mahathir
Yong Chew Keat
Danny Ng Siew L' Leong
Lim Chee Hoong

DIRECTORS' INTEREST

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM1 each			
	Balance as of 1.7.2009	Bought	Sold	Balance as of 30.6.2010
Shares in the Company				
Direct interest				
Yong Yoke Keong	10,150,269	-	-	10,150,269
Yong Chew Keat	2,929,770	-	-	2,929,770
Indirect interest				
Mirzan bin Mahathir	3,294,720	-	-	3,294,720

By virtue of their direct and indirect shareholdings in the Company, the directors are deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has an interest.

Other than as disclosed above, none of the other Directors holding office at the end of the financial year had any interest or beneficial interest in the shares of the Company or its related companies during the financial year.

DIRECTORS' REPORT (cont.)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Directors has received or become entitled to receive any benefit (except as disclosed in Note 6 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

AUDITORS

The auditors, Messrs. SJ Grant Thornton, have indicated their willingness to continue in office.

On behalf of the Board

YONG YOKE KEONG

YONG CHEW KEAT

Kuala Lumpur,
26 October 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHB HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of AHB HOLDINGS BERHAD, which comprise the balance sheets of the Group and of the Company as at June 30, 2010, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 21 to 48.

Directors' Responsibilities for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibilities

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at June 30, 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Matters

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

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

DATO' N.K. JASANI
CHARTERED ACCOUNTANT
(NO: 708/03/12(J/PH))

Kuala Lumpur
26 October 2010

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2010

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
Revenue	4	27,236,276	25,096,892	-	-
Other operating income	5	4,362,767	1,716,156	161,730	-
Purchase of trading merchandise		(18,058,430)	(19,039,443)	-	-
Changes in trading merchandise		(1,252,321)	2,225,360	-	-
Directors' remuneration	6	(450,240)	(551,312)	(24,000)	(120,000)
Staff costs	5	(1,954,031)	(2,391,245)	-	-
Depreciation of property, plant and equipment	7	(194,569)	(226,101)	-	-
Finance costs	8	(1,504,672)	(1,398,759)	(124,211)	(210,678)
Other operating expenses	5	(7,226,453)	(4,465,054)	(102,800)	(46,935)
Profit/(loss) before tax		958,327	966,494	(89,281)	(377,613)
Income tax expense	9	-	-	-	-
Net profit/(loss) for the year		958,327	966,494	(89,281)	(377,613)
Attributable to:					
Equity holders of the Company		998,256	1,062,630	(89,281)	(377,613)
Minority interests		(39,929)	(96,136)	-	-
		958,327	966,494	(89,281)	(377,613)
Earnings per ordinary share (sen)					
Basic	10(a)	2.07	2.20		
Fully diluted	10(b)	N/A	N/A		

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

BALANCE SHEET AS AT JUNE 30, 2010

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
ASSETS					
Non-current Assets					
Property, plant and equipment	7	643,552	653,760	-	-
Goodwill on consolidation	11	1,935,486	2,120,422	-	-
Investment in subsidiary companies	12	-	-	34,005,922	34,005,922
Intangible assets	13	-	-	-	-
Deferred tax asset	14	2,500,000	2,500,000	-	-
Total Non-current Assets		5,079,038	5,274,182	34,005,922	34,005,922
Current Assets					
Land and building held for sale	15	1,458,800	1,458,800	-	-
Inventories	16	9,677,855	10,707,612	-	-
Trade receivables	17	14,196,499	14,869,259	-	-
Other receivables	18	7,769,994	5,850,234	-	-
Tax recoverable		147,618	147,618	10,278	10,278
Amount due from subsidiary companies	19	-	-	14,545,657	14,649,555
Cash and bank balances		405,441	383,941	768	786
Fixed deposits with licensed bank		-	8,982	-	8,982
Total Current Assets		33,656,207	33,426,446	14,556,703	14,669,601
TOTAL ASSETS		38,735,245	38,700,628	48,562,625	48,675,523

BALANCE SHEET AS AT JUNE 30, 2010 (cont.)

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	20	48,131,398	48,131,398	48,131,398	48,131,398
Share premium	21	3,664,610	3,664,610	3,664,610	3,664,610
Accumulated losses		(36,463,564)	(37,461,820)	(15,714,191)	(15,624,910)
		15,332,444	14,334,188	36,081,817	36,171,098
Minority interest		-	39,929	-	-
Total Equity		15,332,444	14,374,117	36,081,817	36,171,098
Non-current Liabilities					
Long term loans	22	3,867,396	5,025,062	2,355,751	2,095,016
Deferred tax liability	14	-	4,700	-	-
Total Non-current Liabilities		3,867,396	5,029,762	2,355,751	2,095,016
Current Liabilities					
Trade payables	23	1,124,283	475,251	-	-
Other payables	24	13,438,214	15,200,388	519,982	844,334
Amount due to subsidiary companies	19	-	-	8,974,786	8,974,786
Amount due to directors	25	701,219	522,219	377,000	337,000
Bank borrowings	26	4,271,689	3,076,123	253,289	253,289
Hire-purchase payables	27	-	22,768	-	-
Total Current Liabilities		19,535,405	19,296,749	10,125,057	10,409,409
Total Liabilities		23,402,801	24,326,511	12,480,808	12,504,425
TOTAL EQUITY AND LIABILITIES		38,735,245	38,700,628	48,562,625	48,675,523

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2010

The Group

	Attributable to Equity Holders of the Company					
	Share Capital RM	**Share Premium RM**	**Accumulated Losses RM**	**Total RM**	**Minority Interest RM**	**Total RM**
Balance as at July 1, 2008	48,131,398	3,664,610	(38,524,450)	13,271,558	136,065	13,407,623
Net profit for the year	-	-	1,062,630	1,062,630	(96,136)	966,494
Balance as at June 30, 2009	48,131,398	3,664,610	(37,461,820)	14,334,188	39,929	14,374,117
Net profit for the year	-	-	998,256	998,256	(39,929)	958,327
Balance as at June 30, 2010	48,131,398	3,664,610	(36,463,564)	15,332,444	-	15,332,444

The Company

	Share Capital RM	**Share Premium RM**	**Accumulated Losses RM**	**Total RM**
Balance as at July 1, 2008	48,131,398	3,664,610	(15,247,297)	36,548,711
Net loss for the year	-	-	(377,613)	(377,613)
Balance as at June 30, 2009	48,131,398	3,664,610	(15,624,910)	36,171,098
Net loss for the year	-	-	(89,281)	(89,281)
Balance as at June 30, 2010	48,131,398	3,664,610	(15,714,191)	36,081,817

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

CASHFLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2010

	Note	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax		958,327	966,494	(89,281)	(377,613)
Adjustments for:-					
Allowance for doubtful debts		3,734,887	1,058,203	-	-
Allowance for doubtful debts no longer required		-	(147,017)	-	-
Allowance for obsolete inventories no longer required		(222,564)	(254,192)	-	-
Depreciation		194,569	226,101	-	-
Deposits written off		-	50,775	-	-
Discount on hire purchase		(22,768)	-	-	-
Finance costs		1,504,672	1,398,759	124,211	210,678
Gain on disposal of property, plant and equipment		-	(27,660)	-	-
Gain on disposal of subsidiary companies		(3,948,995)	-	(1)	-
Other investment written off		-	1,000	-	-
Unrealised loss/(gain) on foreign exchange		514,592	(442,158)	-	-
Operating profit/(loss) before working capital changes		2,712,720	2,830,305	34,929	(166,935)
Changes in working capital:-					
Inventories		1,252,321	(2,225,532)	-	-
Receivables		(5,756,621)	(824,892)	-	-
Payables		2,736,198	502,909	(187,828)	37,083
Directors		179,000	-	40,000	120,000
Subsidiary companies		-	-	103,898	92,351
Net cash from/(used in) operating activities		1,123,618	282,790	(9,001)	82,499

CASHFLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2010 (cont.)

