AME

AME ELITE CONSORTIUM BERHAD

201801030789 (1292815-W)

EMPOWERING NEXT-GENERATION INDUSTRIES

ANNUAL REPORT 2020

COVER RATIONALE

Empowering *Next-Generation* Industries

Every great accomplishment requires an initiator; either a spur to kickstart its commencement, or an accelerator to propel its momentum onto a new phase.

Backed by extensive experience gained in the last 25 years, we at AME Elite Consortium Berhad have made it our corporate mission to be the provider of choice for industrial space solutions, harnessing our cumulative expertise to enable growth-oriented companies scale the next pinnacle of success.

We believe that in empowering next-generation industries, we are playing our role to place Malaysia on the roadmap towards achieving its 'developed nation' aspiration.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

YM Tengku Azrina Binti Raja Abdul Aziz
Independent Non-Executive Chairperson

Mr Lee Chai
Group Managing Director

Mr Lim Yook Kim
Executive Director

Mr Kang Ah Chee
Executive Director

Mr Lee Sai Boon
Executive Director

Ms Tan Lay Beng
Independent Non-Executive Director

Mr Chang Tian Kwang
Independent Non-Executive Director

Mr Wee Soon Chit
Independent Non-Executive Director

Ms Lim Pei Shi
Alternate Director to Mr Lim Yook Kim

Ms Lee Ling Sien
Alternate Director to Mr Lee Chai

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson
Ms Tan Lay Beng

Members
YM Tengku Azrina Binti Raja Abdul Aziz
Mr Chang Tian Kwang
Mr Wee Soon Chit

REMUNERATION COMMITTEE

Chairperson
Mr Wee Soon Chit

Members
YM Tengku Azrina Binti Raja Abdul Aziz
Ms Tan Lay Beng
Mr Chang Tian Kwang

NOMINATION COMMITTEE

Chairperson
Mr Chang Tian Kwang

Members
YM Tengku Azrina Binti Raja Abdul Aziz
Ms Tan Lay Beng
Mr Wee Soon Chit

COMPANY SECRETARIES

Ms Leong Siew Foong
(MAICSA 7007572)

Ms Santhi A/P Saminathan
(MAICSA 7069709)

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1
Medini Iskandar
79200 Iskandar Puteri
Johor Darul Takzim
Tel : +607-2662 213
Fax: +607-2662 214

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax: +603-7890 4670

HEAD/MANAGEMENT OFFICE

No. 5, Jalan I-Park SAC 2
Taman Perindustrian I-Park SAC
81400 Senai
Johor Darul Takzim
Tel : +607-5959 666
Fax : +607-5959 668
Website : www.ame-elite.com
Email : corporate@ame-elite.com

REGISTERED OFFICE

Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Tel : +607-2241 035
Fax: +607-2210 891

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

Listing Date : 14 October 2019
Stock Name : AME
Stock Code : 5293

CORPORATE PROFILE

Established since 1995, AME Elite Consortium Berhad ("**AME**" or the "**Group**") is an integrated and comprehensive industrial space solutions provider, whose activities encompass the development of industrial parks, the sale and lease of industrial factory units, the rental and management of workers' dormitories, as well as the design and construction of large industrial buildings and manufacturing plants.

Today, AME stands tall as a prominent integrated industrial park developer in Malaysia, specialising in providing well-managed full-service industrial parks in Johor. We count among our clientele many leading industrial players from around the world, who see us as a partner in reaching their business expansion plans.

Our award-winning i-Parks combine a tranquil resort-concept with a gated and guarded industrial park, providing our clients a premier address that meets their industrial space requirements, as well as a sanctuary amid natural surroundings attractive to the modern workforce. Our clients also benefit from our dedicated management services, from recreational spaces for employees, to provision of conducive workers' dormitories that promote a healthy and fulfilling lifestyle.

To date, we have completed i-Park@SiLC, i-Park@Indahpura (Phase 1 and 2), SME City, and District 6, and are currently developing i-Park@Indahpura (Phase 3) and i-Park@Senai Airport City.

With our holistic approach of being actively involved in planning and designing developments, we aim to give our customers the vital edge to succeed by perfectly integrating well-planned master development, amenities and infrastructure, excellent location with easy accessibility, and last but not least, the high quality, flexible and functional industrial space optimised for high-performance operations within a sustainable, clean and green environment.

This unparalleled commitment to excellence has led AME to gain recognition as Innovative Developer by ASEAN Property Awards 2018/2019, Malaysia's Responsible Developer: Building Sustainable Development Award 2018 by Edge Property, and Jewels of Johor Awards 2018: The Best Choice Awards by Starproperty.my.

INTEGRATED INDUSTRIAL PARK DEVELOPMENT

Moreover, our signature industrial parks have garnered numerous accolades. Amongst other awards, i-Park@Indahpura has been conferred the World Silver Winner for Industrial Category at the FIABCI World Prix d'Excellence Awards 2019, Winner for Industrial Category at the Malaysia Property Award™ 2018 by FIABCI-Malaysia, and The Iskandar Malaysia Accolades (TIMA) 2016/17: Platinum Winner for "Most Conducive Workplace".

In a further testament to our quality, i-Park@Senai Airport City has earned similar regional and local acclaim under the ASEAN Property Awards 2018/2019 as the Best Industrial Development, as well as domestic awards such as Starproperty.my 2018: The Business Estate Award — Best Industrial Park Development.

PROPERTY INVESTMENT AND MANAGEMENT SERVICES

As a vital value-add to our i-Park industrial park clients, we offer flexible leasing services for ready or customised industrial properties in our i-Parks, which enable our clients to fast track their expansion with significantly reduced start up time.

Additionally, our i-Stay workers' dormitories, which are available for rent by our i-Park clients, ensure that tenants experience a safe, wholesome, and comfortable living environment. We maintain the highest standards of security and cleanliness for better quality of living.

Our i-Stay dormitories are equipped with an array of facilities and services to provide ultimate convenience and peace of mind to both tenants and our i-Park clients, including 24 hours security, biometric entry system, lush greeneries and gardens, canteen, convenience store, automated laundry, cashless payment services, and others.

CONSTRUCTION AND ENGINEERING

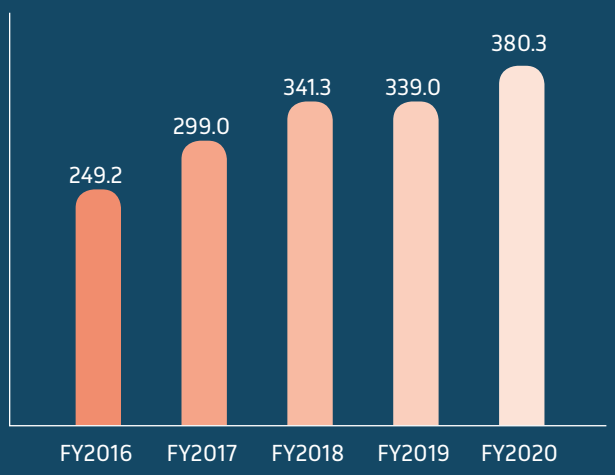
Starting out in 1995 as a pure construction services provider, we honed our expertise in designing and constructing industrial buildings and manufacturing plants. We are backed by a full suite of in-house construction and engineering capabilities, such as mechanical and electrical (M&E) engineering, as well as industrialised building system (IBS) for steel structure and pre-cast concrete fabrication.

To date, we have successfully delivered more than 200 customised manufacturing plants and industrial buildings of various sizes in Malaysia, catering to the rigorous standards of major organisations from Malaysia and internationally.

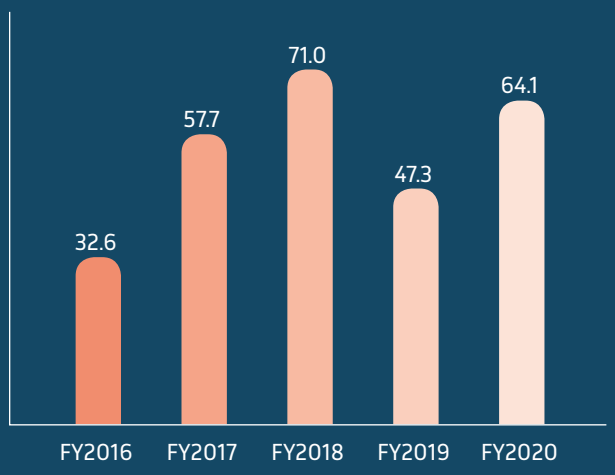
FINANCIAL HIGHLIGHTS

5-YEAR FINANCIAL HIGHLIGHTS

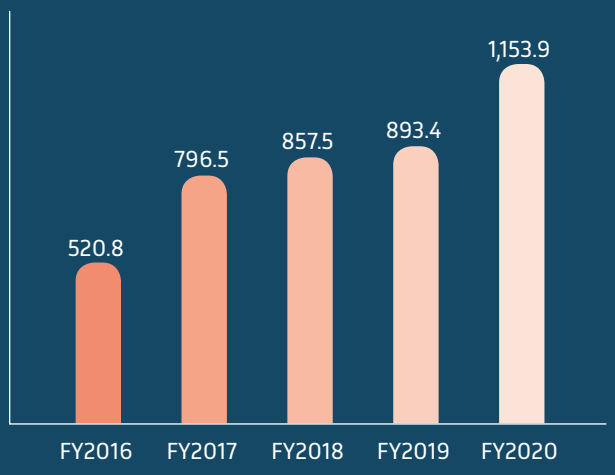
Revenue
(RM'000)



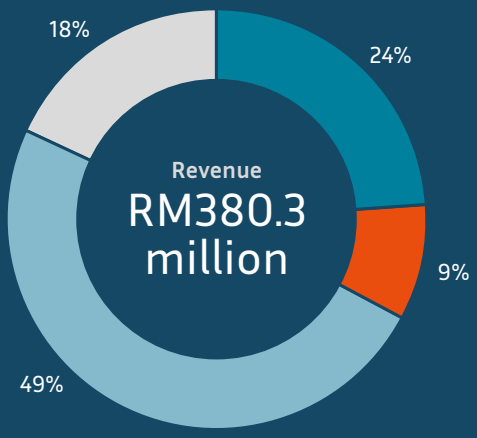
Net Profit Attributable to Owners of The Company
(RM'000)

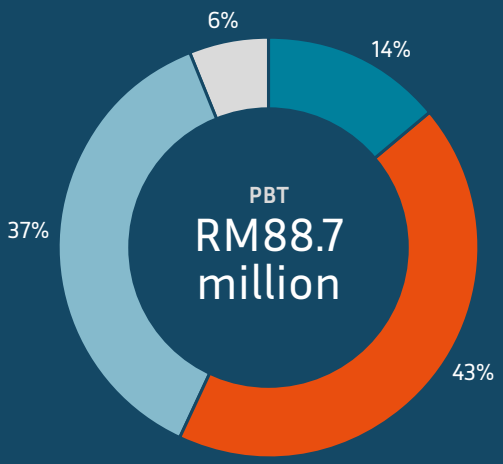


Total Assets
(RM'000)



FY2020 GROUP PERFORMANCE HIGHLIGHTS





- Property Development
- Property Investment and Mangement Services
- Construction Services
- Engineering Services

3 sen
interim
dividend

Dividend payout
25%^
of FY2020 PATMI

^ after excluding fair value gains on investment properties in FY2020

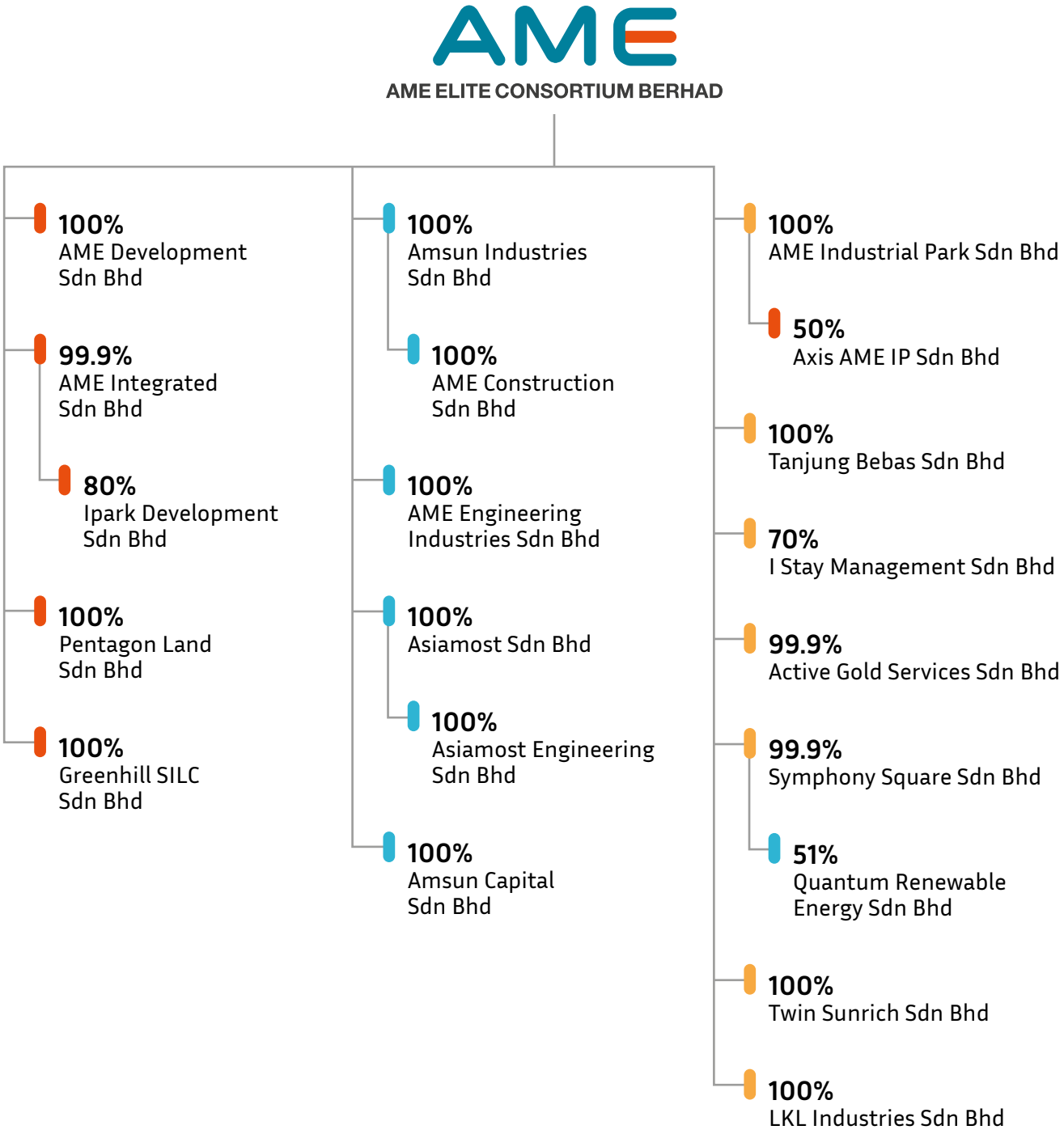
FINANCIAL HIGHLIGHTS (Cont'd)

For the Financial Year Ended 31 March (RM'000)	2016	2017	2018	2019	2020
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME SUMMARY					
Revenue	249,243	298,959	341,320	339,013	380,346
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	45,472	80,173	101,287	81,373	105,159
Earnings Before Interest and Tax (EBIT)	40,530	74,808	95,655	76,006	98,634
Profit Before Tax (PBT)	41,118	74,534	95,219	72,591	88,675
Net Profit Attributable to Owners of The Company (PATMI)	**32,610**	**57,661**	**70,971**	**47,347**	**64,141**
STATEMENTS OF FINANCIAL POSITION SUMMARY					
Property, Plant and Equipment	66,625	63,927	77,347	95,380	100,579
Investment Properties	84,360	171,853	236,995	278,796	344,266
Inventories	84,467	244,938	240,274	242,759	366,424
Cash and Cash Equivalents	107,165	111,198	109,785	102,488	191,806
Other Assets	178,206	204,558	193,127	173,958	150,788
Total Assets	520,823	796,474	857,528	893,381	1,153,863
Equity Attributable to Owners of The Company	304,507	308,090	369,061	406,409	633,877
Loans and Borrowings	73,898	250,899	219,704	215,841	283,225
Non-Controlling Interests and Other Liabilities	142,418	237,485	268,763	271,131	236,761
Total Equity and Liabilities	520,823	796,474	857,528	893,381	1,153,863
PER SHARE					
Number of Ordinary Shares in Issue ('000)	341,692	341,692	341,692	341,692	427,115
Basic Earnings per Share (sen) [(i)]	9.54	16.88	20.77	13.86	16.82 [(ii)]
Dividend per Share (sen) [(i)]	1.51	15.99	3.01	2.93	3.00
Net Assets per Share to Owners of The Company (RM) [(i)]	0.89	0.90	1.08	1.19	1.48
RETURNS					
Return on Equity Attributable to Owners of The Company (%)	10.7	18.7	19.2	11.7	10.1
Return on Total Assets (%)	6.3	7.2	8.3	5.3	5.6
FINANCIAL STATISTICS					
EBITDA Margin (%)	18.2	26.8	29.7	24.0	27.6
EBIT Margin (%)	16.3	25.0	28.0	22.4	25.9
PBT Margin (%)	16.5	24.9	27.9	21.4	23.3
PATMI Margin (%)	13.1	19.3	20.8	14.0	16.9
Net Gearing Ratio (times)	n/a	0.45	0.30	0.28	0.14

(i) For comparative purposes, the figures for the financial years ended 31 March 2016, 2017, 2018 and 2019 have been computed based on issued share capital of 341,692,101 ordinary shares after completion of the Restructuring Exercise but before the Public Issue.

(ii) Based on the weighted average number of issued share capital of 341,692,101 ordinary shares after the completion of the Restructuring Exercise but before the Public Issue and 427,115,101 ordinary shares after the completion of the Public Issue.

CORPORATE STRUCTURE
AS AT 1 JULY 2020



- Property Development
- Construction & Engineering
- Property Investment & Management Services

CHAIRPERSON'S STATEMENT

Dear Esteemed Shareholders,

It is my pleasure to announce to you, our valued shareholders, that AME Elite Consortium Berhad ("**AME**" or the "**Group**") capped its 25th anniversary with a landmark milestone on 14 October 2019, as the Group joined the crème de la crème of Corporate Malaysia with the successful Initial Public Offering ("**IPO**") and subsequent listing on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**").

YM TENGKU AZRINA BINTI RAJA ABDUL AZIZ
Independent Non-Executive Chairperson

For one thing, it signifies the coming of age for AME, after amassing vast experience in the construction and engineering industries before emerging as a full-fledged industrial park specialist for growth-centric enterprises from all over the world. Indeed, this is captured in the tagline of our inaugural annual report "**Empowering *Next-Generation* Industries**", as we reinforce our commitment to expedite the onward expansion of our valued clients.

More significantly, the proceeds from the IPO prepares the Group for even greater accomplishments going forward.

Undoubtedly, the year under review was a tumultuous period, not just for AME, but also for the nation and the world over, as countries, businesses, and individuals which were already facing economic uncertainties grappled with the sudden and widespread effects of the COVID-19 pandemic.

Nonetheless, we are heartened that the Group remained resilient during the year, by capitalising on our strong position in the industrial space solutions sector.

With this, it is my pleasure, on behalf of the Board of Directors, to present to you the Annual Report and Financial Statements for the financial year ended 31 March 2020 ("**FY2020**").

2019/2020 ECONOMIC REVIEW

At the macro level, global gross domestic product ("**GDP**") growth declined to 2.4% in 2019 from 3.6% in 2018, the slowest since the 2008 global financial crisis. The International Monetary Fund ("**IMF**") attributed this to trade policy uncertainties and geopolitical tensions among major world economies, resulting in a marked slowdown in global trade and investments, amidst disruptions to supply chains and lower output in advanced and emerging economies.