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of subsidiary companies, net of cash disposed	12	18,741	-	1	-
Proceeds from disposal of property, plant and equipment		-	42,000	-	-
Purchase of property, plant and equipment		(202,847)	(37,317)	-	-
Net cash (used in)/from investing activities		(184,106)	4,683	1	-
CASH FLOWS FROM FINANCING ACTIVITES					
Finance costs paid		(704,159)	(571,897)	-	(82,358)
Repayment of borrowings		(200,205)	(76,243)	-	-
Repayment of hire-purchase payables		-	(57,613)	-	-
Net cash used in financing activities		(904,364)	(705,753)	-	(82,358)
NET CHANGE IN CASH AND CASH EQUIVALENTS		35,148	(418,280)	(9,000)	141
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		370,293	788,573	9,768	9,627
CASH AND CASH EQUIVALENTS AT END OF YEAR	A	405,441	370,293	768	9,768

NOTE TO THE CASH FLOW STATEMENTS

A. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
Cash and bank balances		405,441	383,941	768	786
Fixed deposits with licensed bank		-	8,982	-	8,982
Bank overdrafts	26	-	(22,360)	-	-
		405,441	370,293	768	9,768

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

NOTES TO FINANCIAL STATEMENTS

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are set out in Note 12 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

The registered office of the Company is located at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of business of the Company is located at 17, Jalan Industri PBP 11, Pusat Bandar Puchong, 47100 Puchong, Selangor.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on October 26, 2010.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards issued by Malaysian Accounting Standard Board (“MASB”).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

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

The financial statements are presented in Ringgit Malaysia (“RM”) which is the Group’s functional currency.

(b) Adoption of Financial Reporting Standards (“FRSs”)

Standard which is effective for the financial year beginning 1 July 2009 is as follows:-

FRS 8 Operating Segments

The adoption of the above Standard does not have any material financial impact on the financial statements of the Group.

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and the Company:-

(a)	Amendments to FRS 1	-	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements - Cost of an investment in a subsidiary, jointly controlled entity or associate
(b)	FRS 1 (#)	-	First-time Adoption of Financial Reporting Standards
(c)	Amendments to FRS 1 (*)	-	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters. Amendment relating to transition provisions for first-time adopter
(d)	Amendments to FRS 1 (*)	-	Additional Exemptions for First-time Adopters. Amendments relating to exemptions for entities in the oil and gas industry and those with leasing contacts
(e)	Amendments to FRS 2	-	Share Based Payment. Amendments relating to vesting conditions and cancellations
(f)	Amendments to FRS 2 (#)	-	Share Based Payment. Amendments relating to the scope of the Standard
(g)	Amendment to FRS 2 (*)	-	Group cash-settled share-based Payment Transactions. Amendments to prescribe the accounting treatment for share-based payment transaction
(h)	FRS 3 (#)	-	Business Combinations (Revised)
(i)	FRS 4	-	Insurance Contracts

NOTES TO FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(b) Adoption of Financial Reporting Standards ("FRSs") (cont.)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and the Company:-

(j)	Amendment to FRS 5	-	Non-Current Assets Held for Sale and Discontinued Operations. Amendment relating to disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations
(k)	Amendments to FRS 5 (#)	-	Non-Current Assets Held for Sale and Discontinued Operations. Amendment relating to the inclusion of non-current assets as held for distribution to owners in the standard
(l)	FRS 7	-	Financial Instruments: Disclosures
(m)	Amendments to FRS 7	-	Financial Instruments: Disclosures. Amendment relating to financial assets
(n)	Amendments to FRS 7 (*)	-	Improving Disclosures about Financial Instruments. Amendments relating to the fair value measurement using fair value hierarchy and disclosure of liquidity risk
(o)	Amendment to FRS 8	-	Operating Segments. Amendment relating to disclosure information about segment assets
(p)	FRS 101	-	Presentation of Financial Statements (Revised)
(q)	Amendment to FRS 107	-	Statement of Cash Flows. Amendment relating to classification of expenditures on unrecognised assets
(r)	Amendment to FRS 108	-	Accounting Policies, Changes in Accounting Estimates and Errors. Amendment relating to selection and application of accounting policies
(s)	Amendment to FRS 110	-	Events After the Reporting Period. Amendment relating to reason for dividend not recognised as a liability at the end of the reporting period
(t)	Amendment to FRS 116	-	Property, Plant and Equipment. Amendment relating to derecognition of asset
(u)	Amendment to FRS 117	-	Leases. Amendment relating to classification of leases
(v)	Amendment to FRS 118	-	Revenue. Amendment relating to Appendix of this standard and recognition and measurement
(w)	Amendment to FRS 119	-	Employee Benefits. Amendment relating to definition, curtailment and settlements
(x)	Amendment to FRS 120	-	Accounting for Government Grants and Disclosure of Government Assistance. Amendment relating to definition and government loan at a below – market rate of interest
(y)	FRS 123	-	Borrowing Costs
(z)	Amendment to FRS 123	-	Borrowing Costs. Amendment relating to exclusion of incidental cost to borrowing
(aa)	Amendment to FRS 127	-	Consolidated and Separate Financial Statements. Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate
(ab)	FRS 127 (#)	-	Consolidated and Separate Financial Statements
(ac)	Amendment to FRS 128	-	Investment in Associates. Amendment relating to Impairment losses in application of the equity method and the scope of this standard
(ad)	Amendment to FRS 129	-	Financial Reporting in Hyperinflationary Economies. Amendment relating to changing of terms used
(ae)	Amendment to FRS 131	-	Interests in Joint Ventures. Amendment relating to additional disclosure required for joint venture that does not apply FRS 131
(af)	Amendments to FRS 132	-	Financial Instruments: Presentation. Amendment relating to puttable financial instruments
(ag)	Amendment to FRS 132	-	Financial Instruments: Presentation. Amendment relating to effective date and transition
(ah)	Amendment to FRS 132 (^)	-	Financial Instruments: Presentation. Amendments relating to classification of right issues
(ai)	Amendment to FRS 134	-	Interim Financial Reporting. Amendment relating to disclosure of earnings per share
(aj)	Amendment to FRS 136	-	Impairment of assets. Amendment relating to the disclosure of recoverable amount
(ak)	Amendment to FRS 138	-	Intangible assets. Amendment relating to recognition of an expense
(al)	Amendment to FRS 138 (#)	-	Intangible assets. Amendments relating to the revision to FRS 3
(am)	FRS 139	-	Financial Instruments: Recognition and Measurement
(an)	Amendments to FRS 139	-	Financial Instruments: Recognition and Measurement. Amendment relating to eligible hedged items, reclassification of financial assets and embedded derivatives
(ao)	Amendment to FRS 140	-	Investment Property. Amendment relating to inability to determine fair value reliably
(ap)	IC Interpretation 4 (*)	-	Determining whether an Arrangement contains a Lease
(aq)	IC Interpretation 9	-	Reassessment of Embedded Derivatives
(ar)	Amendments to IC Interpretation 9	-	Reassessment of Embedded Derivatives

NOTES TO FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(b) Adoption of Financial Reporting Standards ("FRSs") (cont.)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and the Company:-

(as) Amendments to IC Interpretation 9 (#)	-	Reassessment of Embedded Derivatives. Amendments relating to the scope of the IC and revision to FRS 3
(at) IC Interpretation 10	-	Interim Financial Reporting and Impairment
(au) IC Interpretation 11	-	FRS 2 - Group and Treasury Share Transactions
(av) IC Interpretation 12 (#)	-	Service Concession Arrangements
(aw) IC Interpretation 13	-	Customer Loyalty Programmes
(ax) IC Interpretation 14	-	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction
(ay) IC Interpretation 15 (#)	-	Agreements for the Construction of Real Estate
(az) Amendment to IC Interpretation 15 (@)	-	Agreements for the Construction of Real Estate
(ba) IC Interpretation 16 (#)	-	Hedges of a Net Investment in a Foreign Operation
(bb) IC Interpretation 17 (#)	-	Distributions of Non-cash Assets to Owners
(bc) IC Interpretation 18 (*)	-	Transfer of Assets from Customers

All the above Amendments, IC Interpretations and FRSs will be effective for accounting period beginning on or after 1 January 2010, other than those marked with (^), (#), (@) and (*) which will be applicable to accounting period beginning on or after 1 March 2010, 1 July 2010, 30 August 2010 and 1 January 2011 respectively. The existing FRS 1, FRS 3, FRS 127 as well as FRS 201_{2004} will be withdrawn upon the adoption of the new requirements that take effect on 1 July 2010. IC Interpretation 8 and 11 shall be withdrawn on application of Amendments to FRS 2 (#) effective for the accounting period beginning on or after 1 January 2011.