Similarly, Malaysia reported slightly slower GDP growth of 4.3% in 2019 versus 4.7% in 2018, attributed to a decline in exports, disruptions in cross-border supply chains, and reduced private investments amid weaker business confidence. These factors were compounded further by the country's internal uncertainties in the political environment, leading to delays in major infrastructure projects and lower public sector investments.

The first quarter of 2020 was deeply impacted by a health-turned-economic crisis stemming from the COVID-19 pandemic, which brought entire nations to an unprecedented standstill. Malaysia was among the many countries that enforced a phased Movement Control Order ("**MCO**") from 18 March 2020 in a bid to restrain its deadly transmission.

As a result of this, Malaysia's GDP grew marginally by only 0.7%, affected primarily by contraction in the construction and agriculture sectors, as well as weakening in the mining and quarrying sector. The services and manufacturing sectors recorded growth during the quarter.

FORWARD OUTLOOK

In its World Economic Outlook report in June 2020, the IMF opined that economic growth would be severely impacted worldwide, with global GDP projected to contract drastically by -4.9% in 2020, on economic and societal reverberations of the COVID-19 pandemic.

Domestically, Bank Negara Malaysia has projected for the country's GDP to register uninspiring growth within the narrow range of -2% to 0.5% in 2020, due to the economic fallout caused by the COVID-19 pandemic, in addition to volatility in crude oil prices and supply disruptions in the commodities sector.

At the time of writing, there remains significant uncertainty on the extent of the pandemic's impact, which depends on multiple factors including the path and mutation of the disease, efficacy of containment efforts, and government fiscal and monetary policies.

i-Park@Senai Airport City street view

Industrial building at i-Park@Senai Airport City

Even as governments worldwide explore and enforce plans for the gradual reopening of the economy on a staggered basis, there would remain constant requisite for contact tracing, individual health monitoring and a general change in societal behaviour to contain further spread of the disease.

EVEN SO, AME IS NOT A STRANGER TO NAVIGATING CHALLENGING TIMES, AND HAS BUILT FORMIDABLE COMPETITIVE ADVANTAGES THAT HAVE MADE US A CHOICE PROVIDER AND GROWTH PARTNER TO MANY COMPANIES BOTH DOMESTICALLY AND INTERNATIONALLY. I AM CONFIDENT WE WOULD CONTINUE TO DEMONSTRATE RESILIENCE, WELL INTO THE FUTURE.

CORPORATE DEVELOPMENTS

IPO Exercise

AME's IPO exercise entailed the issuance of 85.4 million new shares, representing 20.0% of the Group's enlarged share capital, thus increasing total share capital to 427.1 million shares.

The IPO comprised a public issue of 85.4 million new ordinary shares along with an offer-for-sale of 42.7 million existing shares, at an issue price of RM1.30 per ordinary share. The 42.7 million existing shares were allocated for placement to institutional and selected investors through an offer-for-sale.

At an issue price of RM1.30 per share, the IPO exercise raised total proceeds of RM111.1 million for AME to undertake future industrial property development and investment projects including land acquisitions and joint ventures; working capital for the i-Park@Senai Airport City development project, including funding the initial development cost for Phase 3 of the development and partially funding the construction of a clubhouse; completing the expansion of the Group's precast concrete fabrication capacity; and to defray listing expenses.

Linear park of i-Park@Senai Airport City

Joint Venture with Baozhou New Energy Technology Sdn Bhd ("BNET")

On 25 June 2020, AME announced that its 99.9% owned subsidiary, Symphony Square Sdn Bhd ("**SS**") had entered into a joint venture with BNET to provide one-stop solar energy solutions to corporations in Peninsular Malaysia and the Group's i-Park industrial parks.

SS will hold a controlling 51% stake in the joint venture company, while BNET will hold the remaining 49%. BNET will provide technology expertise in solar energy, including solar panels and solar tracking systems, while AME will contribute its experience in providing integrated industrial space solutions.

The primary activities of the joint venture company include solar panel installation and connectivity to Net Energy Metering (NEM) grid, distribution of solar panels and solar tracking systems, and engineering, procurement, construction, and commissioning (EPCC) of Grid Connected Solar Photovoltaic projects for commercial and industrial buildings.

Additionally, the joint venture company will target new projects in the development, investment, management, operation and maintenance of solar energy systems. In the long term, the joint venture will also target large scale and floating solar farm projects, and EPCC projects in the renewable energy sector.

The joint venture company, namely Quantum Renewable Energy Sdn Bhd, was incorporated on 1 July 2020.

Appointment of Directors

On 12 May 2020, AME announced the appointment of Ms Lee Ling Sien ("**Ms Lee**") as alternate director to the Group Managing Director Mr Lee Chai. Ms Lee is presently the Marketing Manager of the Group and is primarily responsible for providing direct assistance to the Marketing Director pertaining to the Group's sales and marketing functions and strategies.

APPRECIATION

I am deeply grateful to AME's Board of Directors, management, and the entire AME team for their commitment towards the Group's growth aspirations. Your contributions have not only set a firm foundation for the Group's achievements now and in the future, but also greatly strengthened our ability to navigate the challenging environment.

My greatest appreciation also goes to AME's shareholders and investors, clients and business associates, all of whom have been central to our success story, as well as the various financial institutions, consultancies, and regulatory authorities for their continuous support.

YM TENGKU AZRINA BINTI RAJA ABDUL AZIZ
Independent Non-Executive Chairperson
29 July 2020

MANAGEMENT'S DISCUSSION & ANALYSIS

Dear Esteemed Shareholders,

It is my privilege to address you in our maiden Annual Report, following the Group's momentous achievement in becoming a listed entity on the Main Market of Bursa Malaysia on 14 October 2019.

Undoubtedly, this latest feather in our cap not only demonstrates the viability of our business model and strategies over the last two and a half decades, but also marks the beginning of an exciting growth chapter for AME.

Indeed, the Group's significant developments in FY2020 set the tone for the next phase of our growth journey. For one thing, AME continued to attract globally-renowned players and domestic corporations to our i-Park industrial parks in Indahpura and Senai Airport City, therefore cementing our reputation as the growth partner of choice for like-minded businesses.

Furthermore, we accomplished numerous key milestones to maintain our momentum. These included welcoming even more international customers to our i-Park industrial parks, expanding our landbank to cater to a larger number of potential new clients, and extending our scope of activities to bring greater value-add to their businesses.

We are heartened that these efforts were also duly recognised by our industry peers and regulatory bodies, culminating in i-Park clinching various awards in the year under review.

BUSINESS OVERVIEW

As an integrated industrial space solutions provider, AME has carved three distinct yet complementary business segments, as illustrated below:

Property development

The property development segment encompasses the design, construction and sale/lease of industrial buildings within the Group's industrial parks, namely i-Park@Indahpura and i-Park@Senai Airport City. AME's decades of experience in building industrial properties tailored to the requirements of multinational corporations ("**MNCs**") positions us well in delivering top-notch quality in construction and fitting-out in a timely manner. These industrial units are thereafter sold or leased to domestic as well as international clients.

Aerial view of i-Park@Indahpura

EVEN AS THE GLOBAL ECONOMY GRAPPLED WITH VARIOUS UNCERTAINTIES ARISING FROM DAMPENED CONSUMER DEMAND AND RELENTLESS TRADE TENSIONS AMONGST MAJOR COUNTRIES, I AM PLEASED THAT AME SUCCESSFULLY NAVIGATED THROUGH THESE CIRCUMSTANCES BY CAPITALISING ON OUR UNIQUE POSITION AS AN END-TO-END INDUSTRY ENABLER FOR GROWTH-CENTRIC CORPORATIONS.

Property investment and management services

The property investment and management services segment has two primary activities: firstly, the leasing of industrial units in the Group's industrial parks to clients; and secondly, the rental and management of workers' dormitories called i-Stay, located adjacent to the Group's industrial parks. The i-Stay dormitories provide facilities and offer accommodation to the employees of clients in i-Park@Indahpura and i-Park@Senai Airport City, and are a value-added component to our clients. This segment provides a recurring income stream to the Group.

Construction and engineering

Armed with decades of experience in technical knowledge and design know-how, the construction segment offers our clients a full suite of construction services from planning and scoping, design, construction and management to post-construction maintenance.

The engineering segment provides steel engineering works, precast concrete works and Mechanical and Electrical ("**M&E**") engineering services as standalone services to external customers as well as to complement our construction projects.

OPERATIONS REVIEW

Even as the global economy grappled with various uncertainties arising from dampened consumer demand and relentless trade tensions amongst major countries, I am pleased that AME successfully navigated through these circumstances by capitalising on our unique position as an end-to-end industry enabler for growth-centric corporations.

In the year under review, AME recorded robust sales at our ongoing i-Park developments, grew our construction and engineering segment, and increased our flow of recurring income from the leasing of industrial properties and workers' dormitories.

Secured record-high new property sales of

RM146.1 million

in FY2020
and unbilled property sales of

RM105.6 million

as at 31 March 2020

Property development

The Group's property development segment continued to perform strongly in FY2020.

AME's record-high new sales of RM146.1 million in FY2020 demonstrated that the Group's i-Park industrial parks continued to appeal to MNCs and industrial players from the world over. The 66.8% increase from the RM87.6 million sales secured in FY2019 was due to strong take-up of industrial factories or industrial plots at the Group's ongoing i-Park developments, and retail shops at The Jacaranda commercial development in i-Park@Senai Airport City.

As at 31 March 2020, total unbilled sales in the property development segment amounted to RM105.6 million, to be billed and recognised progressively until the financial year ending 31 March 2022 (FY2022).

On the back of resilient demand for the first two phases of our i-Park@Senai Airport City, AME completed the acquisition of a parcel of land measuring 76.6 acres in August 2019 to embark on the third phase of the industrial park, thus enlarging the acreage of i-Park@Senai Airport City to about 189 acres. The Group commenced development of i-Park@Senai Airport City Phase 3 in the fourth quarter of FY2020, with an estimated Gross Development Value ("**GDV**") of RM555.0 million comprising 36 factory plots of 1½ storey detached factories. The project is expected to complete by 2025.

Furthermore, AME expanded its landbank in i-Park@Indahpura by acquiring 15 acres of land in October 2019. The land, identified as Plot 108, has an approximate GDV of RM120 million and leverages on readily available infrastructure in i-Park@Indahpura. The Group is expected to commence the development of Plot 108 in the second half of 2020, with the whole development to be completed in 2021.

AS AT 31 MARCH 2020, AME'S ONGOING DEVELOPMENTS HAD AN ACCUMULATED WORTH OF RM2.9 BILLION IN GDV ACROSS ITS VARIOUS DEVELOPMENTS, AS WELL AS BALANCE GDV OF RM1.5 BILLION TO MEET FUTURE DEMAND.

Property investment and management services

AME's recurring income streams through our property investment and management services segment, which leverage on the vibrancy of our i-Parks, also posted healthy gains in the year under review.

As at 31 March 2020, AME leased out a total of 32 industrial properties to clients, increasing from 27 units a year ago. Of the 32 leased units, 53% of them held leases of 5 years and above, while the remaining 47% had a lease of less than 5 years.

Dormitory of i-Stay@Indahpura

Industrialised Building System – Precast wall

THE GROUP SUCCESSFULLY DELIVERED NOTEWORTHY PROJECTS DURING THE YEAR WHICH ELEVATED OUR PROFILE FURTHER. THIS INCLUDED A 3-STOREY RAMP-UP INNER-CITY MEGA DISTRIBUTION HUB FOR A PROMINENT CLIENT IN MALAYSIA.

The Group had also, in the first half of FY2020, completed and commenced operations of a new i-Stay workers' dormitories at i-Park@Senai Airport City. The five blocks of dormitories contain 186 units with 2,572-bed capacity catering to workers of our i-Park clients. The new facilities added to AME's existing i-Stay at i-Park@Indahpura, which commenced in 2014 with a 229-unit capacity comprising 3,206 beds.

As a testament to the viable proposition of i-Stay, the occupancy rate of i-Stay workers' dormitories in i-Park@Indahpura and i-Park@Senai Airport City stood at 95% and 81% respectively as at 31 March 2020.

Construction and engineering

The construction and engineering services segment made greater headway in the year under review, particularly in securing larger-scale construction projects and engineering contracts.

AME's construction and engineering arm clinched new jobs worth RM452.2 million in FY2020, jumping nearly four folds from RM117.3 million secured in the prior year.

Among the impressive projects secured in the year was the RM282.9 million construction contract to build a reputable MNC customer's state-of-the-art headquarters for the South East Asian region in Selangor, encompassing a manufacturing plant, an innovation centre, warehouses for raw materials and finished goods, as well as an administration block. Notably, this is the Group's single-largest construction contract secured in its corporate history, once again signifying clients' trust in our services.

Also, the engineering services segment bagged a RM17.4 million job involving the manufacture and supply of precast works for a train depot expansion in Singapore.

Apart from winning new orders, the Group successfully delivered noteworthy projects during the year which elevated our profile further. This included a 3-storey ramp-up inner-city mega distribution hub for a prominent client in Malaysia. We also completed and handed over a single-storey facility for aerospace components with a three-storey office block in Selangor.

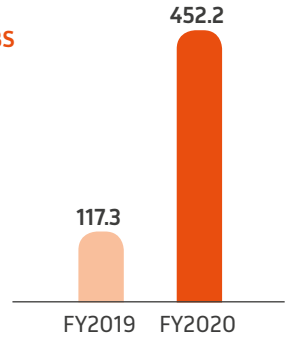
Alongside this, the segment's remaining order book stood at RM273.8 million as at 31 March 2020, a tremendous increase compared to RM89.5 million a year ago. The orderbook would be recognised till FY2022.

Construction and Engineering orderbook of

RM273.8 million

as at 31 March 2020

CONSTRUCTION AND ENGINEERING NEW JOBS
(RM'mil)



FINANCIAL OVERVIEW

These exceptional accomplishments in the Group's various segments paved the way for AME to post a stellar financial report card for FY2020, befitting its status as a newly-listed entity on the Main Market of Bursa Malaysia.

Statements of Profit or Loss and Other Comprehensive Income

I am proud to inform you that AME reported impressive double-digit expansions in all key financial indicators during the year.

The Group's revenue rose 12.2% to RM380.3 million in FY2020, from RM339.0 million in FY2019, driven primarily by growth in the property development as well as property investment and management services segments, which were tempered by the contributions from the construction and engineering services segment.

Of total group revenue in FY2020, contributions from the property development segment doubled year-on-year to RM92.3 million, from RM43.1 million in the previous year, on robust new sales and higher revenue recognition from the progress billing of industrial properties and commercial shop lots. The segment's profit before tax ("**PBT**") climbed even more impressively by 183.7% to RM13.9 million in FY2020 from RM4.9 million in FY2019, on favourable product mix.

3-storey ramp-up inner-city mega distribution hub

AME CONCLUDED FY2020 WITH RECORD EARNINGS...(WHICH) NOT ONLY POINTS TO THE SUCCESSFUL EXECUTION OF OUR GROWTH PLANS, BUT MORE IMPORTANTLY SPURS US TOWARDS GREATER HEIGHTS IN THE FUTURE.

Simultaneously, the property investment and management services segment reported 60.9% higher revenue to RM34.6 million in FY2020 versus RM21.5 million in FY2019, on the back of increased number of leased factory units and higher rental income from workers' dormitories. The segment's PBT also improved 61.2% to RM41.1 million from RM25.5 million previously.

Meanwhile, the construction services and engineering services segments contributed a combined revenue RM253.4 million in FY2020, versus RM274.3 million in FY2019. This was due to timing difference and stages of completion of ongoing construction projects, which was partially mitigated by higher contribution from engineering services, namely steel engineering and precast concrete, and mechanical and engineering works. The construction services and engineering services segments recorded PBT of RM40.2 million in FY2020 compared to RM35.1 million in FY2019.

The Group's PBT surged 22.2% to RM88.7 million in FY2020 from RM72.6 million in FY2019. Apart from the stronger profit contribution from all operating segments, the higher PBT was also boosted by share of profit from joint venture from our i-Park@Indahpura (Phase 3) project, amounting to RM5.24 million.

This led to AME concluding FY2020 with record earnings, with net profit attributable to shareholders propelling by 35.5% to a new high of RM64.1 million from RM47.3 million a year ago. This achievement not only points to the successful execution of our growth plans, but more importantly, spurs us towards greater heights in the future.

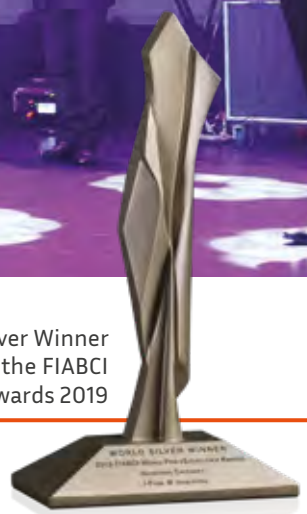
Highlights from the Statements of Financial Position

Even more significantly, AME maintained a robust financial position, with total assets expanding 29.2% to about RM1.2 billion as at 31 March 2020 from RM893.4 million a year ago, on a larger base of investment and development properties, as well as higher cash and bank balances.

Total liabilities rose to RM486.2 million as at 31 March 2020, from RM456.7 million a year ago. The Group noted higher amount of term loans due to a drawdown for financing the Phase 3 land acquisition in i-Park@Senai Airport City during the financial year.

i-Park@Senai Airport City entrance

FIABCI World Prix d'Excellence Awards 2019 in Moscow, Russia



World Silver Winner (Industrial Category) at the FIABCI World Prix d'Excellence Awards 2019

Shareholders' equity attributable to owners climbed to RM633.9 million from RM406.4 million previously, attributed to larger share capital following the Initial Public Offering ("**IPO**") and higher retained earnings.

Still, it is important to note that the Group's net gearing reduced drastically to 0.14x as at 31 March 2020 compared to 0.28x as at 31 March 2019. The comfortable financial position therefore means that AME is well poised to undertake landbanking and business expansion activities as opportunities arise.

Dividends

We strive for a balanced approach between rewarding our shareholders and allocating adequate funds for investments into future growth of the Group. Our dividend policy is to recommend at least 20% of annual net profit attributable to owners of the Company less fair value gain on investment properties, be distributed as dividends.

In view of its commendable financial performance, AME declared an interim dividend of 3.0 sen per share for FY2020, amounting to a dividend payout of RM12.8 million representing 25% of net profit attributable to shareholders less fair value gain on investment properties. This dividend will be distributed to shareholders on 18 August 2020, and we thank you for your participation in the Group's growth.

AWARDS & ACCOLADES

AME's focus on delivering innovative and high-quality projects had led to us securing numerous industry awards over the years. The year under review was no different, and in fact, saw AME being conferred accolades not only in the domestic landscape, but also in the international arena.

To this end, i-Park@Indahpura was the proud recipient of the World Silver Winner (Industrial Category) at the FIABCI World Prix d'Excellence Awards 2019, held in Moscow, Russia. This achievement at a prestigious world event follows on the heels of i-Park@Indahpura being the winner of the Industrial Category at the Malaysia Property Award 2018 by FIABCI-Malaysia, which led to our representing Malaysia in the world stage.

i-Park@Indahpura also won Special Recognition for Industrial/ Logistic Development at The PropertyGuru Asia Property Awards (Malaysia) 2019; thereby testifying to customers' appreciation of our full-fledged industrial parks.

These accomplishments encourage us to deepen our expertise even further to set industry benchmarks for industrial parks in the region.

i-Park@Senai Airport City recreational park

Greenery around dormitory i-Stay@Senai Airport City

Entrance of i-Park @Senai Airport City

i-Park@Indahpura
lakeside recreational park

i-Park@Senai Airport City –
industrial resort, infinite possibilities

i-Park Smart Visitor System

GROWTH STRATEGIES

While mindful of the constantly-evolving business landscape in light of the economic challenges at the macro level, we at AME fully intend to maintain and even accelerate our growth momentum going forward.