All the above Amendments, IC Interpretations and FRSs except for FRS 3, 7, 101, 127, 139, Amendments to FRS 5 ,7, 8, 107, 108, 110, 116, 118, 119, 127, 132, 134, 136, 138, 139 and IC Interpretation 10 are not expected to be relevant to the operations of the Group and the Company. The Directors anticipate that the adoption of those applicable FRSs and Amendments to FRS will have no material impact on the financial statements of the Group and the Company in the period for initial application except for the following:-

FRS 3 Business Combination

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair values at the acquisition date, with contingent payments classified as debts subsequently remeasured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition related costs should be expensed.

FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group and the Company's financial position and performance, the nature and extent of risks arising from financial instruments and the objectives, policies and processes for managing capital. The possible impacts of FRS 7 on the financial statements upon if initial application is not disclosed by virtue of exemption given in this standard.

FRS 127 Consolidated and Separate Financial Statements

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to allocate to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. By virtue of the exemption in paragraph 103AB of FRS 139, the impact on the financial statements upon first adoption of this standard as require by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed, if any.

NOTES TO FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual result may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Impairment of goodwill

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit to which the goodwill are allocated. Estimating the value-in-use 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.

Deferred tax assets

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

Income taxes/deferred tax liabilities

Significant 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 tax liabilities 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 difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful life. Management estimated the useful life of these assets to be within 5-10 years. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

Impairment of intangible assets, property, plant and equipment and development cost

The Group assesses at each balance sheet date whether there is any indication that intangible assets, property, plant and equipment and development cost may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the intangible assets, property, plant and equipment and development cost. This requires the estimation of the value in use of the cash-generating units to which intangible assets, property, plant and equipment and development cost are allotted. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from cash-generating unit and also to choose a suitable discount in order to calculate the present value of those cash flows.

Amortisation of intangible assets

Intangible assets are amortised on straight line basis over their estimated useful life. Management estimated the useful life of these assets not exceeding 5 years. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future amortisation charges could be revised.

Allowance for bad and doubtful debts

Allowance for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade or other receivables where events or changes in circumstances indicate that the balance may not be collectible. The identification of bad and doubtful debts requires the use of judgements and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

NOTES TO FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with Group's accounting policies.

All intercompany transactions, balances and unrealised gains on transactions between intra group are eliminated, unrealised losses are also eliminated on consolidation unless cost cannot be recovered.

The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

Acquisition of subsidiary companies is accounted for using the purchase method. The cost of an acquisition is measured as the fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 3 (f).

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income on the date of acquisition.

Minority interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group. They are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statements.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and no longer consolidated from the date that control ceases.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill on acquisition and exchange differences.

(e) Subsidiary companies

A subsidiary company is a company in which the Group or the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investment in subsidiary companies is stated at cost less accumulated impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the subsidiary companies is assessed and written down immediately to their recoverable amount.

(f) Goodwill

Goodwill acquired in a business combination is initially measured at cost.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

An impairment loss recognised for goodwill shall not be reversed in subsequent period.

NOTES TO FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The costs of property, plant and equipment comprise their purchase costs and any expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the income statements during the financial year in which they incurred. Major renewals and improvements which extended the useful lives of the property, plant and equipment are capitalised.

The policy for the recognition and measurement of impairment loss is in accordance with Note 3 (v).

Freehold land is not depreciated. All other property, plant and equipment are depreciated over their estimated useful lives to write off the cost of each property, plant and equipment. The principal annual rates of depreciation used are as follows:-

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

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(h) Non-current assets held for sale

Non-current assets are deemed to be held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and sale must be highly probable.

Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before the initial recognition of the asset as held for sale, the carrying amounts of the assets are measured in accordance with the applicable FRSs. Upon classification as held for sale, the non-current assets are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated. Any differences are recognised in the income statements.

NOTES TO FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Intangible assets

Development costs, which represent the cost of designing new or substantially improved products with commercial viability and for which there is a clear indication of the marketability of the products being developed, are capitalised and carried forward. Such costs are amortised over a period of 5 years in which benefits are expected to be derived commencing from the period in which the related sales are first made. Where projects are aborted or proved to be unsuccessful, the related costs are charged immediately to the income statements.

The recoverable amount development costs is assessed on a regular basis, including when there is an indication that the assets may be impaired.

(j) Inventories

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

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

(k) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(l) Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for any debts which are considered doubtful of collection.

(m) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(n) Revenue recognition

Revenue is recognised based on gross invoiced value of goods sold upon delivery of products and customers' acceptance, net of discounts and returns and when the risks and rewards of ownership have passed to buyers.

(o) Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling as at that date.

All exchange differences are taken to the income statements.

(p) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(q) Income tax

Current tax expenses are the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax liabilities and assets are provided for under the liability method at the tax rates that have been enacted or substantively enacted at the balance sheet date in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unabsorbed tax losses and unutilised capital allowances.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that deferred tax assets to be utilised, the carrying amount of the deferred tax assets will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, short term demand deposits and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(s) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the income statement as incurred. As required by law, the Group makes such contributions to the Employee Provident Fund (“EPF”).

(t) Property, plant and equipment acquired under hire purchase arrangements

The cost of property, plant and equipment acquired under hire purchase arrangements are capitalised. The depreciation policy on these property, plant and equipment is similar to that of the Group’s property, plant and equipment depreciation policy. Outstanding obligations due under the hire purchase arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance costs, which represent the difference between total leasing commitments and the fair value of the assets acquired are recognised as expenses in the income statements over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(u) Borrowings

Borrowings are initially recognised based on the proceeds received, net of transaction cost.

Borrowings costs attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset during period of time that is required to complete and prepare the asset for its intended use. Such capitalisation ceases when substantially all activities necessary to prepare the asset for its intended use are completed.

All other borrowing costs are recognised as expenses in the income statements in the year in which they incurred.

NOTES TO FINANCIAL STATEMENTS (cont.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont.)

(v) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statements immediately.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statements immediately.

(w) Operating segment

In the previous years, a segment was a distinguishable component of the Group that was engaged either providing products or services (business segment), or in providing products or services within a particular economic environmental (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, Operating Segments, an operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(x) Financial instruments

Financial instruments carried on the balance sheets include cash and bank balances, receivables, payables and bank borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statement associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. REVENUE

Revenue of the Group consists of sales of office interior products, drafting equipment, office furniture and specialised computer furniture.

NOTES TO FINANCIAL STATEMENTS (cont.)

5. OTHER OPERATING INCOME/(EXPENSES)

Included in other operating income/(expenses) are the following:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Audit fees				
- Current year	(90,000)	(95,000)	(24,000)	(23,000)
- Under-provision in prior year	-	(16,806)	-	-
Allowance for doubtful debts	(3,734,887)	(1,058,203)	-	-
Allowance for doubtful debts no longer required	-	147,017	-	-
Allowance for obsolete inventories no longer required	222,564	254,192	-	-
Depreciation	(194,569)	(226,101)	-	-
Deposits written off	-	(50,775)	-	-
Foreign exchange gain/(loss):-				
Unrealised	(514,592)	442,158	-	-
Realised	(245,694)	811,034	-	-
Gain on disposal of:-				
Property, plant and equipment	-	27,660	-	-
Subsidiary companies	3,948,995	-	1	-
Other investment written off	-	(1,000)	-	-
Rental of premises	(198,000)	(279,000)	-	-

Staff costs include salaries, bonuses, contributions to EPF and all other staff related expenses. Contributions to EPF for the employees of the Group during the current financial year amounted to RM176,996 (2009: RM194,540).

6. DIRECTOR'S REMUNERATION

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Company's directors				
Executive directors:				
Fees	24,000	24,000	24,000	24,000
Other emoluments	380,833	385,088	-	-
EPF contributions	45,407	46,224	-	-
	450,240	455,312	24,000	24,000
Non-executive directors:				
Fees	-	96,000	-	96,000
	450,240	551,312	24,000	120,000

NOTES TO FINANCIAL STATEMENTS (cont.)

7. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost	Renovations RM	Plant and machinery RM	Tools, equipment and moulds RM	Office and computer equipment, furniture and fittings and air-conditioners RM	Motor vehicles RM	Total RM
Balance as of July 1, 2008	53,251	48,509	825,015	9,922,667	633,960	11,483,402
Additions	-	-	14,351	22,966	-	37,317
Disposals	-	-	-	-	(71,700)	(71,700)
Balance as of June 30, 2009	53,251	48,509	839,366	9,945,633	562,260	11,449,019
Additions	156,749	-	7,501	38,597	-	202,847
Arising from disposal of subsidiary company	-	-	-	(212,252)	(103,982)	(316,234)
Balance as of June 30, 2010	210,000	48,509	846,867	9,771,978	458,278	11,335,632
Accumulated Depreciation						
Balance as of July 1, 2008	29,097	13,035	502,313	9,464,721	617,352	10,626,518
Charge for the year	4,921	4,851	81,725	132,336	2,268	226,101
Disposals	-	-	-	-	(57,360)	(57,360)
Balance as of June 30, 2009	34,018	17,886	584,038	9,597,057	562,260	10,795,259
Charge for the year	20,596	4,851	80,602	87,386	1,134	194,569
Arising from disposal of subsidiary company	-	-	-	(192,632)	(105,116)	(297,748)
Balance as of June 30, 2010	54,614	22,737	664,640	9,491,811	458,278	10,692,080
Net carrying amount						
Balance as of June 30, 2010	155,386	25,772	182,227	280,167	-	643,552
Balance as of June 30, 2009	19,233	30,623	255,328	348,576	-	653,760

8. FINANCE COSTS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest on:				
Long-term loans	804,909	690,713	124,211	210,678
Other payables	698,541	698,541	-	-
Others	1,222	9,505	-	-
	1,504,672	1,398,759	124,211	210,678

9. INCOME TAX EXPENSE

There were no provisions for the current financial year as the Group and the Company have no chargeable income.

The Group's and the Company's unutilised tax losses which can be carried forward to offset against future taxable profit amounted to approximately RM20,558,000 and RM427,000 (2009: RM24,389,000 and RM427,000) respectively.

The Group's unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM25,000 (2009: RM25,000).

In prior financial years, one of the subsidiary companies received an additional tax assessment of RM756,271 for the year of assessment 1998 due to reinvestment allowances and certain expenses claimed that were disallowed by the tax authorities. The subsidiary company has appealed against the disallowance of these allowances and expenses and pending the outcome of the appeal, the additional tax assessment has not been provided for in the financial statements. The Directors are of the opinion that the appeal could be granted.

10. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share is calculated based on the Group's net profit attributable to shareholders of the Company divided by the weighted average number of ordinary shares in issue during the financial year as follows:-

	The Group	
	2010 RM	2009 RM
Net profit for the year (attributable to equity holders of the company)	998,256	1,062,630
Weighted average number of ordinary shares in issue	48,131,398	48,131,398
Basic earnings per ordinary share (sen)	2.07	2.20

(b) Fully diluted earnings per ordinary share

Fully diluted earnings per ordinary share is calculated by dividing the adjusted profit for the year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The diluted earnings per ordinary share of the Group in 2010 and 2009 have not been presented as the average fair value of the shares of the Company is lower than the exercise price for the exercise of Warrants 2004/2014 to ordinary shares.

The effect in both years would be anti-dilutive to earnings per ordinary share.

11. GOODWILL ON CONSOLIDATION

	The Group	
	2010 RM	2009 RM
Goodwill on consolidation	2,120,422	2,120,422
Less: Disposal of subsidiary companies	(184,936)	-
	1,935,486	2,120,422

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 units of the Group, is determined from value-in-use calculation. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rates 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 rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

NOTES TO FINANCIAL STATEMENTS (cont.)

11. GOODWILL ON CONSOLIDATION (cont.)

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

Growth Rate		Gross Margin		Discount Rate	
2010	2009	2010	2009	2010	2009
%	%	%	%	%	%
10	10	29	33	4	4

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 trends 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 used is pre-tax and reflect specific risks relating to the relevant operation.

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause recoverable amount to be lower than its carrying amount.

12. SUBSIDIARY COMPANIES

	The Company	
	2010	2009
	RM	RM
Unquoted shares, at cost	40,100,922	41,420,922
Less: accumulated impairment losses	(6,095,000)	(7,415,000)
	34,005,922	34,005,922

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.

The details of the subsidiary companies, all incorporated in Malaysia, are as follows:-

	Effective Equity Interest		
Subsidiary Companies	2010	2009	Principal Activities
AHB Technology Sdn. Bhd.	100%	100%	Trading of drafting equipment, office furniture and specialised computer furniture
AHB Marketing Sdn. Bhd.	100%	100%	Trading of office interior products
AHB Manufacturing Sdn. Bhd.	-	100%	Dormant
Create Space Sdn. Bhd.	100%	100%	Trading of office interior products
AHB Distribution Sdn. Bhd.	100%	100%	Trading of office interior products
Prestigious Office Systems Sdn. Bhd.*	-	67%	Research and development of office interior markets and products and trading of office interior products
Persistem Sdn. Bhd.*	-	51%	Research and development of office interior markets and products and trading of office interior products

* Interest held through AHB Marketing Sdn. Bhd.

NOTES TO FINANCIAL STATEMENTS (cont.)

12. SUBSIDIARY COMPANIES (cont.)

Disposal of interest in subsidiary companies

On May 4, 2010, the Company disposed its entire shareholding of 1,000,000 ordinary shares of RM1 each in the share capital of AHB Manufacturing Sdn. Bhd. for a total consideration of RM1.

On the same day, the Company's subsidiary company, AHB Marketing Sdn. Bhd., disposed its entire shareholdings of 200,000 and 102,000 ordinary shares of RM1 each in the share capital of Prestigious Office Systems Sdn. Bhd. and Persistem Sdn. Bhd. respectively for a total consideration of RM1 each.

The disposals were completed on May 18, 2010. The disposals had the following effects on the financial performance of the Group for the current financial year:-

	RM	RM
Property, plant and equipment	18,486	
Goodwill	184,936	
Trade receivables (net of allowance of doubtful debts of RM477,878)	164,292	
Other receivables	95,850	
Cash and bank balances	3,892	
Trade payables	(282,894)	
Other payables	(4,106,224)	
Bank overdraft	(22,630)	
Deferred tax liabilities	(4,700)	
Net liabilities disposed		(3,948,992)
Less:		
Proceeds from disposal of subsidiary companies		(3)
Gain on disposal to the Group (Note 5)		(3,948,995)
Net proceeds from disposal of subsidiary companies		3
Less : Net cash and cash equivalents disposed		18,738
Net cash inflow from disposal of subsidiary companies		18,741

13. INTANGIBLE ASSETS

The Group

	Development costs RM
Cost	
Balance as of July 1, 2008 / June 30, 2009 / June 30, 2010	4,259,926
Accumulated amortisation	
Balance as of July 1, 2008 / June 30, 2009 / June 30, 2010	4,259,926
Net carrying amount	
Balance as of July 1, 2008 / June 30, 2009 / June 30, 2010	-

14. DEFERRED TAX ASSETS/(LIABILITY)

Deferred Tax Assets

	The Group	
	2010 RM	2009 RM
Balance as of July 1, 2008 / June 30, 2009 / June 30, 2010	2,500,000	2,500,000

The deferred tax assets of the Group which are calculated at the current tax rate, have been recognised in the financial statements as the directors are reasonably certain that the assets are realisable based on the estimated future profits.

NOTES TO FINANCIAL STATEMENTS (cont.)

14. DEFERRED TAX ASSETS/(LIABILITY) (cont.)

Deferred Tax Assets (cont.)