Backed by the all-round improvements achieved in FY2020, AME remains on the lookout for opportunities to pursue growth in a sustainable manner. Our strategies to this end encompass the following:

Replicating the i-Park model across Peninsular Malaysia

Following the resounding success of our i-Park developments, which is today the growth launchpad of many domestic and international companies, we aim to launch more i-Parks in Johor, as well as in high-potential areas across Peninsular Malaysia.

To this end, we remain steadfast in identifying and transforming suitable landbank to potentially replicate our proven i-Park model. We have allocated RM69.1 million of our IPO proceeds for land acquisition and to fund future industrial park projects.

We envisage our upcoming industrial parks to be an enhanced adaptation of our latest Phase 3 development of i-Park@Senai Airport City which commenced in 2020. While i-Park@Senai Airport City is multi-award winning and highly regarded by clients, we would continue to strive for new benchmarks in future i-Park developments.

THE CONTINUED DEVELOPMENT OF OUR GATED AND GUARDED INDUSTRIAL PARKS, SUPPORTED BY OUR IN-HOUSE CONSTRUCTION AND ENGINEERING EXPERTISE, IS CENTRAL TO OUR VISION OF BECOMING A LEADING INTEGRATED INDUSTRIAL SPACE SOLUTIONS PROVIDER IN MALAYSIA.

Enhancing portfolio of workers' dormitories

An integral module to the success of our i-Parks are the i-Stay workers' dormitories that we own and manage, which provide high standards of accommodation for the workers of our i-Park clients. Corresponding with the continuous expansion of our current i-Parks and fulfilling the demand flow from existing and potential customers, we strive to grow the number of i-Stay dormitories in the near future.

At the same time, we plan to enhance our i-Stay accommodations with a wider range of service offerings, for instance the provision of transportation services, welfare management services the likes of medical and insurance claims, food catering, and other services.

Moreover, with the increasingly-stringent operating environment changes in the COVID-19 era, the Group will consistently seek ways to improve its suite of services to ensure the continued safety and health of residents while providing greater convenience and peace of mind to employers.

Canteen at i-Stay@ Senai Airport City

Entering into the solar energy sector through joint venture

AME's joint venture with BNET set up in June 2020 is a prime example of the Group's steadfast commitment to expanding the capabilities and competitiveness of our construction and engineering division, while also adding value to the industrial buildings and plants in our i-Parks and other external customers across Peninsular Malaysia.

This joint venture is envisaged to support the country's green energy initiative, on top of enabling corporations reduce electricity bills and optimise energy efficiency. As sustainability and energy efficiency become increasingly important considerations among manufacturers and other companies as part of their social responsibility, we hope to capture the growing demand for green energy solutions.

The positive outlook of the sector is also supported by various government incentives such as Green Investment Tax Allowance and Green Income Tax Exemption by the Malaysian Investment Development Authority, in line with the country's sustainable development targets.

It is anticipated that this joint venture will be a value creator for the Group, and grant us an added competitive advantage to attract existing and potential customers.

Equipped with extensive experience garnered over the last quarter of a century, together with a dedicated and hands-on management that is attuned to customers' requirements, we at AME believe that we are ideally placed to play our role in empowering next-generation enterprises and capture the enduring demand for high-value industrial space solutions.

Dormitory of i-Stay@Indahpura

RISKS

COVID-19 and Movement Restrictions

Due to the global COVID-19 pandemic, the Government of Malaysia had imposed a Movement Control Order ("**MCO**") on 18 March 2020, which has since progressed to a Recovery MCO in June 2020, with easing of movement restrictions as containment efforts have shown effectiveness in curbing the spread of the virus.

In compliance with the MCO, AME had experienced a temporary disruption to key construction and sales activities for a period of six weeks spanning end-March to early May 2020, which would lead to slower project completion and recognition.

Following the easing of MCO restrictions, we have secured full regulatory approvals and resumed key activities since May 2020, with strict health and safety protocols in place to minimise the risks of COVID-19 in our operations and to our employees.

Meanwhile, while there remains uncertainties and risks associated with COVID-19, we would continue to enhance our existing comprehensive business continuity and safety measures, to mitigate the potential impact of unforeseen developments.

Supply risks

The Group is subject to risks of availability and price fluctuations of raw materials and other components deemed essential to continued operations. These include manpower required in the property development, construction and engineering segments, building materials such as cement, steel and concrete, as well as landbank as future extensions or new sites of our i-Parks.

IN MITIGATING THESE RISKS, WE HAVE ESTABLISHED A BROAD NETWORK OF SUPPLIERS AND BUSINESS ASSOCIATES TO ENSURE ITEMS ARE SOURCED IN A COMPETITIVE MANNER WHILE MAINTAINING HIGH QUALITY STANDARDS.

Economic risks

The challenging and uncertain economic scenario caused by COVID-19 may adversely impact the take-up for i-Park industrial properties. However, other key developments, such as prolonged US-China trade uncertainties, in addition to market trends in diversification of global supply chain as well as relocation out of China, could also lead to greater demand for our properties in the foreseeable future.

A Turkish consumer products manufacturing plant in Johor

AME Engineering Precast Fabrication Plant

A case in point is the contract secured by AME in June 2020 to construct a new 10,000 square meter high-performance factory for global Electronics Manufacturing Services ("**EMS**") provider Enics AG ("**Enics**"), the company's first manufacturing site in Southeast Asia. The new high-volume manufacturing facility, to be situated at AME's i-Park@Senai Airport City industrial park, would be Enics' eighth manufacturing site globally, complementing its existing sites in Europe and China.

Clinching this deal during Malaysia's MCO period underscores the urgent need by foreign industrial and manufacturing companies to actively diversify their supply chains to include South East Asia. This move validates Malaysia's position as a favoured Foreign Direct Investment destination for international players, banking on its conducive business environment, skilled workforce, and logistics infrastructure.

Additionally, the Group's recurring income streams from the leasing of industrial properties and rental from workers' dormitories have remained resilient, providing a stable source of revenue and cashflow for the Group.

To navigate the uncertain environment, we would maintain our financial prudence, while at the same time accelerate technology adoption across our sales, marketing, and operating activities to boost engagement with potential customers.

Street view of i-Park@Indahpura

APPRECIATION

My heartfelt appreciation goes to our dedicated management team and all employees, as your contributions have propelled us to our present accomplishments. I would also like to express my gratitude to our clients, suppliers, and business associates for their utmost support over the years, and we would look to chart new heights together.

I would also like to thank our valued shareholders for your confidence in our future. We are committed to our growth strategies and generating value for the long haul.

BOARD OF DIRECTORS' PROFILE

YM TENGKU AZRINA BINTI RAJA ABDUL AZIZ

INDEPENDENT NON-EXECUTIVE CHAIRPERSON

Female, Malaysian, Aged 47

YM Tengku Azrina was appointed to the Board on 5 September 2018. She is a member of the Audit and Risk Management Committee, Remuneration Committee, and Nomination Committee.

YM Tengku Azrina has around 21 years of experience in legal practice. She graduated with a Bachelor of Arts (Jurisprudence) from the University of Oxford, United Kingdom in July 1996 and was later conferred a Master of Arts by the same institution in March 2005. She was called to the Bar of England and Wales in July 1997. In June 1998, she was admitted as an advocate and solicitor of the High Court of Malaya upon completion of her pupillage with Messrs Zain & Co.

She joined Tenaga Nasional Berhad as a Legal Executive in June 1998 and left in June 1999. She subsequently joined Messrs Wong & Partners in July 1999 as an Associate and left in September 2000. Thereafter, she joined Messrs Zaid Ibrahim & Co as an Associate in November 2000. She is currently a Partner of Messrs Lee & Tengku Azrina, a firm which she co-founded in April 2005 after leaving Messrs Zaid Ibrahim & Co in the same month.

Her scope of work from commencement of her legal practice until the present time includes rendering advice to various corporations in relation to corporate and commercial matters, regulatory issues and tax incentives, representing financial institutions on matters relating to banking and finance, as well as property development projects. She also supervises and conducts due diligence exercises in relation to acquisition of assets and shares, initial public offering and corporate exercises.

YM Tengku Azrina does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Company. She has not been convicted of any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

YM Tengku Azrina does not hold directorships in other public listed companies outside the Group. She attended all 3 Board meetings held during the financial year.

MR LEE CHAI

GROUP MANAGING DIRECTOR

Male, Malaysian, Aged 57

Mr Lee Chai was appointed to the Board on 27 August 2018. He was appointed as the Group Managing Director on 1 September 2018. Mr Lee has around 36 years of experience in the construction industry and around nine years of experience in property development, which began with the launch of i-Park@SiLC in 2011.

He obtained his Sijil Tinggi Persekolahan Malaysia certificate after completing his studies in Sekolah Menengah Kebangsaan Sultan Ismail, Johor in 1983.

Mr Lee began his career in Syarikat Asia Mechanical Engineering in 1984 as a Contract Executive. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Lee was appointed as a Director in December 1985.

In October 1993, he founded AME Construction Sdn Bhd ("**AME Construction**") and was instrumental in expanding our business from a construction company to a group of companies which conduct various businesses including property development, provision of engineering services and provision of property investment and management services. In December 1994, Mr Lee, together with Mr Lim Yook Kim, Mr Kang Ah Chee and Mr Lee Sai Boon, established Asiamost Sdn Bhd ("**Asiamost**"), a company that provides fire protection system and M&E engineering services for building and construction projects. Subsequently, Mr Lee, together with Mr Lim Yook Kim and Mr Kang Ah Chee, established Amsun Capital Sdn Bhd ("**Amsun Capital**") for the provision of heavy construction equipment and machinery hiring services in February 1997, and was appointed as a Director in March 1997. In September 2008, he co-founded AME Engineering Industries Sdn Bhd ("**AME Engineering**"), a company principally involved as a contractor for fabrication of building structures and its related business, where his role involved the management of overall business activities such as strategic planning and business development activities.

As the Group Managing Director, he is responsible for the business growth and direction, strategic corporate planning and the overall operations and management of the Group. Mr Lee is also in charge of the property investment and management services division where he plans and identifies properties to invest and develop, and oversees the management operations of I Stay Management Sdn Bhd ("**I Stay Management**") and the Group's investment properties.

Mr Lee is the brother to Mr Lee Sai Boon, brother-in-law to Mr Lim Yook Kim, father to Ms Lee Ling Sien, and uncle to Mr Lim Khai Wen and Ms Lim Pei Shi. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Lee does not hold directorships in other public listed companies outside the Group. He attended all 3 Board meetings held during the financial year.

MR LEE SAI BOON

EXECUTIVE DIRECTOR

Male, Malaysian, Aged 56

Mr Lee Sai Boon was appointed to the Board on 27 August 2018. Mr Lee has around 26 years of experience in construction and around nine years in property development, which began with the launch of i-Park@SiLC in 2011.

He graduated from Universiti Teknologi Malaysia with a Bachelor of Mechanical Engineering in September 1988. In June 1993, he obtained his Master of Business Administration from University of Dubuque, Iowa, United States of America ("**USA**").

Mr Lee began his career as a Trainee Engineer at Oriental Assemblers Sdn Bhd, in June 1988, where he was responsible for the daily operation and meeting of output targets of a motor vehicle line production. He left Oriental Assemblers Sdn Bhd in September 1988 and subsequently joined Western Digital Malaysia Sdn Bhd in October 1988 as an Assembly Engineer, where he provided assembly engineering support for manufacturing operations. In November 1988, Mr Lee worked as a Process Engineer in PCI Printed Circuits International Pte Ltd, Singapore, where he was in charge of wave soldering machines as well as Surface-Mount Technology lines. His role was to ensure that the output targets were met and to minimise defects in the Surface Mount Technology lines. Mr Lee left PCI Printed Circuits International Pte Ltd in January 1990. In the same month, Mr Lee was employed in Hewlett Packard ("**HP**") Pte Ltd, Singapore as a Process Engineer in the Inject Components Operation fabrication section. In March 1990, he was sent for training in the HP facility in Oregon, USA, as part of the transfer of the Inject Component Division's Thermal Inkjet Silicon Wafer Manufacturing Technology to the Singapore branch of HP. In January 1992, he was assigned to the HP plant in San Diego, USA, where he was involved in the transfer of the Bobcat and Squirt Pen Head Saw processes to HP, Singapore. In July 1994, Mr Lee left HP and in the same month, he joined Tru-Tech Electronics (M) Sdn Bhd, as a Production Manager where he was responsible for the daily production output of the audio and video production line. Mr Lee left Tru-Tech Electronics (M) Sdn Bhd on November 1994.

In December 1994, Mr Lee together with Mr Lee Chai, Mr Lim Yook Kim and Mr Kang Ah Chee, were instrumental in incorporating Asiamost, a company that provides fire protection system for building and construction projects. He was appointed as a Director of Asiamost in December 1994 and Director of AME Construction in March 1996.

In September 2008, he co-founded AME Engineering, a company principally involved as a contractor for fabrication of building structures and its related business.

Mr Lee oversees our property development division and M&E services division. He plays an important role in negotiations for land acquisition as well as the planning of development projects. He is also responsible for the overall operations and performance of the M&E services division.

In addition, as the Executive Director in charge of the finance and IT departments, he makes recommendations to the Board on the Group's financial budgets, assisted by the Group Financial Controller and decisions on the Group's IT investments and improvements.

Mr Lee is the brother to Mr Lee Chai, brother-in-law to Mr Lim Yook Kim, and uncle to Mr Lim Khai Wen, Ms Lim Pei Shi and Ms Lee Ling Sien. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Lee does not hold directorships in other public listed companies outside the Group. He attended all 3 Board meetings held during the financial year.

MR LIM YOOK KIM

EXECUTIVE DIRECTOR

Male, Malaysian, Aged 66

Mr Lim Yook Kim was appointed to the Board on 27 August 2018. Mr Lim has around 46 years of experience in the construction industry and around nine years in property development, which began with the launch of i-Park@SiLC in 2011.

He attended Sekolah Jenis Kebangsaan (C) Labis, Johor for his primary education from 1961 to 1964.

Mr Lim began his career as a general construction worker in a construction company in Singapore in 1974. Mr Lim left Singapore and returned to Malaysia in 1976.

In 1976, he became a joint proprietor of Syarikat Asia Mechanical Engineering which ran the business of steel fabrication. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Lim was appointed as a Director in December 1985.

Mr Lim was appointed as a Director of AME Construction in October 1993. His role in the company involved overseeing construction operation activities. He was also actively involved in the steel fabrication division of AME Construction, particularly in the sourcing of new equipment, recruitment of skilled welders and capacity expansion plans. In December 1994, Mr Lim, together with Mr Lee Chai, Mr Kang Ah Chee and Mr Lee Sai Boon, established Asiamost, a company that provides fire protection system and M&E engineering services for building and construction projects. Subsequently, Mr Lim, together with Mr Lee Chai and Mr Kang Ah Chee, established Amsun Capital in February 1997 for the provision of heavy construction equipment and machinery hiring services, and was appointed as a Director in March 1997.

In September 2008, he co-founded AME Engineering, where he took an active role in its management and business activities. During his tenure as the Director of AME Construction, Mr Lim was involved in setting up the fabrication plant of AME Engineering.

Mr Lim and Mr Kang Ah Chee, both our Executive Directors, are responsible for the on-site operations and activities carried out by the construction and engineering division.

Mr Lim is the brother-in-law to Mr Lee Chai and Mr Lee Sai Boon, and father to Mr Lim Khai Wen and Ms Lim Pei Shi. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Lim does not hold directorships in other public listed companies outside the Group. He attended all 3 Board meetings held during the financial year.

MR KANG AH CHEE

EXECUTIVE DIRECTOR

Male, Malaysian, Aged 65

Mr Kang Ah Chee was appointed to the Board on 27 August 2018. Mr Kang has around 48 years of experience in the construction industry and around nine years in property development, which began with the launch of i-Park@SiLC in 2011.

He attended Sekolah Menengah Kebangsaan Pekan Nenas, Johor for his secondary education until 1971.

Mr Kang began his career as a mechanical welder in a steel fabrication company in 1972.

In 1976, Mr Kang became a joint proprietor of Syarikat Asia Mechanical Engineering which ran the business of steel fabrication. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Kang was appointed as a Director in December 1985.

He was appointed as a Director of AME Construction in October 1993 where he was primarily involved in construction machinery management as well as site operation activities. In December 1994, Mr Kang, together with Mr Lee Chai, Mr Lim Yook Kim and Mr Lee Sai Boon, established Asiamost, a company that provides fire protection system and M&E engineering services for building and construction projects. Subsequently, Mr Kang, together with Mr Lee Chai and Mr Lim Yook Kim, established Amsun Capital in February 1997 for the provision of heavy construction equipment and machinery hiring services, and was appointed as a Director in July 1999.

In September 2008, he co-founded AME Engineering, a company principally involved as a contractor for fabrication of building structures and its related business.

Mr Kang and Mr Lim Yook Kim, both the Executive Directors, are responsible for the on-site operations and activities carried out by the construction and engineering division.

Mr Kang is the father to Mr Kang Koh Wei. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Kang does not hold directorships in other public listed companies outside the Group. He attended all 3 Board meetings held during the financial year.

MS TAN LAY BENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Female, Malaysian, Aged 66

Ms Tan Lay Beng was appointed to our Board on 5 September 2018. She is the Chairperson of the Audit and Risk Management Committee, and a member of the Remuneration Committee, and Nomination Committee.

Ms Tan has around 32 years of working experience in taxation. She was admitted as an Associate of the Chartered Association of Certified Accountants (now known as Association of Chartered Certified Accountants ("**ACCA**")) in December 1984. She is a Fellow of the ACCA since December 1989, a Public Accountant of the Malaysian Institute of Accountants since November 1987 and a Fellow Member of the Chartered Tax Institute of Malaysia. She was the Chairman for southern branch of Chartered Tax Institute of Malaysia from June 2008 to May 2015. She was appointed in July 2018 as the Regional Chairman of Johor of the Malaysian Institute of Accountants.

She started her career as an Audit cum Accounts Clerk with Soh & Co in January 1980. Her duties involved assisting in audits of companies and writing up the accounts of companies. She left Soh & Co in August 1981 to join Ling Kam Hoong & Co in March 1982 as a Senior Audit Clerk. Her responsibility included audit work and supervision of audit juniors. She left Ling Kam Hoong & Co in May 1983. She joined Khoo & Co as an Audit Supervisor on November 1984. Her responsibility included audit work, reviewing files and training. In August 1987, she left Khoo & Co to join Tax Advisory and Management Services Sdn Bhd as Tax Manager. She was responsible for tax compliance and advisory work which included reviewing income tax computation and training. She then left Tax Advisory and Management Services Sdn Bhd in December 1991 and joined Price Waterhouse Tax Services Sdn Bhd in January 1992 as Senior Consultant. Her responsibilities included tax compliance, tax advisory and heading the personal tax department. In March 1999, she left Price Waterhouse Tax Services Sdn Bhd and joined Tee Tax Services Sdn Bhd in April 1999 as a Consultant and was made a Director in April 2001. She is currently in charge of tax compliance, tax advisory and reviewing of files and training. She is also a tax consultant to practitioners and body corporates.

Ms Tan does not have any family relationship with any director and/or major shareholder of the Company, nor does she have any conflict of interest with the Company. She has not been convicted of any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Ms Tan holds directorship in one public listed company, Solid Automotive Berhad since August 2014. She attended all 3 Board meetings held during the financial year.

MR CHANG TIAN KWANG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Male, Malaysian, Aged 55

Mr Chang Tian Kwang was appointed to the Board on 5 September 2018. He is the Chairperson of the Nomination Committee, and a member of the Audit and Risk Management Committee, and Remuneration Committee.

Mr Chang has around 26 years of working experience in corporate finance, finance and accounting, and audit. He graduated with a Bachelor of Accounting from the University of Malaya in August 1990 and is a Public Accountant of the Malaysian Institute of Accountants since July 1993.