The deferred tax assets recognised are in respect of the tax effects of the following:

	The Group	
	2010	**2009**
	RM	**RM**
Unutilised tax losses	2,500,000	2,500,000

Deferred Tax Liabilities

	The Group	
	2010	**2009**
	RM	**RM**
Balance as at July 1	4,700	4,700
Less: Arising from disposal of subsidiary companies	(4,700)	-
Balance as at June 30	-	4,700

The deferred tax liability is in respect of the tax effects of the following:-

	The Group	
	2010	**2009**
	RM	**RM**
Temporary differences arising from property, plant and equipment	-	10,800
Others	-	(6,100)
Net deferred tax liability	-	4,700

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of June 30, the amount of net deferred tax assets, pertaining to the Company and certain subsidiary companies calculated at the current tax rate which have not been recognised in the financial statements due to uncertainty of their realisation, are as follows:-

	The Group	
	2010	**2009**
	RM	**RM**
Tax effects of:		
Temporary differences arising from:		
Property, plant and equipment	(4,000)	(132,000)
Inventories	25,000	81,000
Receivables	4,916,000	4,985,000
Unutilised tax losses	2,640,000	3,597,000
Unabsorbed capital allowances	6,000	6,000
Net deferred tax assets	7,583,000	8,537,000

15. LAND AND BUILDING HELD FOR SALE

The freehold land and warehouse of the Group with net carrying amount of RM1,458,800 (2009: RM1,458,800) are charged to certain local banks to secure termed-out loans.

The Company on 25 June 2008 had entered into a sale and purchase agreement with a third party to dispose the freehold land and warehouse for a consideration of RM2,600,000 pursuant to conditions imposed by the banks on the rescheduling of the termed-out loan. The said disposal is still pending for completion as at June 30, 2010. However, the subsidiary company has been granted an extension till January 21, 2011 to complete the disposal.

NOTES TO FINANCIAL STATEMENTS (cont.)

16. INVENTORIES

	The Group	
	2010	**2009**
	RM	**RM**
At cost:		
Trading merchandise	9,779,337	11,031,658
Less: Allowance for obsolete inventories	(101,482)	(324,046)
	9,677,855	10,707,612

17. TRADE RECEIVABLES

	The Group	
	2010	**2009**
	RM	**RM**
Trade receivables	33,859,027	34,809,665
Less: Allowance for doubtful debts	(19,662,528)	(19,940,406)
	14,196,499	14,869,259

Trade receivables comprise amounts receivable for the sales of goods. The credit period granted on trade receivables is normally 30 days (2009: 30 days) or contractual periods based on project contract sales. The Group's historical experience in collection of trade receivables falls within the recorded allowances and management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Analysis of foreign currency exposure profile of trade receivables is as follows:-

	The Group	
	2010	**2009**
	RM	**RM**
United States Dollar	20,343,993	20,849,714

18. OTHER RECEIVABLES

	The Group	
	2010	**2009**
	RM	**RM**
Other receivables	12,457,157	6,952,975
Less : Allowance for doubtful debts	(4,823,959)	(1,289,072)
	7,633,198	5,663,903
Refundable deposits	136,796	186,331
	7,769,994	5,850,234

NOTES TO FINANCIAL STATEMENTS (cont.)

19. AMOUNTS DUE FROM/(TO) SUBSIDIARY COMPANIES

The amounts due from/(to) subsidiary companies arose mainly from management fees charged in prior financial years, advances and payments made on behalf, they are interest-free and have no fixed terms of repayment.

As at June, 30, the significant outstanding balances due from/(to) subsidiary companies arising from trade and non-trade transactions are as follows:-

	The Company	
	2010	**2009**
	RM	**RM**
AHB Technology Sdn Bhd		
Trade/Non-trade	14,440,753	14,544,651
AHB Distribution Sdn Bhd		
Trade/Non-trade	104,904	104,904
AHB Marketing Sdn Bhd		
Trade/Non-trade	(8,973,163)	(8,973,163)
Create Space Sdn Bhd		
Trade/Non-trade	(1,663)	(1,623)

20. SHARE CAPITAL

	The Group and The Company	
	2010	**2009**
	RM	**RM**
Authorised:		
1,000,000,000 ordinary shares of RM1 each	1,000,000,000	1,000,000,000
Issued and fully paid:		
48,131,398 ordinary shares of RM1 each	48,131,398	48,131,398

(a) The Company issued free detachable warrants for the issuance of new ordinary shares through a private placement in 2005 (Warrants 2004/2014). As of June 30, 2010, the outstanding Warrants 2005/2014 totaling 5,228,000 (2009:5,228,000) have not been exercised.

The salient features of the Warrants are as follows:-

(i) The Warrants shall be issued in registered form and constituted by a Deed Poll to be executed by the Company. The Warrants, which are to be issued with the Placement Shares, are immediately detachable upon allotment and issue of the Placement Shares. The Warrants will be traded separately;
(ii) Each Warrant carries the entitlement to subscribe for one new ordinary share, at the exercise price at any time during the exercise period, subject to the adjustments in accordance with the provisions of the Deed Poll;
(iii) The Warrants can be exercised at any time during the period of ten years commencing from and including the date of issuance of the Warrants and up to and including the expiry date; and
(iv) The exercise price shall be determined based on the Securities Commission Guidelines which stipulate that the exercise price can be set at a discount of not more than ten percent from the 5-day weighted average market price of the ordinary shares at a price-fixing date to be determined by the Board or at the par value of the ordinary shares of RM1 whichever is higher. The exercise price will be subject to adjustments in accordance with the terms and provisions of the Deed Poll and shall be satisfied wholly in cash.

The new ordinary shares to be issued upon the exercise of the Warrants 2004/2014 shall, upon allotment and issue, rank pari passu in all respects with the existing issued and fully paid-up ordinary shares except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of the allotment of the new ordinary shares arising from the exercise of the Warrants 2004/2014.

NOTES TO FINANCIAL STATEMENTS (cont.)

21. SHARE PREMIUM

Share premium arose from the issuance of shares and conversion of ICULS in prior financial years, net of bonus issue and issue expenses.

22. LONG TERM LOANS

	Note	The Group		The Company	
		2010	**2009**	**2010**	**2009**
Secured		**RM**	**RM**	**RM**	**RM**
Term loans		8,139,085	8,078,555	2,609,040	2,348,305
Less: Amount due within 12 months	26	(4,271,689)	(3,053,493)	(253,289)	(253,289)
Non-current portion		3,867,396	5,025,062	2,355,751	2,095,016

The non-current portion is repayable as follows:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
2011	-	1,419,689	-	253,289
2012	1,419,689	1,440,713	253,289	274,312
2013	619,557	2,164,660	274,312	1,567,415
2014	1,828,150	-	1,828,150	-

During the previous financial years, the Company restructed its trust receipts facility to a new term loan. This new term loan bears interest at 2.5% above the base lending rate and is repayable in 36 monthly installments of RM36,000 each commencing on September 2010. The new term loan is secured by a personal guarantee of a director and a corporate guarantee of one of its subsidiary companies.

Subsidiary company

The termed-out loan bears interest at a rate of 3.0% (2009: 3.0%) above the base lending rate or 1.5% above the cost of funds per annum.

The subsidiary company has entered a Sales and Purchase Agreement with a third party to dispose its freehold land and warehouse to settle the aforesaid termed out loans, based on the extension given by the bankers after the financial year ended 30 June 2010 as precedent condition to accept the rescheduling of the said termed-out loan by the banks. Meanwhile, the principal amount outstanding including its interest, shall be payable to the banks by way of monthly installments RM62,000 in the financial year 2011 and RM41,000 per month in the financial year 2012 and 2013.

As for the remaining term loan, the principal outstanding including its interest, shall be payable by way of monthly installments of RM56,200.

The termed-out loans are secured by a first legal charge over the freehold land and warehouse of the subsidiary company as mentioned in Note 15 and a corporate guarantee from the Company. The remaining terms loans are secured by a third party legal charge over a piece of industrial land and building registered in the name of a director and a close family member of certain directors of the Company.

All loans obtained by the Group are denominated in Ringgit Malaysia (“RM”).

NOTES TO FINANCIAL STATEMENTS (cont.)

23. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period granted to the Group for trade payables is 30 to 100 (2009: 30 to 100 days).

24. OTHER PAYABLES

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Other payables	12,436,556	13,654,610	-	-
Accrued expenses	1,001,658	1,545,778	519,982	844,334
	13,438,214	15,200,388	519,982	844,334

25. AMOUNT DUE TO DIRECTORS

The amount due to directors arose from fees payable to the Directors of the Company. It is interest-free with no fixed terms of repayment.

26. BANK BORROWINGS

	Note	The Group		The Company	
		2010	2009	2010	2009
		RM	RM	RM	RM
Secured					
Long-term loans - current portion	22	4,271,689	3,053,493	253,289	253,289
Unsecured					
Bank overdrafts		-	22,630	-	-
		4,271,689	3,076,123	253,289	253,289

The Company has credit facilities totalling RM4,900,000 (2009: RM4,900,000) obtained from a local bank. This facility is secured by inward letter of credit and irrevocable letter of instruction from the Company to customers to make payment into escrow account of the Company maintained with the bank.

A subsidiary company has bank overdrafts and other credit facilities totalling RM175,000 (2009: RM175,000) obtained from certain local banks. These facilities are guaranteed by certain directors of the subsidiary company and the Company. The bank overdrafts of the Group and of the Company bear interest at 2% (2009: 2%) per annum above the banks' base lending rate. The above bank borrowings are denominated in Ringgit Malaysia.

27. HIRE-PURCHASE PAYABLES

	The Group	
	2010	2009
	RM	RM
Total installments outstanding	-	22,846
Less: Interest-in-suspense	-	(78)
Principal outstanding	-	22,768
Less: Amount due within 12 months (shown under current liabilities)	-	(22,768)
Non-current portion	-	-

The interest rate implicit in the hire-purchase obligations is 6.38% per annum.

NOTES TO FINANCIAL STATEMENTS (cont.)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

(i) Foreign currency risk

The Group has undertaken trade transactions with its foreign customers, operating outside of Malaysia, where the amounts owing by are exposed to currency translation risks as disclosed in Note 17 to the Financial Statements. Foreign exchange exposures in transactional currencies other than functional currency of the operating entities are kept to an acceptable level.

(ii) Interest rate risk

The Group's significant interest bearing financial liabilities are mainly arising from its term loans and termed-out loans.

Borrowings obtained at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

(iii) Credit risk

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. The Group also ensures a large customer base so as to limit high credit concentration in a single customer or customers from a particular market.

The Group's exposure to credit risk in relation to its trade receivables, should all its customers fail to perform their obligations as of June 30, 2010, is the carrying amount of these receivables as disclosed in the balance sheet.

(iv) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities.

(v) Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Fair values

The fair values of the financial assets and financial liabilities reported in the balance sheet approximate their carrying amounts.

29. OPERATING SEGMENT

The Board of Directors reviews internal management reports on at least a quarterly basis. Operating segments are components in which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of office interior products, office furniture and specialised computer furniture as its sole operating segment.

Segment profit

Performance is measured based on segment profit before interest income, finance cost and taxation as included in the internal management reports that are reviewed by the Board of Directors.

29. OPERATING SEGMENT (cont.)

Segment assets/liabilities

Segment assets/liabilities information is not presented to the Board of Directors and hence, no disclosure is made on the segment asset/liabilities.

	Office interior products, office furniture and specialised computer furniture	
	2010	**2009**
	RM	**RM**
Information about reportable segment		
Reportable segment profit	2,462,999	2,365,253
Included in the measure of segment profit and revenue		
Revenue from external customers	27,236,276	25,096,892
Depreciation	(194,569)	(226,101)

	Office interior products, office furniture and specialised computer furniture	
	2010	**2009**
	RM	**RM**
Reconciliation of reportable segment profit/(loss) and revenue		
Profit		
Reportable segment	2,462,999	2,365,253
Interest expenses	(1,504,672)	(1,398,759)
Consolidated profit before taxation	958,327	996,494

Geographical information

Revenue of the Group by geographical location of the customers are as follows:

	Revenue	
	2010	**2009**
	RM	**RM**
South-Eastern Asia	5,617,862	7,443,905
Middle East	17,615,887	13,604,740
South-Central Asia	4,002,527	4,048,247
	27,236,276	25,096,892

Major customers

Revenue from 5 customers of the Group amounted to RM20,427,207 (2009: RM17,567,824) contributed to more than 75% (2009:70%) of the Group's revenues.

30. PROFIT GUARANTEE

Pursuant to the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on May 21, 1996 and the subsequent revision of the profit guarantee agreement approved by the shareholders at an extraordinary general meeting on September 29, 1998, the guarantors, namely Yong Yoke Keong, Yong Chew Keat and Iskandar Holdings Sdn. Bhd. (collectively, referred to as the Guarantors), had provided a guarantee that the consolidated profits before tax of the Group of RM15,960,600 shall be achieved over a period of five (5) years commencing from the financial year ended June 30, 1998 to 2002. As at June 30, 2002 the shortfall in the profit guarantee amounted to RM15,960,000.

NOTES TO FINANCIAL STATEMENTS (cont.)

30. PROFIT GUARANTEE (cont.)

In this connection, the guarantors acknowledged their liabilities in relation to the above profit guarantee have crystallised and intend to fully discharge their obligations. Accordingly, on November 3, 2003, the Company announced a proposed compensation by the Guarantors for the abovementioned shortfall in profit guarantee involving the following proposals:

(i) Proposed restricted issue of up to 19.670 million five (5) year warrants (Warrants) on a non-renounceable basis to the shareholders of the Company other than the Guarantors and/or person connected to the Guarantors (Entitled Shareholders) at a date to be determined later; and

(ii) Proposed offer by the Guarantors to purchase the Warrants from the Entitled Shareholders after the listing of the Warrants on Bursa Malaysia Securities Berhad (Collectively, referred to as the Proposed Settlement).

On January 21, 2004, the Company submitted the applications on the Proposed Settlement to the relevant authorities which have given their conditional approval to the Proposed Settlement vide their letter dated December 9, 2005.

The Securities Commission (referred to as the SC) vide its letter dated December 20, 2005 approved the Company's application for an extension of time until June 7, 2006 to complete the Proposed Settlement. Subsequently, an application was made on June 6, 2006 for an extension of time for a further six (6) months to December 7, 2006.

The SC vide its letter dated August 13, 2006 did not approve the application for the extension of time. The directors are continuing to deliberate on the next course of action in relation to the Proposed Settlement, and understand that the Guarantors are exploring various options to arrive at a solution to the Proposed Settlement, and will keep the SC abreast accordingly.

Subsequently, the Board of Directors have been in active discussions within the Board, and with the management and also with third parties to arrive at a resolution of this matter. There have been various discussions with SC in finding the best way to resolve this matter.

31. CONTINGENT LIABILITIES

As of June 30, 2010, the Company has issued secured corporate guarantees to a local licensed banks for term loan and other banking facilities totaling RM5,530,000 (2009: RM5,730,000) granted to a subsidiary company. Accordingly, the Company is contingently liable to the extent of term loan and other banking facilities utilised by the said subsidiary company.

32. RESTATEMENTS TO THE AUDITED FINANCIAL STATEMENTS

Certain comparative figures of the Group have been reclassified to ensure fairer presentation:-

	The Group	
	As restated	As previously reported
Current assets		
Trade receivables	14,869,259	19,642,617
Other receivables	5,850,234	1,076,876
Current liability		
Bank borrowings	3,076,123	5,135,643
Non-current liability		
Term loans	5,025,062	2,965,542

STATEMENTS BY DIRECTORS

The directors of **AHB HOLDINGS BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, cash flows and changes in equity, are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of June 30, 2010 and of the results of the businesses and cash flows of the Group and of the Company for the financial year ended on that date.

On behalf of the Board

YONG YOKE KEONG

YONG CHEW KEAT
Kuala Lumpur,
October 26, 2010

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **YONG YOKE KEONG**, the director primarily responsible for the financial management of **AHB HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity, 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.

YONG YOKE KEONG

Subscribed and solemnly declared by the abovenamed at **KUALA LUMPUR** this October 26, 2010

Before me,

PESURUHJAYA SUMPAH
W.490
S. ARULSAMY
MALAYSIA

COMMISSIONER FOR OATHS

16 - Tingkat Bawah Jalan Pudu,
55100 Kuala Lumpur.