Mr Chang started his career as an Audit Assistant in Kassim Chan & Co. in April 1990. He then left Kassim Chan & Co. in March 1991 and joined KPMG Peat Marwick as an Audit Assistant in March 1991 and was promoted in January 1994 as an Audit Supervisor. He then left KPMG Peat Marwick in April 1994 and joined Vicmark Holdings Sdn Bhd as Financial Controller cum Administration Manager in May 1994. His main responsibilities included overseeing the accounts department, liaising with government departments and trade associations on behalf of the company. He left Vicmark Holdings Sdn Bhd in August 1994 and joined V.S. Industry Sdn Bhd as an Accountant in September 1994 and was made Financial Controller in July 1996. Additionally, Mr Chang was also made Joint Company Secretary of V.S. Industry Berhad in August 1996. His responsibilities in the company include accounting and finance, taxation, treasury, corporate finance, company secretarial and management information system. In 1998, he oversaw the listing process of V.S. Industry Berhad and was the key contact person of the company. Further, he led a team of accountants in the subsidiary company of V.S. Industry Berhad which is operating in China, namely, V.S. International Group Limited, in its listing exercise on the Main Board of the Hong Kong Stock Exchange in 2002. Mr Chang was appointed to the board of directors of V.S. Industry Berhad as an Alternate Director in November 2000. He then left V.S. Industry Berhad in August 2014. He does not have any other occupation subsequent to leaving V.S. Industry Berhad.

Mr Chang does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He has not been convicted of any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Chang does not hold directorships in other public listed companies outside the Group. He attended all 3 Board meetings held during the financial year.

MR WEE SOON CHIT

INDEPENDENT NON-EXECUTIVE DIRECTOR

Male, Malaysian, Aged 53

Mr Wee Soon Chit was appointed to our Board on 5 September 2018. He is the Chairperson of the Remuneration Committee, and a member of the Audit and Risk Management Committee, and Nomination Committee.

Mr Wee has around 28 years of working experience in the property consultancy industry. He graduated with a Bachelor of Surveying (Property Management) from Universiti Teknologi Malaysia in September 1991. He is a Registered Valuer and Registered Estate Agent with the Board of Valuers, Appraisers, Estate Agents & Property Managers Malaysia since July 1995. He is also a Professional Member of The Royal Institution of Chartered Surveyors since May 2007 and a Fellow of the Institution of Surveyors, Malaysia since May 2010.

Mr Wee began his career with Knight Frank Baillieu, Kuala Lumpur as a Valuation Executive in July 1991. He was primarily involved in conducting property site inspections, preparing draft valuation reports as well as handling real estate agency negotiations. By the end of 1995, he left Knight Frank Baillieu, Kuala Lumpur and joined Olympia Land Berhad as a Real Estate Manager for about 5 months before re-joining Knight Frank Baillieu in Johor Bahru as a Branch Manager. His main responsibilities at Olympia Land Berhad were to identify suitable land banks, evaluate property proposals and make necessary recommendations to the company. In July 1997, he joined Regroup Associates (Johor) Sdn Bhd (later rebranded as CBRE (Johor) Sdn Bhd and now known as Savills (Johor) Sdn Bhd) as a Director. In Knight Frank Baillieu, Johor Bahru and Regroup Associates (Johor) Sdn Bhd, he was in-charge of the day-to-day business operations, focusing primarily in valuation, property research and consultancy as well as real estate agency. He left Regroup Associates (Johor) Sdn Bhd in January 2013 and was appointed as a Director of Landserve (Johor) Sdn Bhd in February 2013. He commenced his employment as a Director on a full-time basis with Landserve (Johor) Sdn Bhd in July 2013. His scope of responsibilities in the company is similar to the preceding companies he worked at.

Mr Wee does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company. He has not been convicted of any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Wee does not hold directorships in other public listed companies outside the Group. He attended all 3 Board meetings held during the financial year.

MS LIM PEI SHI

ALTERNATE DIRECTOR TO MR LIM YOOK KIM

Female, Malaysian, Aged 32

Ms Lim Pei Shi was appointed to the Board on 22 October 2018. Ms Lim is responsible for the overall sales and marketing of the property development division.

Ms Lim graduated with a Bachelor of Education (Montessori Early Childhood Teaching) from the Auckland University of Technology, New Zealand in December 2009.

In 2010, Ms Lim was employed as a full time teacher at the Lollipops Albany Childcare Centre, New Zealand. She also participated in programme planning and management with the teaching team. Ms Lim resigned from the centre in 2011.

Ms Lim joined AME Development Sdn Bhd ("**AME Development**") as a Marketing Administration Executive in August 2011 and was promoted to the position of Assistant Marketing Manager in March 2012. Ms Lim was appointed as the Marketing Director of AME Development in February 2013. Her primary role includes sales and marketing strategic planning, conducting company and product presentations (including to prospective buyers, business associations, bankers, representatives from state or federal authorities as well as foreign embassies, developers and various property awards bodies), planning and organising events in relation to marketing and publicity launches, organising site tours and exhibitions, and submitting the necessary information for various awards and accolades for the property development division. Ms Lim is also involved in the negotiation of commercial terms including pricing and technical specifications and liaising with the project management on the completion and delivery of properties.

Ms Lim is the daughter to Mr Lim Yook Kim, sister to Mr Lim Khai Wen, cousin to Ms Lee Ling Sien, and niece to Mr Lee Chai and Mr Lee Sai Boon. She has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Ms Lim does not hold directorships in other public listed companies outside the Group. She attended all 3 Board meetings held during the financial year.

MS LEE LING SIEN

ALTERNATE DIRECTOR TO MR LEE CHAI

Female, Malaysian, Aged 30

Ms Lee Ling Sien was appointed to the Board on 12 May 2020. Ms Lee is primarily responsible for providing direct assistance and reports to the Marketing Director pertaining to the sales and marketing functions of the property development division of the Group.

Ms Lee graduated with a Bachelor of Business (Marketing and Management) from the Monash University in Australia in September 2012.

Ms Lee started her career as a Marketing Trainee with Axis REIT Managers Berhad ("**Axis REIT**") in October 2012 and subsequently as a Marketing Executive in January 2013. Her role involved newsletter publication, annual report preparation and other marketing related activities. She left Axis REIT in February 2013 to join AME Development as a Marketing and Planning Executive. Her responsibilities included marketing related activities such as preparing marketing collateral, company website management, event planning, preparing property award submissions as well as customer relationship management.

Ms Lee was promoted in July 2015 as Business Development Executive for which she was responsible for property business development as well as property projects and budget management. In January 2018, Ms Lee was then promoted to the current position of Marketing Manager. She is also involved in the development and implementation of sales and marketing strategies of the Group's property development division.

Ms Lee is the daughter to Mr Lee Chai, cousin to Ms Lim Pei Shi and Mr Lim Khai Wen, and niece to Mr Lim Yook Kim and Mr Lee Sai Boon. She has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Ms Lee does not hold directorships in other public listed companies outside the Group. She has been attending the Board meetings following her appointment to the Board.

KEY SENIOR MANAGEMENT'S PROFILE

MR LIM KHAI WEN
Managing Director of AME Engineering

Male, Malaysian, Aged 40

Mr Lim Khai Wen is responsible for overall operation, business development and strategic planning of the Group's engineering division. He has around 12 years of working experience in the construction industry.

Mr Lim graduated with a Diploma in Computer Science from the Sydney Institute of Business and Technology, Australia in October 2002. In June 2014, he obtained a Master of Science in International Business Management from the University of East London, United Kingdom.

He began his career in March 2003 as a Director in W-Link Sdn Bhd where he was responsible for business development and marketing. His responsibilities included developing strategic business plans, liaising with clients and managing, implementing, commissioning and installing IT networking, CCTV Surveillance, Security Alarm and cabling systems.

He was appointed to the board of directors of AME Engineering in September 2008 and was made the Managing Director in January 2018. He is primarily in charge of the overall operations, business development and strategic planning of the company.

He is the son to Mr Lim Yook Kim, brother to Ms Lim Pei Shi, cousin to Ms Lee Ling Sien, and nephew to Mr Lee Chai and Mr Lee Sai Boon. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Lim does not hold directorships in other public listed companies outside the Group.

MR KANG KOH WEI
Director of AME Construction

Male, Malaysian, Aged 38

Mr Kang Koh Wei is responsible for contract and project management of the Group's construction division.

Mr Kang graduated with a Bachelor of Engineering (Civil) from Queensland University of Technology, Australia in September 2007.

He joined AME Construction as a Project Engineer in October 2007 and was then appointed as Site Manager in May 2011 and Project Director in June 2013.

He was appointed to the board of directors of AME Construction on August 2013 where his job function includes overseeing the business development and operational activities of the company. In this capacity, he directs and supervises the purchasing, contracts, projects, safety and human resource, quality assurance and quality control departments. He is also responsible for the operational activities relating to the projects and overall business development.

He is the son to Mr Kang Ah Chee. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Kang does not hold directorships in other public listed companies outside the Group.

MR GREGORY LUI POH SEK
Group Financial Controller

Male, Malaysian, Aged 52

Mr Gregory Lui was appointed as the Group Financial Controller in November 2016. He is overseeing our Group's overall financial matters including accounting, taxation, corporate finance and treasury functions.

Mr Lui graduated with a Bachelor of Business from University of Southern Queensland, Australia in September 1994. He is a Professional Member of the Australian Society of Certified Practising Accountants (now known as CPA Australia) since December 1994 and a Chartered Accountant of the Malaysian Institute of Accountants since August 1997.

He began his career in July 1988 as an Audit Assistant in Price Waterhouse. He then left the firm in October 1991 to pursue his tertiary education. Upon graduating from University of Southern Queensland, Australia, he re-joined Price Waterhouse as an Audit Senior in September 1994. In February 1996, he left Price Waterhouse and joined Oriental Assemblers Sdn Bhd (a joint venture company between Honda Motor Japan and Oriental Holdings Berhad) as their Accountant. He was re-designated as Finance Manager in 2000 where he was in charge of overseeing the finance, accounting, taxation, payroll and information technology functions. Mr Lui left Oriental Assemblers Sdn Bhd in January 2008.

In February 2008, Mr Lui joined Iskandar Regional Development Authority ("**IRDA**"), a governmental body, as Vice President of Finance & Corporate Services. He was then promoted to Senior Vice President of Finance & Corporate Services in June 2010 where he was responsible for the implementation of policies and procedures, finance, accounting, budgeting as well as treasury matters. In April 2012, he left IRDA and joined Dialog Engineering Pte Ltd, Singapore, in May 2012 as the Head of Corporate Services. He was responsible for overseeing the Departments of Finance, Taxation, Human Resources, Administration, Information Technology and Business Development. In July 2013, Mr Lui left Dialog Engineering Pte Ltd and thereafter joined Edaran Tan Chong Motor (Selatan) Sdn Bhd as General Manager of Finance in August 2013. He subsequently assumed an additional role as the Head of Sales System Compliance Southern Region in January 2016. His primary role was to oversee the operational compliance and administration of the branches in the region. Mr Lui left in October 2016 to assume his current position.

Mr Lui does not have any family relationship with any Director and/or major shareholders of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Lui does not hold directorships in other public listed companies outside the Group.

KEY SENIOR MANAGEMENT'S PROFILE (Cont'd)

MR LAW HAN MENG
Project Director of AME Construction

Male, Malaysian, Aged 56

Mr Law Han Meng is responsible for the management of the construction projects undertaken by the company. In this role he supervises the project team as well as monitors the execution of projects to ensure compliance with the requirements of the contracts, licenses, approved project plans and specifications. In addition, he is also involved in project planning, project scheduling and providing input in the tender exercise for the projects. He has around 30 years of experience working in the construction industry.

Mr Law attended a Diploma course in Technology (Materials Engineering) in Tunku Abdul Rahman University College (then known as Tunku Abdul Rahman College) from 1986 to 1987.

He started his career with a building contractor in Singapore and was seconded as a Surveyor in Kajima (Malaysia) Sdn Bhd on July 1990, where he was involved in surveying and supervision of construction projects.

He then left Kajima (Malaysia) Sdn Bhd and joined Nakano (Malaysia) Sdn Bhd in May 1991 as a Surveyor. In September 1993, he became self-employed as a building sub-contractor under the name Pembinaan & Kejuteraan Cahaya Maju. The business ceased in July 1995. In October 1995, he joined the Group as a Project Coordinator and was promoted to a Site Manager in June 1996. He was then promoted to Project Director in 2005.

Mr Law does not have any family relationship with any Director and/or major shareholders of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Law does not hold directorships in other public listed companies outside the Group.

MR RAZAL BIN AHMAD
Deputy Managing Director of Asiamost

Male, Malaysian, Aged 48

Mr Razal manages and leads all the heads of departments of the company. In addition, he is also involved in the operation of the business including strategic business planning, business development, budget control, sales and marketing. He has around 27 years of experience in mechanical and electrical works including approximately 24 years in the construction industry.

In 1992, Mr Razal obtained the Intermediate Malaysian Skills Certificate as a Domestic and Industry Electrician from Majlis Latihan Vokasional Kebangsaan. He subsequently obtained the certificate of competency as a wireman for the category of three-phase and testing endorsement (PW4) in July 1996. He also obtained the certificate of competency as an electrical chargeman for the category of low voltage system (A4-2) in April 2001.

He started his career as an Electrical Technician in Malaysian Sheet Glass Berhad in March 1993 where he was responsible for the supervision and management of his team and third-party contractors in respect of the installation of machinery and cables. He then left Malaysian Sheet Glass Berhad, in July 1994 and joined Felda Johore Bulkers Sdn Bhd as an Electrician with a similar scope of work. He left Felda Johore Bulkers Sdn Bhd and joined Asiamost in April 1996 as a Wireman and was promoted to the position of Senior Project Co-ordinator in June 2001, Project Manager in February 2008, Project Director in April 2010 and Deputy Managing Director in June 2015.

Mr Razal does not have any family relationship with any Director and/or major shareholders of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Razal does not hold directorships in other public listed companies outside the Group.

MR TEO KIAN JIN
Project Director of AME Construction

Male, Malaysian, Aged 62

Mr Teo Kian Jin is responsible for the management of project operations, the implementation of the quality control procedures within the company and providing the technical specifications in the tender documents. He has around 38 years of experience working in the construction industry.

Mr Teo graduated with Bachelor of Science (Civil and Structural Engineering) from Cardiff University (then known as University of Wales, Cardiff) in June 1982.

Upon graduation, Mr Teo began his career with the Housing & Development Board, Singapore as a Structural Engineer in the Structural Engineering Department in August 1982. He was later promoted to the position of Executive Project Manager in the Project Management Department in 1989. He was involved in the design of multi-storey flats and the management of construction projects for public housing in Singapore. He subsequently left the Housing & Development Board in 1992 and immediately joined Long Hock Huat Construction Pte Ltd, Singapore as a Director, where he was responsible for the supervision and management of housing development projects. In May 2003, he left Long Hock Huat Construction Pte Ltd, Singapore and joined Sykt. Lian Mee Engineering Sdn Bhd as a Project Manager. His primary role was to supervise and manage industrial building projects in the state of Johor. He was transferred to Lian Mee Construction Sdn Bhd in December 2003 and held the position of Project Manager. Mr Teo left Lian Mee Construction Sdn Bhd in June 2007 and thereafter immediately joined AME Construction as Project Manager. He was promoted to his current position of Project Director in May 2011.

Mr Teo does not have any family relationship with any Director and/or major shareholders of the Company. He has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 March 2020.

Mr Teo does not hold directorships in other public listed companies outside the Group.

SUSTAINABILITY STATEMENT

AME Elite Consortium Berhad ("**AME**" or the "**Group**") is pleased to present our inaugural Sustainability Statement for the financial year ended 31 March 2020 ("**FY2020**"), which outlines the framework set in place to instil sustainable principles across our operations.

The measures outlined are aimed at continuously strengthening our capabilities to provide industry-leading integrated industrial space solutions, as well as enabling sustainable growth. At the same time, we aim to uphold key tenets of conserving the environment and enhancing the lives of communities around us.

The scope of reporting involves the activities of the Group's operations and its subsidiaries, which are primarily engaged in four divisions: property development, property investment and mangement services, as well as construction and engineering.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) were adopted by United Nations (UN) Member States in 2015, as part of the 2030 Agenda for Sustainable Development. The SDGs, a collection of 17 global goals, is designed to be a blueprint to achieve a better and more sustainable future for all global citizens.

The Group has identified 8 out of 17 UN SDGs deemed relevant to the nature of our businesses, and are supporting the goals through:

- The application of building and engineering technologies to create modern industrial spaces that contribute towards socio-economic growth (SDG 8, 9, 11)

- Implementing green practices and elements in our operations towards supporting responsible and sustainable development (SDG 11, 12, 13)

- Promoting diversity, equality, and human rights in all levels of the organisation, fostering a safe and healthy work environment, as well as continuous education (SDG 3, 4, 5)

GOVERNANCE STRUCTURE

The sustainability governance structure aims to combine sound leadership, growth strategies, as well as management controls, to implement and uphold sustainability principles across the organisation.

The Management provides strategic direction for the Group and considers its commitment towards a sustainability framework based on three pillars: economic, environmental and social ("**EES**") considerations. The Management also oversees sustainability-related matters related to the Group and its performance, and with the support of key representatives from the four business divisions, implements the identified sustainability initiatives across the Group.

STAKEHOLDER ENGAGEMENT

It is imperative to engage with our stakeholders on a regular basis, to keep abreast of their latest needs, formulate sound strategies, and implement informed business decisions. We engage with different stakeholders to determine material sustainability matters:

Stakeholder	Material Issues	Engagement	Frequency
Employees	· Career development · Equal opportunity · Occupational health and safety	· Training programmes	· Monthly/As needed
		· Educational programmes	· Monthly/As needed
		· Safety inspections	· Monthly
Customers	· Timely project delivery · Service quality	· Satisfaction surveys	· Quarterly/As needed
Vendors/Suppliers	· Competitive pricing · Reliability · Ethics	· Supplier assessment	· Annual/As needed
Regulators/ Certification Bodies	· Corporate governance · Regulatory compliance · Certifications	· Audits · Presentations · Site visits	· Quarterly/As needed
Local Communities	· Social development · Employment opportunities	· Community charity events · Internships	· As needed
Shareholders	· Corporate developments · Financial performance · Growth plans	· Annual Report	· Annual
		· Annual General Meeting	· Annual
		· Fund/analyst briefing	· Quarterly/As needed
		· Investor relations website	· As needed
Media	· Brand image · Reputation · Corporate news	· Interviews · Press Releases	· Quarterly/As needed

MATERIALITY ASSESSMENT

The Management has identified 10 key material matters pertinent to the Group that can be categorised under the EES pillars, and aligned them to the UN SDGs. We strive to pursue performance improvements in the identified areas, in addition to assessing potential risks arising from these issues and their respective mitigation measures.

MATERIAL MATTERS

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
		ECONOMIC	
1	Economic Performance	Employees, Shareholders	8
2	Quality Projects and Services	Customers	9, 11
3	Procurement and Supply Chain	Vendors, Suppliers	8, 12
		ENVIRONMENTAL	
4	Environmental Compliance and Management	Regulators, Community	11, 12, 13
5	Energy Consumption	Regulators, Community	12
6	Waste Management	Regulators, Community	12
		SOCIAL	
7	Diversity and Equal Opportunity	Employees	5
8	Occupational Health and Safety	Employees, Customers	3
9	Employee Development	Employees	4
10	Community Development	Community	3

Aerial view of i-Park@Indahpura

ECONOMIC

Economic Performance

We recognise our responsibilities to our stakeholders to drive sustainable and long-term growth in our business and financial performance, at the same time creating more employment and economic opportunities for the local communities.

In FY2020, the Group recorded higher revenue of RM380.3 million compared to RM339.0 million in FY2019, while net profit attributable to owners of the company rose to RM64.1 million from RM47.3 million in FY2019. In adherence to our dividend policy, we have also declared an interim dividend amounting to RM12.8 million for FY2020, which will be payable to our shareholders in August 2020.

WE WILL CONTINUE TO PURSUE SUSTAINABLE GROWTH BY EXECUTING OUR LONG-TERM GROWTH STRATEGIES THAT TAKES INTO CONSIDERATION THE VARIOUS GOALS OF OUR STAKEHOLDERS.

Cycling lane at i-Park@Senai Airport City

Quality Products and Services

Ensuring customer satisfaction through providing quality products and services is key to our business success. We continuously seek ways to keep abreast of latest industry trends in the areas of industrial park development and management, in addition to adopting construction and engineering best practices. To this end, we adopt building technologies that allow us to enhance our capabilities, quality, work practices, and market competitiveness.

Our in-house industrialised building systems ("**IBS**"), comprising steel fabrication and pre-cast concrete facilities, enable us to deliver quality building structures of small to large sizes with quicker completion of projects, according to the stringent requirements of our clients. This is made possible by using highly mechanised technology in a controlled environment, thereby supporting our capabilities to achieve greater design flexibility, efficiency, and quality control.

Additionally, supported by a dedicated and specialised design team, we employ value engineering in the design process for our projects, in addition to complying with the Quality Assessment System in Construction (QLASSIC) certification and assessment criteria. These capabilities not only allow us to deliver high quality and efficient services and projects, but also enhance our competitiveness and capabilities to participate in higher-value and technically-complex projects.

WE ALSO PERIODICALLY AND PROACTIVELY CONDUCT INTERNAL AUDITS ON OUR CONSTRUCTION AND DEVELOPMENT ACTIVITIES TO IDENTIFY POTENTIAL RISK AREAS AND OPPORTUNITIES FOR IMPROVEMENTS.

i-Park@Indahpura Grand Entrance

Procurement and Supply Chain

We strive to ensure robust procurement capabilities and a reliable supply chain. We work closely with our suppliers, contractors, and other service providers, to ensure conformance to internal procedures, as well as adherence to high standards in the areas of sourcing quality, fair and competitive pricing, and reliability of supply.

We also have in place a strict anti-bribery and anti-corruption policy to ensure fair practice and adherence to applicable laws, rules and regulations. Additionally, as we aim to contribute to the development of the local economy where possible, we procure most of our materials and equipment from local suppliers, constituting 99.5% of related purchases in FY2020.

ENVIRONMENTAL

Environmental Compliance and Management

The planning, development, and management of our i-Park industrial parks are aligned to sustainability principles to promote a green, healthy, and comfortable environment for our clients.

We strive to uphold Green Building Index (GBI) standards spanning all aspects of the development, where we integrate sustainable site planning and management, efficient use of natural resources, environmental quality, and compliant materials and sourcing. Our i-Park projects also retain a high percentage of green areas to promote a nature-oriented working and living environment for our clients, with approximately 15% to 20% of our industrial parks designated as green areas.

Furthermore, we maintain an Environment Management Plan Report to monitor waste and effluent management of our industrial parks and to take remedial action where appropriate. We also keep track of air quality and effluents at our industrial parks in accordance with regulatory standards, and report any discrepancies to the Ministry of Environment in a timely manner.

Energy and Water Consumption

We recognise the importance of energy and water efficiency in our day-to-day operations to achieve more sustainable utilisation of resources.

The industrial buildings at our i-Parks, which are designed to GBI requirements, promote greater use of natural lighting and ventilation, rainwater harvesting, reusing of water from detention ponds for the upkeep of landscaping, amongst various other practices that help to conserve natural resources.

The used water from the testing and commissioning of pump flow systems is recycled for reuse, thereby eliminating the discharge of used water into the environment.

Rainwater Harvesting Tank at i-Park's Factories

Additionally, the use of IBS in our construction and engineering operations, help to reduce energy and water usage in the construction process due to the high mechanisation.

Other ongoing initiatives include the use of solar powered spotlights to reduce energy usage at our construction sites, in addition to the implementation of energy-saving practices at our offices. We would continue to seek ways to enhance energy efficiency across our business operations.

In FY2020, we entered into a joint venture to provide solar energy solutions as part of our engineering services offerings, which would aid our efforts in improving the energy efficiency of our industrial parks and clients.

Materials and Waste Management

We apply sustainable practices in the selection and usage of materials for our projects, including favouring the adoption of eco-friendly materials and emphasising sourcing materials from domestic and regional suppliers. Additionally, the use of IBS in our construction process helps reduce materials wastage, an advantage of its controlled environment.

Use of precast building component reduces resource usage

We also employ comprehensive waste management efforts to reduce our footprint and impact on the environment. We strive to reduce and recycle construction waste at our operations, and engage qualified waste disposal companies to dispose our waste responsibly and through regulated channels.

SOCIAL

Diversity and Equal Opportunity

We strive to uphold the diversity of our workforce, and provide an inclusive and equal opportunities space for all employees regardless of age, gender, race, religion, and values.

As at FY2020, we have a total of 372 local employees, of which 68% are male and 32% are female.

In terms of breakdown by role, the number of senior management constituted 3% of our workforce, managerial roles made up 12%, executives at 30%, while non-executives amounted to 55%.

Occupational Health and Safety

The health and safety of our employees are of utmost importance. We provide continuing education and training to our construction and engineering personnel to maintain high levels of safety at the work sites. On average, each of our construction and engineering personnel participates in four hours of monthly training in health and safety-related workshops and/or training programmes in FY2020. Additionally, our construction and engineering divisions are certified to OHSAS 18001 Occupational Health and Safety Management System, and adopt stringent internal Key Performance Indicators to ensure zero injuries in the workplace.

All employees are also granted adequate insurance for personal accidents, in addition to medical insurance in the event of hospitalisation and surgical requirements. With continuous emphasis on stringent safety practices, we recorded zero Lost Time Injury and 808,382 safe manhours in FY2020, while there were 15 near-miss incidents which were subsequently assessed and remedied.

Additionally, in light of the COVID-19 pandemic, the Group has implemented disease prevention protocols such as social distancing and changes to work arrangements to safeguard the health and safety of all employees. We have also ensured that all foreign workers employed at our construction and engineering segments have undergone COVID-19 testing. These changes were complemented with COVID-19 educational programmes and distribution of face masks and sanitisers.

Encourage Recycle, Reuse, Reduce

Employee Development

The Group views employee engagement and satisfaction as highly important factors to the Group's long-term success, and engages in a culture of equal opportunity, gender equality, and non-discrimination.

We emphasise on promoting an environment where our employees are not only valued and fairly rewarded, but are also granted ample opportunities to excel in their careers. We thus offer regular training and education for our employees to grow their skill sets and consequently enhance their contribution to the Group.

Recreational Park encourage work life balance

Selected education and training programmes in FY2020

Programme	Provider	Department
Occupational Health & Safety Management System (OHSMS) Internal Awareness	In-house training by Group Quality System Manager	Finance, Contract, Project, Quality Assurance & Quality Control (QAQC) and Health, Safety & Environment (HSE)
ISO 45001: 2018 Awareness Training Occupational Health & Safety Management System	Tri-Eqsh Management Consultants (M) Sdn. Bhd.	All Departments
Quality Management System (QMS) Awareness Training	In-house training by Group Quality System Manager	Finance, Contract, HSE, Production, Project, Purchasing, QAQC, Sales and Marketing.
Majlis Anugerah Keselamatan & Kesihatan Pekerjaan Negara 2019	Department of Occupational Safety and Health Malaysia (DOSH)	HSE and Project
Kursus Scaffoding Inspection	Akademi Binaan Malaysia (ABM)	HSE
Employment Act	MICLOH Consulting Group Sdn Bhd	Human Resource and Administration
Revit MEP Essential & Revit Architecture Essential Training	Reliant Design Solutions Sdn. Bhd.	Contract
Green Development and Innovation	Malaysia Green Building Council (MalaysiaGBC)	Business Development
Effective Sales Negotiation & Overcome Resistance	FMM Institute (Centre for Professional Development)	Sales and Marketing
Industry Engagement Building Information Modelling (BIM) Programme	Construction Industry Development Board (CIDB)	Project
2020 Budget and Tax Conference	Ernst & Young Tax Consultants Sdn. Bhd.	Finance
Seminar Jelajah BIM, Mycrest, Qlassic dan Infrastar 2019	CIDB	QAQC

Community Development

As a responsible corporate citizen, we strive to bring value to and enhance the lives of the local communities around us. Annually, we engage in various Corporate Social Responsibility (CSR) programmes, which may encompass the areas of public welfare, public services and security, environment conservation, as well as education and development.

EVERY YEAR, WE ALSO OFFER INTERNSHIPS TO UNIVERSITY STUDENTS ENROLLED IN ENGINEERING AND CONSTRUCTION PROGRAMMES, IN ORDER TO PROVIDE THEM WITH INDUSTRY EXPOSURE AND ENHANCE THEIR SKILL SETS. IN FY2020, THERE WERE 44 INTERNSHIP ROLES GRANTED TO STUDENTS AND RECENT GRADUATES WITH AN AIM TO PROVIDE INDUSTRY EXPERIENCE AND TO SUPPORT THEIR PROFESSIONAL DEVELOPMENT.

Sponsorship for Iskandar Malaysia Social Hero Awards 2019

Sponsorship for Johor Amateur Golf 2019

Cash donation to Foon Yew High School (Seri Alam) school foundation

Selected CSR activities in FY2020

Activity	Month/Year
Sponsorship for Iskandar Malaysia Social Hero Awards 2019	April 2019
Sponsorship for Johor Amateur Golf 2019	July 2019
Sponsorship for poor families in Senai	October 2019
Kiwanis Down Syndrome Foundation (Klang)	October 2019
Cash donation to Foon Yew High School (Seri Alam) school foundation	February 2020

CONCLUSION

The Group's sustainability-led approach to drive business growth is aimed at incorporating sound and responsible practices that would bring greater value to all our stakeholders in the long term.

We would strive to continuously enhance our sustainability initiatives towards achieving greater business sustainability and financial performance, in addition to bringing positive transformation to industries and the communities around us.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of AME Elite Consortium Berhad ("**Company**") is committed to upholding high standards of corporate governance through maintaining a robust governance framework that promotes ethical conduct, transparency and sustainable value creation. The Board believes that good corporate governance will result in long-term organisational success and growth by creating value to and safeguarding the interests of stakeholders.

This Corporate Governance Overview Statement ("**Statement**") for the financial year ended 31 March 2020 ("**FY2020**") is prepared pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), with guidance drawn from Practice Note 9 of the Listing Requirements and the Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia.

The Statement provides an overview of how the Company and its subsidiaries (collectively referred to as the "**Group**") have applied the corporate governance principles and practices as set out in the Malaysian Code on Corporate Governance ("**MCCG**") during FY2020 as well as the Group's key focus areas and future priorities in relation to corporate governance.

The Statement is to be read in conjunction with the Corporate Governance Report 2020 ("**CG Report**"), in which the Company explains its application on each of the MCCG's best practices. The CG Report is disclosed to Bursa Malaysia in a prescribed format, published together with this Annual Report and available on the Company's website at **www.ame-elite.com**.

Overall, the Board is of the view that Group has, in all material aspects, complied with the principles and practices as set out in the MCCG throughout FY2020. The Company's level of adoption across all the practices is summarised as follows:

Application	No. of Practices	No. of Step-up Practices	Total
1. Applied	28	–	28
2. Departure	2	–	2
3. Not Applicable	2	–	2
4. Adopted	–	3	3
5. Not Adopted	–	1	1
Total	**32**	**4**	**36**

The practices/step-up practice not applied/adopted by the Company are as follows:

Practice 7.2	The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
Step-up Practice 7.3	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.
Practice 12.3	Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate: · including voting in absentia, and · remote shareholders' participation at General Meetings.

The following disclosure statements provides a summary of the Group's application of the Principles set out in the MCCG during FY2020.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1.0 Board's Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The primary role of the Board is to provide leadership to the Company towards promoting overall business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders. The Board sets the Company's objectives, values and standards, and ensures that adequate resources are in place for the Company to meet its strategic aims and desired business culture.

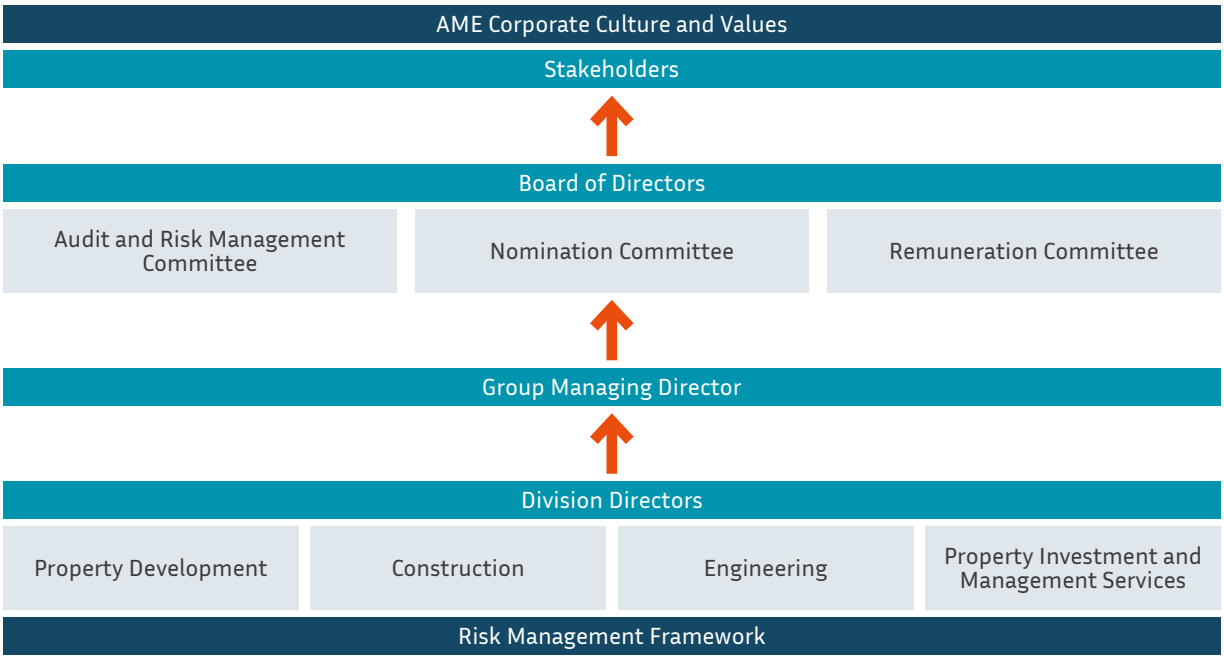
As stewards of the Company, the Board's responsibilities include oversight of corporate governance, risk management and internal control, succession planning, management performance, stakeholder communication and corporate reporting and disclosure. In this regard, the Board has established and implemented the following governance framework to assist the Board to focus on the key areas of responsibility that may affect the long-term success of the Group.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I: BOARD RESPONSIBILITIES (Cont'd)

1.0 Board's Leadership on Objectives and Goals (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)



Embedding with the Company's culture, values and beliefs, the governance framework of the Group is founded on stakeholder accountability, competent leadership and effective risk management and internal control system.

The Board has established the following Board Committees, each entrusted with specific tasks and operates within terms of reference approved by the Board, primarily to support in carrying out the Board functions and to assist in the execution of the Board's duties and responsibilities, namely:

a) Audit and Risk Management Committee ("**ARMC**");
b) Nomination Committee ("**NC**"); and
c) Remuneration Committee ("**RC**").

The Board Committees are tasked with assisting the Board to oversee and manage different aspects of the Group's governance and compliance. The Board Committee Chairpersons report and update to the Board on significant issues and concerns discussed and make the necessary recommendations to the Board.

While the Board has granted authorities and delegated responsibilities to Board Committees to deliberate and decide on certain key and operational matters, the Board recognises that the ultimate responsibility for the final decision on all matters lies with the entire Board.

The Terms of Reference of the Board Committees are available on the Company's website at **www.ame-elite.com**.

Schedule of Matters Reserved for the Board

While specific functions are delegated to Board Committees and day-to-day operations are delegated to management, matters which have a critical bearing on the Group are specifically reserved for decision or consideration by the Board, including amongst others:

a) Group and divisional strategies, plans and budgets;
b) Major acquisitions, disposals and transactions;
c) Appointment, re-appointment and removal of Directors, Group Managing Director and Company Secretary;
d) Establishment of Board Committees and approval of their Terms of Reference; and
e) Changes in the key policies, procedures and authority limits.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I: BOARD RESPONSIBILITIES (Cont'd)

1.0 Board's Leadership on Objectives and Goals (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)

Board Activities and Tasks in FY2020

Overall, during FY2020, the Board in meeting its goals and the Company's objectives, has undertaken, either directly or through the respective Board Committees and/or Senior Management, the following activities and tasks:

Strategic Plans and Investments

a) Reviewed the Group's overall strategic plan and direction;
b) Reviewed the Company's vision and mission;
c) Reviewed and approved the Company's Initial Public Offering on the Main Market of Bursa Malaysia ("**Listing**");
d) Reviewed and approved the Prospectus in connection with the Listing; and
e) Reviewed proposals and approved a development land's acquisition;

Financial and Operational

a) Reviewed and approved quarterly and year-end financial results;
b) Reviewed recurrent related party transactions; and
c) Reviewed and overseen capital expenditure, project budget, cash flow, sales target and utilisation of the Listing proceeds;

Risk Management and Internal Control

a) Reviewed and approved the Risk Management Framework;
b) Reviewed and approved the Internal Audit Plan for FY2020/21; and
c) Reviewed the internal audit report prepared by Internal Auditors;

Succession Planning, Evaluation and Remuneration

a) Reviewed and approved the appointment of an alternate director; and
b) Reviewed management performance and approved performance bonus and annual salary increment for FY2019/20;

Corporate Governance

a) Enhanced the overall corporate governance framework, including review and/or adoption of the Board Charter, the Code of Conduct and Ethics for Directors and Employees, the Whistleblowing Policy, the Anti-Bribery and Anti-Corruption Policy, the Risk Management Framework and the Remuneration Policy for Directors and Senior Management;

Stakeholders Communication

a) Ensured timely public announcements and disclosures made to Bursa Malaysia; and
b) Conducted quarterly results briefing and dialogue with investors and research analysts.

Details on the key activities undertaken by each Board Committee during FY2020 are disclosed separately in the ensuing paragraphs of this Statement.

1.2 Board Chairperson

The Board is led by an Independent Non-Executive Chairperson who is responsible in ensuring the Board is functioning properly, with sound corporate governance practices and procedures.

1.3 Separation of Positions of Board Chairperson and Group Managing Director

The role of the Board Chairperson is distinct and separate from that of the Group Managing Director to enhance their respective independence, accountability and responsibility. While the Board Chairperson is primarily responsible to provide leadership to the Board, instil good corporate governance practices and to ensure the effective functioning of the Board, the Group Managing Director, with the assistance of Executive Directors and Senior Management, has the responsibility to oversee the overall operations of the Group, including the implementation of strategies and policies.

1.4 Company Secretaries

The Board is supported by two (2) qualified, experienced and competent Company Secretaries who provide active support on secretarial functions to the Board and Board Committees. The Company Secretaries attend all Board and Board Committee meetings and ensure meeting procedures are followed and minutes of meetings accurately reflect the deliberations and decisions of the Board, including any concerns raised by individual Directors or dissenting views expressed.

The Company Secretaries also have the responsibility to guide and advise the Board on its roles and responsibilities, corporate disclosures, the Company's Constitution and other compliance matters relevant to company and securities laws, including the Companies Act 2016 ("**CA 2016**"), Listing Requirements and the Capital Markets and Services Act 2007.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I: BOARD RESPONSIBILITIES (Cont'd)

1.0 Board's Leadership on Objectives and Goals (Cont'd)

1.5 Access to Information and Advice

All Directors are required to keep abreast with the Group's business activities and development. Every Director, in executing his/her duties and responsibilities, has full and unrestricted access to all the Group's information and to the advices and services of the Company Secretaries. The Directors also have rights to seek independent professional advice at the Group's expense should they consider necessary in carrying out their duties.