LIST OF PROPERTY

Location	Tenure	Description	Land Area (Sq. Ft.)	Net Book as at 30 June 2010 (RM'000)	Age of Building
Lot 1835, Jalan Maktab, 43300 Seri Kembangan, Selangor Darul Ehsan	Freehold	Industrial land erected with a factory building	53,088	1,459	23 years

STATISTICS OF SHAREHOLDINGS AS AT 25 OCTOBER 2010

Authorised Share Capital:	RM1,000,000,000.00
Issued and Fully Paid-up Capital:	RM48,131,398.00
Class of Shares:	Ordinary Shares of RM1.00 each
Voting Rights:	1 vote per Ordinary Share

ANALYSIS OF SHAREHOLDINGS AS AT 25 OCTOBER 2010

NO. OF HOLDERS	SIZE OF HOLDINGS	NO. OF SHARES HELD	PERCENTAGE (%)
46	1-99	2,366	0.004
167	100 - 1,000	112,835	0.234
1,058	1,001 - 10,000	4,024,145	8.360
350	10,001 - 100,000	11,466,142	23.822
58	100,001 - 2,406,568 (*)	23,695,830	49.231
3	2,406,569 AND ABOVE (**)	8,830,080	18.345
1,682		**48,131,398**	**100.000**

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

TOP 30 SHAREHOLDERS AS AT 25 OCTOBER 2010

No.	Name of Shareholders	Number of Shares Held	Percentage (%)
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YONG YOKE KEONG	3,864,000	8.028
2	ISKANDAR HOLDINGS SDN BHD	2,513,280	5.221
3	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YOKE KEONG (4966 JTRK)	2,452,800	5.096
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANCE MERCHANT NOMINEES (TEMPATAN) SDN BHD FOR YONG YOKE KEONG (STAKEHOLDERS)	2,184,432	4.538
5	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YOKE KEONG	1,644,000	3.415
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANCE MERCHANT NOMINEES (TEMPATAN) SDN BHD FOR YONG CHEW KEAT (STAKEHOLDERS)	1,297,068	2.694
7	THAVRON ASSOCIATES LIMITED	1,286,350	2.672
8	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEW KEAT (4966 JTRK)	1,051,200	2.184
9	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KOK THYE	1,028,000	2.135
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANCE MERCHANT NOMINEES (TEMPATAN) SDN BHD FOR ESPRIWASA SDN. BHD. (STAKEHOLDERS)	994,560	2.066
11	CHENG KWAI LAN	885,298	1.839
12	HLG NOMINEE (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIVERMORE INVESTMENT FUND (CCTS)	870,000	1.807

STATISTICS OF SHAREHOLDINGS AS AT 25 OCTOBER 2010 (cont.)

TOP 30 SHAREHOLDERS AS AT 25 OCTOBER 2010 (cont.)

No.	Name of Shareholders	Number of Shares Held	Percentage (%)
13	VOON JYE WAH	839,000	1.743
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANCE MERCHANT NOMINEES (TEMPATAN) SDN BHD FOR ISKANDAR HOLDINGS SDN. BHD. (STAKEHOLDERS)	781,440	1.623
15	CIMB BANK BERHAD	693,348	1.440
16	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEW KEAT	581,502	1.208
17	AFFIN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUNG CHEE YANG (CHU0328C)	557,000	1.157
18	ONG KOK THYE	533,000	1.107
19	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YOKE LUEN	413,050	0.858
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE BENG (E-PPG)	400,000	0.831
21	OOI EE LEE	380,000	0.789
22	TEE CHEE CHIANG	326,500	0.678
23	LIEW PAK THEAN	274,800	0.570
24	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIM SENG	264,700	0.549
25	TEOH BOON HAN @ TEONG BOON HONG	259,000	0.538
26	GOH YOKE CHOO	255,000	0.529
27	TAN KIM KUAN	233,400	0.484
28	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG PENG KHOON (MARGIN)	230,000	0.477
29	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM POH LEI	222,000	0.461
30	LEE MOOI LANG	220,100	0.457

ANALYSIS OF WARRANTS HOLDINGS AS AT 25 OCTOBER 2010

NO. OF HOLDERS	SIZE OF HOLDINGS	NO. OF WARRANTS HELD	PERCENTAGE (%)
0	1 - 99	0	0.000
77	100 - 1,000	9,500	0.181
2	1,001 - 10,000	7,200	0.137
1	10,001 - 100,000	50,100	0.958
0	100,001 - 261,399 (*)	0	0.000
3	261,400 and above (**)	5,161,200	98.722
83		5,228,000	100.00

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

TOP 30 WARRANTS HOLDERS AS AT 25 OCTOBER 2010

No.	Name of Warrants Holders	Number of Warrants Held	Percentage (%)
1	TRIDENT TARGET SDN BHD	2,278,000	43.573
2	THAVRON ASSOCIATES LIMITED	1,818,400	34.781
3	THAVRON ASSOCIATES LIMITED	631,600	12.081
4	VOON JYE WAH	433,100	8.284
5	ANG YOOK CHU @ ANG YOKE FONG	50,000	0.956
6	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE BENG (E-PPG)	5,100	0.097

STATISTICS OF SHAREHOLDINGS AS AT 25 OCTOBER 2010 (cont.)

TOP 30 WARRANTS HOLDERS AS AT 25 OCTOBER 2010 (cont.)

No.	Name of Warrants Holders	Number of Warrants Held	Percentage (%)
7	GOH ENG HOO	2,100	0.040
8	CHOW HENG LIU	1,000	0.019
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHEE TEONG	1,000	0.019
10	ALBERT LEE WAY LEONG	100	0.001
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RONIE TAN CHOO SENG (8060347)	100	0.001
12	ANG YOOK CHU @ ANG YOKE FONG	100	0.001
13	AW TAI-JAK	100	0.001
14	BERNICE LOW SUE LYN	100	0.001
15	CHEW CHIN CHIN	100	0.001
16	CHIA AH MOY @ CHIA CHEE ENG	100	0.001
17	CHIANG HENG GIN	100	0.001
18	CHONG FATT CHOY	100	0.001
19	CHONG KOK YUEN	100	0.001
20	CHONG WAH PLASTICS SDN BHD	100	0.001
21	CHONG WAI LING	100	0.001
22	CHOO WOON KIET	100	0.001
23	CHOY WEE HERNG	100	0.001
24	CHOY YOT FAH	100	0.001
25	CHUA YEE PING	100	0.001
26	FAREEA MA CH'ING	100	0.001
27	FOAM-PACKAGING INDUSTRIES SDN BHD	100	0.001
28	FOK LAI CHING	100	0.001
29	FONG YAW LAN	100	0.001
30	FOO SAY KEOW	100	0.001

STATISTICS OF SHAREHOLDINGS AS AT 25 OCTOBER 2010 (cont.)

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 25 OCTOBER 2010

	---Direct---		---Indirect---	
Name of Directors	**No. of Ordinary Shares held**	**%**	**No. of Ordinary Shares held**	**%**
Mirzan Mahathir	-	-	3,294,720*	6.85
Yong Yoke Keong	10,150,269	21.09	-	-
Yong Chew Keat	2,929,770	6.09	-	-
Lim Chee Hoong	-	-	-	-
Danny Ng Siew L'Leong	-	-	-	-

Note :
**Deemed interest by virtue of his interest in Iskandar Holdings Sdn Bhd, the substantial shareholder of the Company.*

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 25 OCTOBER 2010

	Direct		Indirect	
Name of Substantial Shareholders	**No. of Ordinary Shares held**	**%**	**No. of Ordinary Shares held**	**%**
Yong Yoke Keong	10,150,269	21.09	-	-
Iskandar Holdings Sdn Bhd	3,294,720	6.85	-	-
Mirzan Mahathir	-	-	3,294,720 *	6.85
Yong Chew Keat	2,929,770	6.09	-	-

Note:
** Deemed interest by virtue of his interest in Iskandar Holdings Sdn Bhd, the substantial shareholder of the Company.*

DISCLOSURE PURSUANT TO SECTION 134(12)(c) OF THE COMPANIES ACT, 1965

Name	Shareholdings
Mirzan Mahathir	-
Yong Yoke Keong	-
Yong Chew Keat	48,000^
Lim Chee Hoong	-
Danny Ng Siew L'Leong	-

Note:
^ Disclosure of the interest held by his spouse, Kor Guat Hwa pursuant to Section 134(12)(c) of the Companies Act, 1965.