In order to ensure effective deliberation at the Board and Board Committee meetings, notices and agendas of meeting and other non-financial related materials are circulated at least seven (7) days in advance of the meetings to ensure Directors have sufficient information and time to prepare and review. Materials on financial related matters are circulated at least four (4) days prior to the meetings.

Further, with the assistance of the Company Secretaries, minutes of meeting are prepared and circulated to all the Directors for their review and comment within twenty-one (21) days from the meetings. Action items identified during meeting are highlighted for follow-up action to be undertaken by the management.

2.0 Demarcation of Responsibilities between the Board, Board Committees and Management

2.1 Board Charter

The Board is guided by a Board Charter for the effective discharge of its fiduciary duties. The Board Charter serves as the framework for Board roles and responsibilities, Board structure and composition, Board authorities, schedule of matters reserved for the Board, proceeding of Board meeting, Directors' induction and training, liability insurance for Directors and Officers, disclosure of conflict of interest, compliance of code of conduct and ethics as well as investor relations and shareholder communication. It also sets out roles and responsibilities of individual Directors, Independent Directors, the Board Chairperson, the Group Managing Director and the Company Secretaries.

The Board reviews the Board Charter periodically to ensure its relevance and effectiveness. The last review of the Board Charter conducted by the Board was on 26 February 2020. It is published on the Company's website at **www.ame-elite.com**.

3.0 Good Business Conduct and Corporate Culture

3.1 Code of Conduct and Ethics

The Board has a Code of Conduct and Ethics ("**Code**") which sets the tone and standards for the Group's ethical conduct. It serves to guide actions and behaviours of all Directors and employees of the Group.

In line with the Guidance to Practice 3.1 of the MCCG, the Code describes measures put in place to deal with the following core areas of conduct:

a) Conflict of interest;
b) Corruption, acceptance and provision of gifts;
c) Confidential information;
d) Insider information and securities trading;
e) Protection of the Group's assets and funds;
f) Records management and control;
g) Fair dealing;
h) Workplace health and safety;
i) Sexual harassment and violence;
j) Fair and courteous behaviour; and
k) Compliance with laws, rules and regulations.

The Board reviews the Code periodically to ensure its relevance and effectiveness. The Code was last reviewed and adopted by the Board on 26 February 2020. It is published on the Company's website at **www.ame-elite.com**. The Board communicates the Code to all Directors and employees upon their appointment or employment and the Code forms part of their terms and conditions of service.

3.2 Whistleblowing Policy

The Board has a Whistleblowing Policy to provide employees and stakeholders with proper channels and guidance to report any legitimate concerns over any wrongdoing within the Group relating to unlawful conduct, financial malpractice or danger to the public or the environment. It encourages reporting of any suspected improper conduct within the Group in an appropriate manner that is in line with good corporate governance practices. Any party who makes a report of an improper conduct in good faith will be protected against reprisal and retaliation.

To facilitate independent and equitable investigation, all whistleblowing reports are channelled directly to the NC Chairperson, who is also an Independent Non-Executive Director.

The Board reviews the Whistleblowing Policy periodically to ensure its relevance and effectiveness. The Whistleblowing Policy was last reviewed and adopted by the Board on 26 February 2020. It is published on the Company's website at **www.ame-elite.com**.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART I: BOARD RESPONSIBILITIES (Cont'd)

3.0 Good Business Conduct and Corporate Culture (Cont'd)

3.3 Anti-Bribery and Anti-Corruption Policy

Following the introduction of corporate liability provision for bribery and corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**"), the Board, on 12 May 2020, adopted an Anti-Bribery and Anti-Corruption Policy which reflects the Group's stand on zero-tolerance against all forms of bribery and corruption as well as its commitment to lawful and ethical conduct at all times.

The Policy serves to provide guidance to all Directors, Employees, Customers, Suppliers, Contractors and any person associated with the Group (collectively referred to as the "**Designated Parties**") on how to deal with improper solicitation, bribery and other corrupt activities in order to achieve business or personal gains for themselves or others, that can be construed as having contravened the anti-corruption laws of Malaysia. Topics covered include gifts, entertainment, hospitality, donations, sponsorships, political contributions and facilitation payments.

The Policy is disseminated to all Designated Parties and published on the Company's website at **www.ame-elite.com.**

PART II: BOARD COMPOSITION

4.0 Board Objectivity

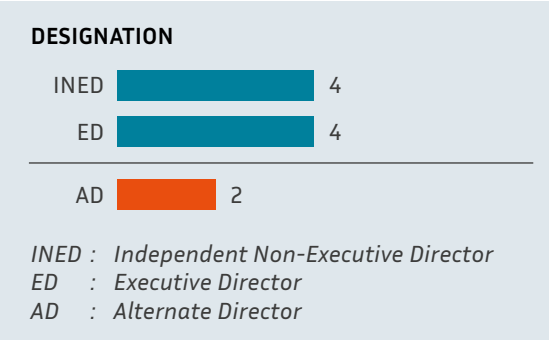
4.1 Board Composition

The Board comprises eight (8) members with the composition as set out below:

Name	Directorship
YM Tengku Azrina Binti Raja Abdul Aziz	Independent Non-Executive Chairperson
Mr Lee Chai *(his alternate, Ms Lee Ling Sien)*	Group Managing Director
Mr Lim Yook Kim *(his alternate, Ms Lim Pei Shi)*	Executive Director
Mr Kang Ah Chee	
Mr Lee Sai Boon	
Ms Tan Lay Beng	Independent Non-Executive Director
Mr Chang Tian Kwang	
Mr Wee Soon Chit	

Profile of each Director is detailed in Board of Directors' Profile set out from pages 24 to 32 of this Annual Report.

The current Board composition with an even balance of four (4) Executive Directors and four (4) Independent Non-Executive Directors goes beyond the Listing Requirements which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors. It also conforms with Practice 4.1 of the MCCG which calls for independent directors to make up at least half of the Board membership. The Board considers that this composition enhances oversight of the management and supports independent deliberation, review and decision-making.

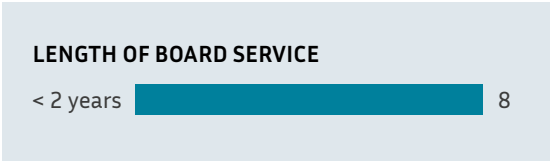


In the event of any vacancy in the Board composition, resulting in non-compliance with the Listing Requirements, the Company shall fill the vacancy within three (3) months.

4.2 Tenure of Independent Directors

The Board recognises the importance of maintaining a moderate tenure of service for its Independent Directors. In this regard, the Board, through its Board Charter, has adopted a policy to limit tenure of its Independent Directors to nine (9) years.

Currently, all members of the Board including Independent Directors have served for less than two (2) years on the Board.



PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II: BOARD COMPOSITION (Cont'd)

4.0 Board Objectivity (Cont'd)

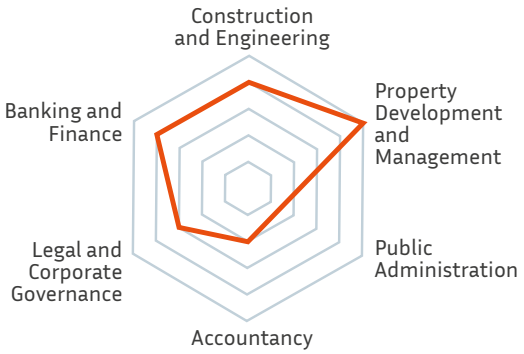
4.3 Diversity of Board and Senior Management

The Board sees a diverse Board and Senior Management as a vital contributing element to sustainable development and growth. It is committed to promoting a workplace that is diverse, inclusive and equitable.

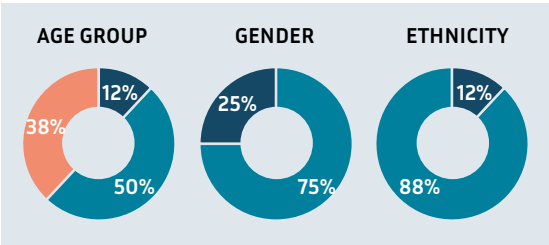
In nominating candidates for directorship, the NC will consider amongst others, the required mix of diversity in skills, experience, character, integrity, competence and time commitment of the candidates, including those who retire and offer themselves for re-election.

Through an annual assessment conducted by the NC on the Board as a whole, the Board has considered that its current composition is well-balanced with appropriate mix of skills, knowledge, experience and attributes in meeting its needs and objectives. The Board comprises suitably qualified and experienced professionals in the fields of construction and engineering, property development and management, property consultancy, accountancy, banking and finance as well as legal and corporate governance. The diverse combination creates a breadth of perspective among Directors, enabling them to oversee the dynamic and emerging business of the Group.

The current Board composition in terms of skills and background experience are illustrated as follows:



The composition of age, gender and ethnicity of the Board is as follows:



Age Group		Gender		Ethnicity	
40 - 49	1	Male	6	Malay	1
50 - 59	4	Female	2	Chinese	7
> 60	3				

Details on the Board Assessment conducted by the NC are as set out in Section 5.1 of this Statement on pages 50 and 51 of this Annual Report.

4.4 Gender Diversity

The Board's commitment to workplace diversity includes embracing and promoting differences in terms of, but not limited to, gender, age, ethnicity, religion, physical appearance and cultural background. This includes practicing non-discrimination throughout the Group's employment processes, including recruitment and retention, performance evaluation, promotion, training, career development and succession planning.

Currently, the Company has two (2) female Directors, denoting a 25% of women representation on the Board. The Board has taken cognisance of the recommendation by the MCCG to work towards a Board comprising 30% women Directors. In this regard, the Board has set a target to appoint at least one (1) additional woman director within three (3) to five (5) years from the Listing.

In October 2018 and subsequently in May 2020, the Board has taken the initial steps of appointing two (2) female Alternate Directors to act as substitutes to two (2) Executive Directors. The Board has plans to groom the Alternate Directors to assume greater board responsibilities. The appointments are also as part of the Board's succession planning to foster future leaders and successors.

In addition, the Board, through the NC, will continue to actively search for other suitable and well qualified female directors to join the Board.

4.5 Diverse Sources for New Candidates for Board Appointment

While the Board considers that its composition and size remain balanced and able to reinforce effective oversight and independent review function, the Board, through the NC, continues to identify suitable and qualified individuals in meeting the Company's future needs, taking into consideration of diverse perspectives and insights.

In identifying candidates for appointment of directors, the Board extends its considerations beyond and above recommendations from existing Directors, shareholders and management to independent sources and business associates. Appointments are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II: BOARD COMPOSITION (Cont'd)

4.0 Board Objectivity (Cont'd)

4.6 Nomination Committee

The NC oversees the selection and assessment of Directors and Board Committees. It evaluates the effectiveness of the Board as a whole, Board Committees and each individual Directors, identifies the training needs of Directors as well as leads the succession planning and appointment of Board and Board Committee members.

The Terms of Reference of the NC is available on the Company's website at **www.ame-elite.com**.

The NC comprises solely Independent Non-Executive Directors as set out below:

Name	Designation	Directorship
Mr Chang Tian Kwang	Chairperson	Independent Non-Executive Director
YM Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson
Ms Tan Lay Beng	Member	Independent Non-Executive Director
Mr Wee Soon Chit	Member	Independent Non-Executive Director

The NC shall meet at least once a year with additional meetings to be convened as and when required.

During FY2020 and up to the date of this Statement, key activities undertaken by the NC are summarised as follows:

a) Reviewed the evaluation forms for annual Board assessment to be in line with the Listing Requirements and the MCCG prior to undertaking the evaluation process;

b) Reviewed the proposals to appoint Ms Lee Ling Sien as Alternate Director to the Group Managing Director, Mr Lee Chai. The NC has subsequently recommended the appointment to the Board for approval;

c) Evaluated the effectiveness of the Board as a whole, reviewed and considered the size, structure and composition of the Board, including the required right mix of skills and experience, Board diversity and effective and efficient functioning of the Board;

d) Evaluated and assessed the effectiveness of each individual Director by undertaking an evaluation process involving self-assessment as well as their peers' performance by individual Directors;

e) Assessed the independence of the Independent Directors and their ability to exercise independent judgement by way of a self-assessment by each individual Director based on the criteria set out in the Listing Requirements;

f) Assessed the effectiveness of the ARMC, NC and RC;

g) Nominated for re-election the Directors who will be retiring at the forthcoming Annual General Meeting ("**AGM**") and recommended to the Board for their re-election be tabled at the AGM; and

h) Reviewed the Terms of Reference and the Statement of Activities of the NC.

4.7 Election and Re-election

In line with the Company's Constitution and the Listing Requirements, one-third (1/3) of the Directors or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

At the forthcoming AGM, Mr Lee Chai, Mr Lee Sai Boon and Mr Kang Ah Chee will be retiring and eligible for re-election. Each of the Directors has undergone a performance evaluation conducted by the NC and was evaluated to be effective and valuable to the Board. The Board has given its recommendation for their re-appointment and shall seek shareholders' approval at the AGM.

5.0 Effectiveness of the Board, Board Committees and Individual Directors

5.1 Board Assessment

On an annual basis, the Board, through the NC, evaluates the performance and effectiveness of the Board as a whole, Board Committees and individual Directors, including the Board Chairperson, the Group Managing Director and each Independent Director (collectively referred to as the "**Board Effectiveness Evaluation**").

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II: BOARD COMPOSITION (Cont'd)

5.0 Effectiveness of the Board, Board Committees and Individual Directors (Cont'd)

5.1 Board Assessment (Cont'd)

The process of the Board Effectiveness Evaluation is internally facilitated and conducted through prescribed evaluation forms covering assessment criteria, as set out below:

a) **Evaluation of the Board;**
Size and composition, mix of skills and experience, quality of information and decision-making, and boardroom activities

b) **Evaluation of the Board Committees (including the Chairperson of respective Committees);**
Size, composition and governance, meeting administration and conduct, skills and competencies, duties and responsibilities, and disclosure

c) **Self and Peer Evaluation of Individual Directors (including the Board Chairperson and the Group Managing Director); and**
Contribution and performance, time commitment, personal knowledge and experience, and calibre and personality

d) **Self-assessment by Independent Directors.**
Background, economic relationship, family relationships and term of office

The Board Effectiveness Evaluation for FY2020 was conducted in May 2020. Overall, the Board was satisfied with the performance and effectiveness of the Board as a whole. All the Board Committees were evaluated to be performing and effective in discharging their roles and responsibilities as per the Terms of Reference.

Further, the self and peer evaluation of each individual Director indicated that all the Directors were of the view that each of them, including the Board Chairperson and the Group Managing Director, had performed their respective roles and functions effectively and responsibly. Each member was satisfied with each other's contribution in sharing their insights and active participation in the Board and Board Committees' discussions.

The Board was also satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.

5.2 Directors' Training

All Directors, including newly appointed Directors, are required to attend the Mandatory Accreditation Programme ("**MAP**") as prescribed by Bursa Malaysia from time to time.

In addition to the mandatory programme, the Board, with the assistance of the NC, evaluates and determines the training needs of its members to ensure Directors attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of directors. Through continuing education programme, the Directors are required to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

Details of trainings attended by the Directors during FY2020 are as follows:

Directors	Training Attended	Date
Executive Directors		
Mr Lee Chai	· MAP for Directors of Public Listed Companies ("**PLCs**") · Directors' Duties & Responsibilities	13 & 14 January 2020 7 October 2019
Mr Lim Yook Kim	· MAP for Directors of PLCs · Directors' Duties & Responsibilities	11 & 12 November 2019 7 October 2019
Mr Kang Ah Chee	· MAP for Directors of PLCs · Directors' Duties & Responsibilities	11 & 12 November 2019 7 October 2019
Mr Lee Sai Boon	· MAP for Directors of PLCs · Directors' Duties & Responsibilities	13 & 14 January 2020 7 October 2019
Independent Non-Executive Directors		
YM Tengku Azrina Binti Raja Abdul Aziz	· MAP for Directors of PLCs · Directors' Duties & Responsibilities	11 & 12 November 2019 7 October 2019

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II: BOARD COMPOSITION (Cont'd)

5.0 Effectiveness of the Board, Board Committees and Individual Directors (Cont'd)

5.2 Directors' Training (Cont'd)

Directors	Training Attended	Date
Independent Non-Executive Directors		
Ms Tan Lay Beng	· MAP for Directors of PLCs	13 & 14 January 2020
	· Budget 2020: Key Updates and Changes for Corporate Accountants	6 November 2019
	· MIA International Accountants Conference 2019	22 & 23 October 2019
	· Fraud – What Keeps You Up at Night?	11 October 2019
	· Directors' Duties & Responsibilities	7 October 2019
	· Sales and Service Tax: Legislation Updates, Common Issues and Health Check in Preparing for Audit	5 September 2019
	· A Half-Day Programme: Pathway For Tax Agent Licence – A Comprehensive Guidance	28 August 2019
	· Half Year Tax Updates for 2019	26 August 2019
	· Special Voluntary Disclosure Programme (SVDP) – Applications, Implications and Complications	22 July 2019
	· CFO Conference 2019	13 June 2019
	· MIA Town Hall 2019 – Johor	29 April 2019
	· Finance for Non-Finance Managers	28 & 29 March 2019
Mr Chang Tian Kwang	· MAP for Directors of PLCs	13 & 14 January 2020
	· MFRS Updates 2019/2020 Seminar	23 October 2019
	· Directors' Duties & Responsibilities	7 October 2019
Mr Wee Soon Chit	· Foundation in Quantity Surveying – Instance 2 – 19/20	2 Oct 2019 – 17 May 2020
	· MAP for Directors of PLCs	13 & 14 January 2020
	· Real Centre Academy Malaysia – List, Lead, Leverage!	21 November 2019
	· The Art of Building Inspection: the Technical & Tactical Perspectives	10 October 2019
	· Directors' Duties & Responsibilities	7 October 2019
	· Malaysian Valuation Standards (MVS) – 6th Edition 2019 & Asset Valuation Guidelines	16 April 2019
Alternate Directors		
Ms Lim Pei Shi	· MAP for Directors of PLCs	11 & 12 November 2019
	· Share Structure 4.0 Workshop	18 October 2019
	· Directors' Duties & Responsibilities	7 October 2019
Ms Lee Ling Sien [(i)] (Appointed on 12 May 2020)	· Internal Audit Briefing	20 December 2019
	· Share Structure 4.0 Workshop	18 October 2019

Note:
(i) Ms Lee Ling Sien attended the MAP for Directors of PLCs on 20 & 24 April 2020.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART II: BOARD COMPOSITION (cont'd)

5.0 Effectiveness of the Board, Board Committees and Individual Directors (Cont'd)

5.3 Board and Board Committee Meeting

Directors are required to give sufficient time and attention to the affairs of the Company. Any Director must not hold more than five (5) directorships in other public listed companies as prescribed by the Listing Requirements. Directors are required to notify the Board Chairperson before accepting any new directorship and such notification shall include the indication of time that will be spent on the new appointment.

Regular Board and Board Committee meetings are scheduled a year in advance to facilitate maximum attendance. An annual tentative meeting calendar is circulated to all Directors to allow Directors to plan and schedule ahead for their time.

During FY2020, all directors have recorded attendance exceeding the minimum 50% attendance requirement in respect of Board meetings as stipulated in the Listing Requirements. The Board was satisfied with the time commitment given by the Directors as illustrated by their attendance at the Board and Board Committee meetings.

Details on number of meetings attended/held are shown below:

Directors	No. of Meetings Held			
	During FY2020		In respect of FY2020	
	The Board	The ARMC	The NC	The RC
Executive Directors				
Mr Lee Chai	3/3	3/3 (i)	1/1 (i)	1/1 (i)
Mr Lim Yook Kim	3/3	3/3 (i)	–	–
Mr Kang Ah Chee	3/3	3/3 (i)	–	–
Mr Lee Sai Boon	3/3	3/3 (i)	1/1 (i)	1/1 (i)
Independent Non-Executive Directors				
YM Tengku Azrina Binti Raja Abdul Aziz	3/3	3/3	1/1	1/1
Mr Chang Tian Kwang	3/3	3/3	1/1	1/1
Ms Tan Lay Beng	3/3	3/3	1/1	1/1
Mr Wee Soon Chit	3/3	3/3	1/1	1/1
Alternate Directors				
Ms Lim Pei Shi	3/3	3/3 (i)	–	–
Ms Lee Ling Sien (Appointed on 12 May 2020)	–	–	–	–
Total number of meetings held (ii)	**3**	**3**	**1**	**1**

Note:

(i) The attendances of the Committee meetings by Executive Directors, who are not members of the Committees, were on the account of invitations received from the respective Committee Chairpersons.

(ii) The Company was listed on the Main Market of Bursa Malaysia on 14 October 2019. The Board and the ARMC had each conducted three (3) meetings in FY2020 while the NC and the RC had separately convened one (1) meeting each for matters in respect of FY2020.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART III: REMUNERATION

6.0 Level and Composition of Remuneration

6.1 Remuneration Policy

The Board has formalised a Remuneration Policy to govern principles and matters in relation to Directors' and Senior Management's remuneration.

Under the Remuneration Policy, the remuneration components of Executive Directors and Senior Management include, where applicable, fixed monthly salaries, Directors' fees, performance-based bonuses, benefits-in-kind and other incentives. As for Non-Executive Directors, the remuneration package comprises fixed Directors' fees, Board Committees' fees and meeting allowances for attending Board and Board Committees' meetings.

In determining the remuneration package for Directors and Senior Management, the Board shall give due regard and consideration to, but not limited to, the individuals' merit, qualification, experience and competence as well as the Group's operating results, individual performance, comparable market statistics and industry benchmark.

Further, Executive Directors shall be refrained from voting on their own remuneration to avoid conflict of interest, but they may attend the RC meeting at the invitation of the RC Chairperson, if their presence is required. Similarly, Non-Executive Directors are required not to participate in deciding on their own remuneration.

The Board reviews the Remuneration Policy periodically to ensure its relevance and effectiveness. The policy was last reviewed and adopted by the Board on 12 May 2020. It is published on the Company's website at **www.ame-elite.com**.

6.2 Remuneration Committee

The RC assists the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management. It reviews the Directors' and Senior Management's remuneration, ensuring that the Company continues to attract, retain and motivate high calibre individuals who have the skills, experience and knowledge to drive its long-term objectives.

The Terms of Reference of the RC is available on the Company's website at **www.ame-elite.com**.

The RC comprises solely Independent Non-Executive Directors as set out below:

Name	Designation	Directorship
Mr Wee Soon Chit	Chairperson	Independent Non-Executive Director
YM Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson
Ms Tan Lay Beng	Member	Independent Non-Executive Director
Mr Chang Tian Kwang	Member	Independent Non-Executive Director

The RC shall meet at least once a year with additional meetings to be convened as and when required.

During FY2020 and up to the date of this Statement, key activities undertaken by the RC are summarised as follows:

a) Reviewed and discussed the performance of each individual Director with reference to the Board Effectiveness Evaluation conducted by the NC in May 2020;
b) Reviewed and recommended the Directors' Fees for FY2020;
c) Reviewed and recommended the Directors' Benefits from 1 April 2019 until the conclusion of the 3rd AGM of the Company to be held in year 2021;
d) Reviewed and assessed the Executive Directors' salaries, annual bonuses and other emoluments for FY2020; and
e) Reviewed the Terms of Reference and the Statement of Activities of the RC.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART III: REMUNERATION (Cont'd)

7.0 Remuneration of Directors and Senior Management

7.1 Details of Directors' Remuneration

In May 2020, the RC conducted an assessment on the Directors' remuneration for FY2020. Benchmarking was made against other public listed companies on Bursa Malaysia with similar businesses, market capitalisation, location and financial positions. Based on the assessment, the Directors' remuneration was considered appropriate and recommended to the Board for approval. It was subsequently approved by the Board without participation of respective Directors in determining their own remuneration.

Pursuant to the CA 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a General Meeting. The Board shall seek shareholders' approval at the forthcoming 2nd AGM for the payment of Directors' fees for FY2020 and for Directors' benefits from 1 April 2019 until the conclusion of the 3rd AGM of the Company to be held in year 2021.

Details of the Directors' remuneration for FY2020 are as follows:

	Company (i)			Subsidiaries (ii)				Grand-Total
	Fees	Meeting Allowances	Sub-Total	Salaries and Bonuses	Defined Contribution Plans	Benefits-in-kind	Sub-Total	
	RM	RM	RM	RM	RM	RM	RM	RM
Executive Directors								
Mr Lee Chai	72,000	1,500	73,500	3,004,000	429,528	17,000	3,450,528	3,524,028
Mr Lim Yook Kim	72,000	1,500	73,500	889,000	141,109	28,000	1,058,109	1,131,609
Mr Kang Ah Chee	72,000	1,500	73,500	889,000	141,109	28,000	1,058,109	1,131,609
Mr Lee Sai Boon	72,000	1,500	73,500	2,355,000	336,696	28,000	2,719,696	2,793,196
Independent Non-Executive Directors								
YM Tengku Azrina Binti Raja Abdul Aziz	108,000	1,500	109,500	–	–	–	–	109,500
Ms Tan Lay Beng	84,000	1,500	85,500	–	–	–	–	85,500
Mr Chang Tian Kwang	72,000	1,500	73,500	–	–	–	–	73,500
Mr Wee Soon Chit	72,000	1,500	73,500	–	–	–	–	73,500
Alternate Directors								
Ms Lim Pei Shi	–	–	–	459,000	56,004	23,950	538,954	538,954
Ms Lee Ling Sien (Appointed on 12 May 2020)	–	–	–	222,500	27,624	7,260	257,384	257,384

Note:
(i) Receivable from the Company.
(ii) Received and receivable from subsidiaries in respect of their executive role.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

PART III: REMUNERATION (Cont'd)

7.0 Remuneration of Directors and Senior Management (Cont'd)

7.2 Details of the Top Five (5) Senior Management Personnel's Remuneration

Remuneration of the Group's top five (5) Senior Management personnel for FY2020 are disclosed in bands of RM50,000 as follows:

Range of Remuneration (RM)	Number of Senior Management [ii]
350,000 - 400,000 [i]	1
600,000 - 650,000 [i]	1
700,000 - 750,000 [i]	3
Total	**5**

Note:
(i) Received from subsidiaries in respect of their executive role.
(ii) The disclosure does not include Senior Management who holds directorship in the Company. Details of their remuneration are provided in the Directors' remuneration table.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT AND RISK MANAGEMENT COMMITTEE

8.0 Effective and Independent ARMC

8.1 ARMC Chairperson

The Board has established an effective and independent ARMC which is led by an Independent Non-Executive Director. The position of ARMC Chairperson is distinct and separate from that of the Board Chairperson to enhance objectivity of the Board's review on the ARMC's findings and recommendations.

8.2 Policy Requiring Former Key Audit Partner to Observe two (2) Years Cooling-Off Period

The Board is committed to ensuring the effectiveness and independence of its ARMC. This includes to require any former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC. No former key audit partners of the external auditors have been appointed to the Board thus far.

8.3 External Auditors Assessment

On an annual basis, the ARMC assesses the suitability, objectivity and independence of the Company's External Auditors and makes subsequent recommendations to the Board on the appointment, re-appointment or termination of the External Auditors. The assessment is conducted through a prescribed evaluation form covering assessment criteria, as set out below:

a) Calibre of external audit firm;
b) Quality processes/performance;
c) Audit team;
d) Independence and objectivity;
e) Audit scope and planning;
f) Audit fees; and
g) Audit communications.

The evaluation of the External Auditors, Messrs KPMG PLT ("**KPMG**"), for FY2020 was conducted in June 2020. Overall, no major concern had arisen from the assessment and the ARMC was satisfied with the performance of the External Auditors in terms of their quality of service provided as well as their exercise of audit independence. Written assurance was obtained from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC had also considered that the provision of non-audit services by the External Auditors and their affiliates during FY2020 was not in conflict with the External Auditors' audit services and did not compromise their independence and objectivity. Details on the audit and non-audit fees paid or payable to the External Auditors and their affiliates for FY2020 are set out in the Additional Compliance Information on page 63 of this Annual Report.

Accordingly, the re-appointment of KPMG as Auditors of the Company for FY2021 was recommended by the ARMC to the Board. The Board shall seek shareholders' approval for the re-appointment at the forthcoming AGM.

8.4 Composition of the ARMC

The ARMC comprises solely Independent Non-Executive Directors. Details on the ARMC composition and key activities undertaken during FY2020 are set out in the ARMC Report from pages 60 and 61 of this Annual Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

PART I: AUDIT AND RISK MANAGEMENT COMMITTEE (Cont'd)

8.0 Effective and Independent ARMC (Cont'd)

8.5 Diversity in skills of the ARMC

The current ARMC comprises members in the fields of accountancy, taxation, banking and finance, property consultancy as well as legal and corporate governance. Collectively, the ARMC possesses the necessary skills to discharge its duties and responsibilities. two (2) out of four (4) members of the ARMC, including the ARMC Chairperson, are qualified as Public Accountants of the Malaysian Institute of Accountants. All members of the ARMC are financially literate and have the ability to understand matters under the purview of the ARMC including the financial reporting process. Biographical particulars of each member of the ARMC are set out on pages 24, 29, 30, and 31 of this Annual Report.

Members of the ARMC continue to undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Details on the training courses attended by the ARMC members during FY2020 are as set out on pages 51 and 52 of this Annual Report.

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9.0 Effective Risk Management and Internal Control Framework

9.1 Established an Effective Risk Management and Internal Control

The Board oversees the Group's risk management and internal control framework. It provides guidance and instructions on matters relevant to risk management, ensuring that there are effective internal controls in place to manage risks confronted by the Group.

The Board, with the assistance of the ARMC, has formalised a Risk Management Framework to govern principles and policies against managing the Group's risks. The Framework outlines the risk organisation structure and the roles and responsibilities of each level of the management. It also sets out the risk management processes as well as the risk appetite and risk tolerance of the Group.

The Board has also appointed an independent professional service company to function as the Group's Internal Auditors in reviewing the state of internal control of the Group and to highlight areas for management and operational improvement.

9.2 Disclosure on the Features of Risk Management and Internal Control Framework

Key features of the Risk Management Framework and details of the Company's internal control system are disclosed in the Statement on Risk Management and Internal Control set out from pages 64 to 66 of this Annual Report.

9.3 Risk Management Committee

The ARMC assists the Board in fulfilling its oversight function of risk management and internal control. The ARMC is responsible to review and recommend risk management policies and procedures for the Board's approval. It assesses the risk management process, the risk profile of the Group, including risk registers as well as the risk management team's plans to mitigate business risks as identified from time to time.

Details on the key activities undertaken in relation to the risk management and internal control by the ARMC during FY2020 are set out in the ARMC Report on page 61 of this Annual Report.

10.0 Effective Governance, Risk Management and Internal Control

10.1 Effective and Independent Internal Audit Function

During FY2020, the Board, having considered the recommendations by the ARMC, has approved, among other shortlisted candidates, the appointment of Sterling Business Alignment Sdn Bhd ("**Internal Auditors**"), an independent professional service company, as the Group's Internal Auditors to carry out internal audit function for the Group. Due regard and deliberations have been made to consider their competency, experience, organisation size, clientele, independence, as well as the proposed scope of work, engagement fee and audit approach, plan and cycle.

The Internal Auditors assist the ARMC in managing the risks and establishment of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the ARMC and are authorised with full and unrestricted access to all of the Group's records, physical properties and personnel pertinent to carrying out any engagement.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)

10.0 Effective Governance, Risk Management and Internal Control (Cont'd)

10.1 Effective and Independent Internal Audit Function (Cont'd)

In developing the scope of the internal audit function, the ARMC is satisfied that:

a) the person responsible for the internal audit has relevant experience, sufficient standing and authority to discharge his/her functions effectively;

b) the firm appointed to carry out the Group's internal audit function has sufficient resources and is able to access information to carry out its role effectively; and

c) the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.

During FY2020, the ARMC has also approved the Internal Audit Plan for FY2020/21, which covers assessment of the key functional areas of the Group. Accordingly, the internal audit report was presented to the ARMC on 26 February 2020. Areas for improvements were highlighted to the ARMC and the implementation of recommendations has consistently been monitored. The Internal Auditors have provided assurance to the ARMC that none of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the AR2020.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I: COMMUNICATION WITH STAKEHOLDERS

11.0 Communication with Stakeholders

11.1 Effective, Transparent and Regular Communication with Stakeholders

The Board recognises the importance and value of effective dialogue with its stakeholders, and is committed to ensuring the Group maintains transparent and regular communication channels to build long-term relationship with various stakeholders.

The communication channels in place, amongst others, are as follows:

a) **Announcement to Bursa Malaysia**
The Company makes timely public announcements and disclosures to Bursa Malaysia, which include quarterly financial results, material transactions involved, changes in Directors/Substantial Shareholders' interests as well as any other material information that is reasonably expected to have a substantial impact on the Company's Securities and/or investors' decision-making.

b) **Investors and Research Analysts Briefing and Dialogue**
The Company conducts engagement sessions with investors and research analysts, after quarterly results are released, to discuss the Group's financial performance and results as well as immediate and long-term strategies, along with their implications.

c) **Company's Website**
The Company maintains a regularly updated and informative corporate website at **www.ame-elite.com**. The website has a dedicated "Investor Relations" section, in which all relevant corporate information on the Group are provided, including financial calendar, corporate governance documents and policies, regulatory announcements and disclosures, annual report, corporate governance report, quarterly results, corporate presentations, press releases, and analyst coverage.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

PART I: COMMUNICATION WITH STAKEHOLDERS (Cont'd)

11.0 Communication with Stakeholders (Cont'd)

11.1 Effective, Transparent and Regular Communication with Stakeholders (Cont'd)

d) Investor Relations Function

The Company has a separate investor relations function managed by designated personnel. The investor relations function serves as a conduit between the Company and various investors/ financial communities pertaining to the Group's corporate development strategies and financial plans. It facilitates and manages investor-related activities such as investor roadshow, quarterly financial results briefing, press releases, as well as site visits and meetings with institutional investors, fund managers and analysts.

Any enquiries on investor-related matters may be directed to the email address, **corporate@ame-elite.com** or may also be conveyed to the following persons:

Mr Gregory Lui
Group Financial Controller
Contact No.: +607-5959 666
Email: **gregory.lui@amedev.com.my**

Ms Julia Pong
Investor Relations Officer
Contact No.: +603-2711 1391
Email: **ame-elite@investor.net.my**

While the Company endeavours to disseminate timely information to investors and financial communities through the above channels, the Company is also mindful that all corporate disclosures take into account the prevailing legislative restrictions and requirements. The Company will avoid instances of disseminating unpublished price-sensitive information and will not provide undisclosed material information to a specific group.

PART II: CONDUCT OF GENERAL MEETINGS

12.0 Encourage Shareholder Participation at General Meeting

12.1 Notice for Annual General Meeting

The Company values its General Meetings as an important avenue for dialogue with shareholders. It will hold its 1st AGM since being listed on the Main Market of Bursa Malaysia (2nd AGM since incorporation) on 27 August 2020.

The Company disseminated the AGM Notice with accompanying notes to shareholders on 30 July 2020. This exceeds the minimum mandated period of twenty-one (21) days stipulated in the Listing Requirements and the CA 2016. It also conforms with Practice 12.1 of the MCCG which calls for at least twenty-eight (28) days of circulating the notice of meeting prior to a General Meeting. The additional time given allows shareholders to make necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. It also empowers shareholders with sufficient preparation time to consider the proposed resolutions and to make informed voting decisions at the AGM.

12.2 Directors to Attend General Meetings

The Board expects a full attendance from all its Directors as well as its External Auditors for the forthcoming AGM. The Board Committee Chairpersons will respond questions in relation to their roles and functions while the External Auditors will answer questions relevant to the audit process and matters.

The Board Chairperson will chair the AGM and will together with the Executive Directors and Senior Management ensure all proposed resolutions are explained in detail prior to the commencement of poll voting. Shareholders will be invited to raise questions so they may make an informed judgement and vote accordingly.

The Company will also appoint an independent scrutineer to monitor the process of poll voting and to validate the votes cast at the AGM. The outcome of the AGM will be announced to Bursa Malaysia as soon as practicable and published on the Company's website.

12.3 Leveraging on Technology for Voting in Absentia and Remote Shareholders' Participation

After due regard to the current shareholders' base, the Company is of the view that the number and percentage of its foreign shareholders does not warrant additional arrangements, such as voting in absentia and remote participation by shareholders. However, with an aim to promote active shareholders' engagement, shareholders who are unable to attend the forthcoming AGM are allowed to appoint their respective proxies to participate, speak and vote on their behalf at the AGM.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("**Board**") of AME Elite Consortium Berhad ("**Company**") is pleased to present the Audit and Risk Management Committee ("**ARMC**") Report for the financial year ended 31 March 2020 ("**FY2020**").

COMPOSITION

The ARMC comprises four (4) members as follows:

Name	Designation	Directorship
Ms Tan Lay Beng	Chairperson	Independent Non-Executive Director
YM Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson
Mr Chang Tian Kwang	Member	Independent Non-Executive Director
Mr Wee Soon Chit	Member	Independent Non-Executive Director

The Chairperson of the ARMC, Ms Tan Lay Beng is a Fellow Member of the Association of Chartered Certified Accountants, a Fellow Member of the Chartered Tax Institute of Malaysia and a Public Accountant of the Malaysian Institute of Accountants. She is presently the Regional Chairperson of Johor of the Malaysian Institute of Accountants.

MEETING

The ARMC held three (3) meetings during FY2020. The attendance of the ARMC members are set out as follows:

Name	Number of Meetings Attended
Ms Tan Lay Beng	3/3
YM Tengku Azrina Binti Raja Abdul Aziz	3/3
Mr Chang Tian Kwang	3/3
Mr Wee Soon Chit	3/3

TERMS OF REFERENCE

The detailed terms of reference of the ARMC are published and available on the Company's website at **www.ame-elite.com**.

SUMMARY OF ACTIVITIES

The activities carried out by the ARMC during FY2020 in discharging its functions and duties are summarised as follows:

1. FINANCIAL REPORTING

- Reviewed the unaudited quarterly interim financial reports ("**Interim Financial Reports**") and year-end financial statements ("**Annual Financial Statements**") for FY2020 before they were presented to the Board for approval as recommended.
- In its review of the Interim Financial Reports and the Annual Financial Statements for FY2020, discussed with Management and External Auditors on the financial reporting standards applied, including judgments exercised in the application of those standards and significant accounting estimates and assumptions used in arriving at the reported amounts in the Interim Financial Reports and the Annual Financial Statements for FY2020.
- Discussed the implication of the adoption of new financial reporting standards during FY2020, i.e. Malaysian Financial Reporting Standard ("**MFRS**") 16 – Leases with the Management and the External Auditors.
- Met with the External Auditors without the presence of the Management to discuss issues encountered during the course of review of the Interim Financial Reports and audit of the Annual Financial Statements for FY2020.

SUMMARY OF ACTIVITIES (Cont'd)

2. EXTERNAL AUDIT

- Reviewed the Audit Plan and Strategy for FY2020 prepared by the External Auditors, covering the engagement team, materiality, scope, methodology, timing, involvement of other experts, significant accounting policies and disclosures, audit focus areas, key milestones and newly effective standards.
- Reviewed the review findings of the Interim Financial Reports and audit findings of the Annual Financial Statements for FY2020, as well as year-end audit report and management letter with the Management response for FY2020 prepared by the External Auditors.
- Reviewed the suitability and independence of External Auditors, the ARMC received confirmation from the External Auditors through their Audit Plan and Strategy for FY2020 on their independence. During the presentation of the audit report to the ARMC on the results of the audit carried out, the External Auditors also reaffirmed that their independence was not compromised during the audits and they are in compliance with relevant by-laws and standards of relevant professional bodies. The ARMC was satisfied that, throughout the audit engagement, the External Auditors had conducted themselves in accordance with the terms of all relevant professional and regulatory requirements, and made recommendations to the Board on their re-appointment.
- Reviewed the fees of the External Auditors.