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held at Room Mezzanine 9, Crowne Plaza Mutiara Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 25 November 2010 at 2.30 p.m. or at any adjournment thereof to transact the following business:-

AGENDA

	ORDINARY BUSINESS
1.	To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2010 and the Directors' and Auditors' Reports thereon.
2.	To approve the payment of Directors' fees of RM120,000 for the financial year ended 30 June 2010. ***Resolution 1***
3.	To re-elect the following Directors who retire in accordance with Article 85 of the Company's Articles of Association :- 3.1 Mr Danny Ng Siew L'Leong ***Resolution 2*** 3.2 Mr Yong Chew Keat ***Resolution 3***
4.	To re-appoint Messrs SJ Grant Thornton as the Company's Auditors and to authorise the Directors to fix their remuneration. ***Resolution 4***
	SPECIAL BUSINESS To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolution and Special Resolution of the Company:-
5.	**ORDINARY RESOLUTION - AUTHORITY FOR DIRECTORS TO ISSUE SHARES** "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to 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, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the nominal value of the total issued and paid-up share capital of the Company at the time of issue AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for 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." ***Resolution 5***
6.	**SPECIAL RESOLUTION** **PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION** "That the deletion, alterations, modifications, variations and additions to the Articles of Association of the Company, more particularly set out in Appendix I attached to the 2010 Annual Report, be and is hereby approved." ***Resolution 6***
7.	To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD
YEOH CHONG KEAT (MIA 2736)
PUA LEI NGOR (MAICSA 7049116)
Company Secretaries

Kuala Lumpur
2 November 2010

Notes:

1. *A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *A member shall be entitled to appoint more than one (1) proxy but up to a maximum of three (3) proxies to attend and vote at the same meeting and where the member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.*

3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.*

5. *The instrument of a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the Registered Office of the Company situated at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time set for the holding of this meeting or at any adjournment thereof.*

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING (cont.)

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. **Resolution 5**

   This proposed resolution, if passed, will renew the authority given to the Directors of the Company to issue and allot 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 nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   The General Mandate procured and approved in the preceding year 2009 which was not exercised by the Company during the year, will expire at the forthcoming Seventeenth Annual General Meeting of the Company.

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

2. **Resolution 6**

   This proposed resolution, if passed, will streamline the Company's Articles of Association with the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Further information on the proposed amendments to the Company's Articles of Association is set out in Appendix I attached to the 2010 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF THE ANNUAL GENERAL MEETING

1. Directors standing for re-election at the Seventeenth Annual General Meeting of the Company

   Directors retiring in accordance with Article 85 of the Company's Articles of Association:-

   (a) Mr Danny Ng Siew L'Leong
   (b) Mr Yong Chew Keat

   The details of the above Directors standing for re-election are set out in their respective profiles on pages 5 and 6 of this Annual Report. Their securities holdings in the Company are set out on page 53 of this Annual Report.

2. Details of attendance of Directors at Board of Directors' Meetings

   There were five (5) Board of Directors' Meetings held during the financial year ended 30 June 2010. Details of attendance of the Directors are set out on page 11 of this Annual Report.

3. Details of the place, date and time of the Seventeenth Annual General Meeting

   Details of the place, date and time of the Seventeenth Annual General Meeting are as follows:-

Date	**Time**	**Place**
Thursday, 25 November 2010	2.30 p.m.	Room Mezzanine 9, Crowne Plaza Mutiara Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur

APPENDIX I
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No.	Existing Provisions	Proposed Amendments
64	**Statement in notice** In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies (subject to a maximum of three (3) proxies at each meeting) to attend and vote instead of him. Where a member appoints more than one (1) proxy he shall specify the proportion of his shareholding to be represented by each proxy.	**Statement in notice** In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies (subject to a maximum of **two (2)** proxies at each meeting) to attend and vote instead of him. Where a member appoints more than one (1) proxy he shall specify the proportion of his shareholding to be represented by each proxy.
66	**No business unless quorum is present** All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheet, and the report of the Directors and auditors, the election of Directors in the place of those retiring, the consideration of Directors' fees and the appointment and fixing of the remuneration of the auditors. Three (3) members present in person or by proxy shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business.	**No business unless quorum is present** All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, **laying before the meeting the accounts, balance sheets and the reports of the Directors and auditors**, the election of Directors in the place of those retiring, the consideration of Directors' fees and the appointment and fixing of the remuneration of the auditors. **Two (2)** members present in person or by proxy shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business.
79	**Instrument appointing a proxy** The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorized. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A member shall be entitled to appoint more than one (1) proxy but up to a maximum of three (3) proxies to attend and vote at the same meeting and where the member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	**Instrument appointing a proxy** The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorized. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A member shall be entitled to appoint more than one (1) proxy but up to a maximum of **two (2)** proxies to attend and vote at the same meeting and where the member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

APPENDIX I
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (cont.)

Article No.	Existing Provisions	Proposed Amendments
147	**Payment by cheque** (1) Subject to the provision of the Act, the Central Depositories Act and the Rules, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant and sent through the post directed to the address of the holder in the Register or Record of Depositors or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such person or to such person and to such address as such persons may by writing direct. (2) Subject to the provision of the Act, the Central Depositories Act and the Rules, every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant shall be sent at the risk of the persons entitled to the money thereby represented.	**Mode of payment of Dividend** **Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the Holder as shown in the Register of Members or the Record of Depositors (as the case may be) or paid via electronic or other methods of funds transfer to such account as designated by such Holder. Every such cheque or warrant or electronic transfer shall be made payable to the order of the person to whom it is sent. Every such cheque or warrant or electronic transfer shall be sent at the risk of the person entitled to the money represented thereby.**
148	**Loss of cheque dividend** The Company shall not be responsible for the loss of any cheque, draft, dividend warrant, or post office order which shall be sent by post duly addressed to the member for whom it is intended.	Deleted in entirety

AHB HOLDINGS BERHAD

(Company No.: 274909-A)

FORM OF PROXY

SEVENTEENTH ANNUAL GENERAL MEETING

No. of Ordinary Shares Held
CDS Account No.

*I/*We, ______________________________ NRIC/Company No. ______________________________
(Full name in block letters)

of ____
(Full Address)

being a *member/*members of **AHB HOLDINGS BERHAD** hereby appoint ______________________________
(Full name in block letters)

of ____
(Full Address)

or failing *him/*her ____
(Full name in block letters)

of ____
(Full Address)

or failing *him/*her, the CHAIRMAN OF THE MEETING as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Seventeenth Annual General Meeting of the Company to be held at Room Mezzanine 9, Crowne Plaza Mutiara Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 25 November 2010 at 2.30 p.m. or at any adjournment thereof.
*My/*Our proxy is to vote as indicated below:-

RESOLUTIONS	*FOR	*AGAINST
ORDINARY BUSINESS 1. To approve the payment of Directors' fees. 2. To re-elect Mr Danny Ng Siew L'Leong as Director.		
3. To re-elect Mr Yong Chew Keat as Director.		
4. To re-appoint Messrs SJ Grant Thornton as the Company's Auditors.		
SPECIAL BUSINESS		
5. Ordinary Resolution To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
6. Special Resolution To approve the proposed amendments to the Company's Articles of Association		

*Please indicate with an "X" in the appropriate spaces on how you wish your vote to be cast. In the absence of specific direction, the proxy will vote or abstain as he/she thinks fit.

Dated this ____________ day of ____________________2010

____
Signature / Common Seal of Member

Notes:

1. *A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *A member shall be entitled to appoint more than one (1) proxy but up to a maximum of three (3) proxies to attend and vote at the same meeting and where themember appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument of a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the Registered Office of the Company situated at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time set for the holding of this meeting or at any adjournment thereof.*

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STAMP

The Company Secretary

AHB HOLDINGS BERHAD

(Company No. 274909-A)

C/O ARCHER CORPORATE SERVICES SDN BHD

(Company No. 481718-D)

Suite 11-1A, Level 11
Menara Weld
76, Jalan Raja Chulan
50200 Kuala Lumpur

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