3. INTERNAL AUDIT

- Reviewed and approved the appointment of Internal Auditors, considering the experience of engagement team, organisation size, clientele, scope, approach, cycle and fee proposal.
- Reviewed the Internal Audit Charter prepared by the Internal Auditors.
- Reviewed the adequacy of scope, functions, competency and resources of the internal audit functions.
- Reviewed the internal audit report, including audit findings and recommendations for improvement prepared by the Internal Auditors and the corresponding actions taken by the Management, including follow up reviews carried out by the Internal Auditors.

4. RELATED PARTY TRANSACTIONS

- Reviewed the related party transactions ("**RPTs**") of the Company and its subsidiaries (collectively referred to as "**Group**") and satisfied that the RPTs were transacted on an arm's length basis and on normal commercial terms which were not unfavourable to the Group.
- Reviewed the recurrent RPTs of the Group and satisfied that the recurrent RPTs did not exceed the threshold prescribed under Bursa Malaysia Securities Berhad's Main Market Listing Requirements of which require the Company's shareholder approval.

5. RISK MANAGEMENT

- Reviewed the Risk Management Framework before it was presented to the Board for approval as recommended.
- Discussed with the Management, the identification of key risks and risk control measures for implementation at quarterly meetings.

6. OTHERS

- Reviewed the following terms / policies before they were presented to the Board for approval as recommended:

  a. ARMC's Terms of Reference;
  b. Anti-Bribery and Anti-Corruption Policy, including its guideline; and
  c. Whistleblowing Policy, including its form

- Reviewed the following statements / reports before they were presented to the Board for approval as recommended for inclusion in the Annual Report:

  a. Sustainability Statement;
  b. Corporate Governance Overview Statement;
  c. ARMC Report; and
  d. Statement of Risk Management and Internal Control

INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit functions of the Group to an independent professional services firm, namely Sterling Business Alignment Sdn Bhd ("**Internal Auditors**"). The Internal Auditors carry out the internal audit functions of the Group in order to assist the ARMC in discharging its duties and responsibilities. The Internal Auditors also assist the Group in meeting its business objectives by establishing and maintaining a systematic and disciplined approach to evaluate and improve the effectiveness of the Group's Risk Management Framework.

The Internal Auditors adopt risk-based audit methodology to develop its internal audit plan and activities. The internal audit functions of the Group are carried out according to the internal audit plan as approved by the ARMC. Greater focus and appropriate review are set for higher risk functions, significant internal controls, including compliance with the Group's policies, procedures and regulatory responsibilities.

The Internal Auditors provide the audit findings and recommendations for improvement to the Management who would respond on the actions to be taken thereafter. The Internal Auditors present its internal audit report to the ARMC. The ARMC then monitors the timely and proper implementation of required corrective or preventive or improvement measures undertaken by the Management so as to continuously improve the system of internal controls of the Group.

The assignments carried out by the Internal Auditors during FY2020 in discharging their duties and responsibilities were to gauge the internal control environment of the Pre-Contract Management, Project Management and Post Contract Management functions of a major subsidiary of the Group, AME Construction Sdn Bhd.

The internal audit report with details on background, audit scope and approach, reporting method and process flows was issued to the ARMC and the Board, as well as tabled at the ARMC's meeting. The internal audit report incorporated the Internal Auditors' findings, recommendations for improvement and follow up reviews of the implementation of the recommendations and the actions taken by the Management.

The internal audit fee incurred for FY2020 was RM16,000.

EVALUATION

The Board, through the Nomination Committee, has evaluated the performance of the ARMC and its members. Based on the assessment conducted for FY2020, the ARMC and its members are found to have effectively discharged their duties and responsibilities in accordance with the ARMC's terms of reference.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company was listed on the Main Market of Bursa Malaysia Securities Berhad ("**Listing**") on 14 October 2019. In conjunction with the Listing, the Company undertook a public issue of 85,423,000 new ordinary shares at an issue price of RM1.30 per share, raising gross proceeds of RM111.05 million ("**IPO Proceeds**").

As at the end of the financial year ended 31 March 2020 ("**FY2020**"), the utilisation of the IPO Proceeds is as follows:

Details of use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilised %	Estimated timeframe for the use of proceeds upon Listing
Future industrial property development and investment projects including land acquisitions and joint ventures	69,050	–	–	Within 36 months
Working capital for our i-Park@Senai Airport City development project	23,000	–	–	Within 12 to 36 months
Complete the expansion of our precast concrete fabrication capacity	9,000	–	–	Within 12 months
Estimated listing expenses	10,000	(i) 8,656	100	Within 6 months
Total	**111,050**	**8,656**		

The utilisation of the IPO Proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 24 September 2019.

(i) The actual listing expenses incurred of RM8.66 million is lower than the estimated amount of RM10.00 million. The excess amount of RM1.34 million will be used for working capital purposes, particularly as payment of initial development costs of Phase 3 of our i-Park@Senai Airport City industrial park project.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for FY2020 are as follows:

Type of fees	The Company RM	The Group RM
Audit fees	40,000	385,000
Non-audit fees	(i) 600,000	(ii) 665,600
Total	**640,000**	**1,050,600**

(i) The non-audit fees of the Company were incurred mainly for the review and advisory services in connection with the Listing.
(ii) Save for the services as disclosed in item (i), the non-audit fees of the Group mainly comprise of corporate tax computation and submission services rendered to the Group by a firm affiliated to the external auditors.

3. MATERIALS CONTRACTS INVOLVING INTERESTS OF DIRECTORS, CHIEF EXECUTIVE OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors, chief executive who is not a director, or major shareholders, either still subsisting at the end of FY2020, or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

There were no recurrent related party transactions of a revenue or trading nature which requires shareholders' mandate during FY2020.

5. EMPLOYEE SHARE SCHEME

The Company did not establish any employee share scheme and there was no subsisting employee share scheme during FY2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("**Board**") of AME Elite Consortium Berhad ("**Company**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**") for the financial year ended 31 March 2020 ("**FY2020**"), prepared in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), Principle B of the Malaysian Code of Corporate Governance, and with guidance from the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining sound risk management and internal control systems ("**Systems**") to safeguard the shareholders' investments and the Company and its subsidiaries (collectively referred to as "**Group**")'s assets, and to discharge its stewardship responsibility in identifying and evaluating risks and ensuring the implementation of the appropriate Systems to manage these risks.

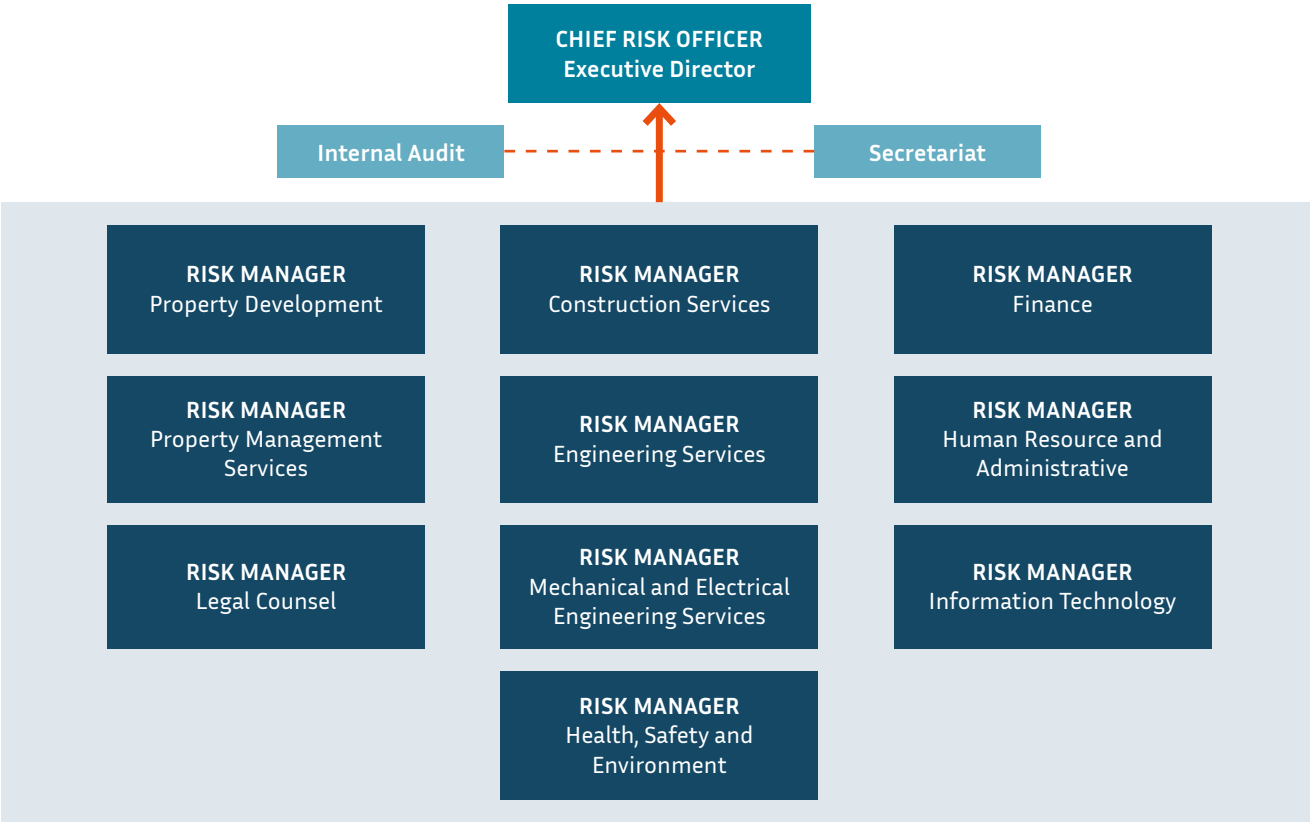
The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Management assists the Board in implementing the policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design and monitoring of suitable internal controls to mitigate these risks.

RISK MANAGEMENT FRAMEWORK

The Group has established and adopted a Risk Management Framework ("**Framework**") which outlines the Group's risks and the on-going process for identifying, evaluating, managing and reporting the key risks faced by the Group throughout the financial year under review up to the date of approval of this Statement.

The Group's Risk Organisation Structure is set out as below:

The Group's Risk Management Working Group ("**RMWG**") is set out as below:



RISK MANAGEMENT FRAMEWORK (Cont'd)

The Board has delegated its authority to the Audit and Risk Management Committee ("**ARMC**") to oversee the Framework and risk management policies, assess the adequacy and effectiveness of the risk management process, and review the risk profile of the Group. The ARMC also has oversight on ensuring compliance with the Listing Requirements of Bursa Malaysia and other applicable laws. The ARMC is assisted by the RMWG which is headed by an Executive Director and consists of Head of Divisions / Functions ("**Heads**") who are delegated with the responsibilities to manage risks related to their respective division / function units.

The RMWG is responsible for creating an awareness culture to ensure a greater understanding of the importance of effective Systems and that its principles are embedded in key operational processes. This is undertaken through the Group's Code of Conduct and Ethics, policies and procedures manuals, staff briefings and leadership by example.

The process involves identifying and assessing relevant types of risks in terms of likelihood and magnitude of impact, as well as identifying and evaluating adequacy and effectiveness of applying the mechanism in place to manage and mitigate these risks. Key risks relating to the Group's operations are deliberated at the regular monthly meetings attended by the Executive Directors and Senior Management team where significant risks are reported to the Board at their scheduled meetings. The process of identifying, evaluating, monitoring and managing risks is embedded in the various work processes and procedures of the respective operational functions. The risk-mitigating processes are implemented in the following aspects:

1. **Legal and Regulatory**

   Compliance with laws and regulations that are relevant to our Group's business such as compliance with industry legislation and the Listing Requirements where all announcements should be made in a timely manner.

2. **Political, Legislative and Economic Risk**

   Ensure that the Group is updated in accordance with changes in, if any, the economic, political situation, government economic plans and policies in Malaysia.

3. **Financial**

   Liquidity risk management processes which ensure that the Group effectively and efficiently manages its financial resources and meets its financial obligations.

4. **Business**

   Business risk management approach which identifies key business risks and their financial impact. Identified business risks are assessed and ranked based on their severity of consequences and likelihood of occurrence for mitigating actions to be taken.

5. **Operational**

   Key operational risks identified such as risks affecting quality and timeliness of project delivery are monitored by risk owners to ensure remedial and mitigating actions.

6. **Health, Safety and Environment**

   Adopt stringent monitoring controls on health, safety and environment such as the recent COVID-19 pandemic which are of utmost importance to the business. Monitoring control and measures include complying with the statutory guidelines and procedures, the delegation of duties and responsibilities, schedule of tasks and the implementation of control measures.

The Board will continually review and evaluate the existing Framework and risk management practices to ensure the Framework and the risk management practices are appropriate and remain relevant to the Group's requirements.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional services firm to assist the Board and ARMC by providing an independent assessment of the adequacy and effectiveness of the Group's Systems of risk management and internal control. This is also to ensure that the internal audit function carried out is free from any relationships or conflicts of interest, which may impair objectivity and independence. Further details of the Internal Audit Function are set out in ARMC Report on page 62 of this Annual Report.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's Internal Controls are as follows:

1. An organisation structure with defined scopes of responsibility, clear lines of accountability, appropriate segregation of duties and delegation of authority;
2. A set of documented internal policies and procedures, which is subject to regular review by the Management;
3. A Health, Safety and Environment Policy to raise the awareness of quality, health, safety and environment practices throughout the Group and monitors the compliances with relevant regulations and best practices;
4. A Whistleblowing Policy to assist stakeholders to raise concerns on any malpractices they may observe in the Group, without fear of retaliation;
5. An Anti-Bribery and Anti-Corruption Policy to prohibit all forms of bribery and corruption practices, and the Group is committed to conducting business free from any acts of bribery or corruption in upholding high standards of ethics and integrity;
6. The Executive Directors are closely involved in the running of the Group's businesses and operations and they report to the Board on significant changes in the business and external environment, if any;
7. Several board committees include the ARMC, Nomination Committee and Remuneration Committee which have been delegated with specific duties to review and consider all matters within their scope of responsibilities as defined in their respective terms of reference;
8. Management meetings are conducted monthly with the Executive Directors and Senior Management in attendance;
9. Budgets for the financial year are reviewed on a yearly basis and major variances are investigated and followed up, if any, and remedial actions are taken where necessary;
10. Regular and comprehensive information provided to the Management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
11. Report by the Management to the Board on significant operational matters and other issues affecting the Group;
12. Regular visits to operating units and / or project sites by the Group Managing Director, Executive Directors and Senior Management;
13. Adequate insurance coverage on the Group's major assets, resources and against any mishap that may result in unexpected financial losses to the Group;
14. The Internal Audit Function carries out internal audit reviews to ascertain the adequacy and effectiveness of operational and financial procedures; and
15. During the ARMC and Board meetings, quarterly results, interim financial report, annual financial statements, related party transactions and updates on business development are reviewed, and key risks highlighted by the Management are deliberated upon.

REVIEW OF STATEMENT BY EXTERNAL AUDITOR

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("**AAPG**") 3, (previously Recommended Practice Guide 5 (Revised 2015)), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("**MIA**") for inclusion in the annual report of the Group for the year ended 31 March 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

BOARD ASSURANCE AND LIMITATION

The Board is of the view that the Group's Systems in place are adequate and effective to safeguard the shareholders' investments and the Group's assets, and is not aware of any material misstatements, financial losses or fraud during FY2020 as a result of weaknesses in internal control that would require disclosure in the Annual Report.

The Board has also received assurance from the Group Managing Director and Group Financial Controller that the Group's Systems are operating adequately and effectively, in all material aspects, based on the Group's Framework.

The Board undertakes to continuously improve and strengthen the Group's Systems. Nonetheless, the Board wishes to clarify that the Group's Systems are designed to manage risks to a reasonable level rather than to eliminate risks of failure to achieve the Group's business objectives. Therefore, the Group's Systems can only provide reasonable but not absolute assurance against the material misstatements, financial losses or fraud.

DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE AUDITED FINANCIAL STATEMENTS
(PURSUANT TO PARAGRAPH 15.26(A) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The Directors are required by the Companies Act ("**Act**") to prepare the financial statements for each financial year in accordance with applicable Financial Reporting Standards, the requirements of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year as well as of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the year ended 31 March 2020, the Directors have deliberated:

i. appropriate and relevant accounting policies have been adopted and applied consistently;

ii. judgements and estimates have been made on reasonable and prudent basis;

iii. all applicable accounting standards have been followed; and

iv. the financial statements have been prepared on a going concern basis.

In addition, the Directors have a responsibility to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking such steps which are reasonably available to them to safeguard the assets of the Group and the Company to detect and prevent fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Directors have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company consists of those relating to investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	64,140,775	16,955,225
Non-controlling interests	4,503,281	–
	68,644,056	16,955,225

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, an interim dividend of RM0.03 per ordinary share totalling RM12,813,453 in respect of the financial year ended 31 March 2020 was declared by the Company on 25 June 2020, and will be payable on 18 August 2020. The financial statements for the current financial year do not reflect this dividend and it will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2021.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Directors	Alternate
Mr. Lee Chai	Ms. Lee Ling Sien (appointed on 12 May 2020)
Mr. Lim Yook Kim	Ms. Lim Pei Shi
Mr. Kang Ah Chee	
Mr. Lee Sai Boon	
YM Tengku Azrina Binti Raja Abdul Aziz	
Ms. Tan Lay Beng	
Mr. Chang Tian Kwang	
Mr. Wee Soon Chit	

The names of the Directors of the subsidiaries are set out in the respective subsidiaries' financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporation (other than wholly-owned subsidiaries) of those who were Directors at financial year end *(including the interests of the spouses or children of the Directors who themselves are not Directors of the Company)* as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
Name of Directors	**At 1 April 2019**	**Bought**	**Sold**	**At 31 March 2020**
Company				
Direct interest				
Mr. Lee Chai	300	90,820,800	–	90,821,100
Mr. Lim Yook Kim	300	89,693,800	–	89,694,100
Mr. Kang Ah Chee	300	89,693,800	–	89,694,100
Mr. Lee Sai Boon	100	30,257,900	–	30,258,000
Ms. Lim Pei Shi	–	490,000	–	490,000
YM Tengku Azrina Binti Raja Abdul Aziz	–	200,000	–	200,000
Ms. Tan Lay Beng	–	200,000	–	200,000
Mr. Chang Tian Kwang	–	200,000	–	200,000
Mr. Wee Soon Chit	–	200,000	–	200,000
Deemed interest				
Mr. Lee Chai	–	4,262,200	(2,000,000)	2,262,200
Mr. Lim Yook Kim	–	2,769,300	–	2,769,300
Mr. Kang Ah Chee	–	2,663,300	–	2,663,300
Mr. Lee Sai Boon's direct interest in:				
Subsidiaries				
- Active Gold Services Sdn. Bhd.	50,000	–	–	50,000
- AME Integrated Sdn. Bhd.	10	–	–	10
- I Stay Management Sdn. Bhd.	7,000	–	(7,000)	–
Ms. Lim Pei Shi's direct interest in:				
Subsidiary				
- Symphony Square Sdn. Bhd.	90,000	–	–	90,000
Mr. Lee Chai's, Mr. Lim Yook Kim's and Mr. Kang Ah Chee's direct interest each in:				
Subsidiaries				
- Active Gold Services Sdn. Bhd.	150,000	–	–	150,000
- AME Integrated Sdn. Bhd.	30	–	–	30
- I Stay Management Sdn. Bhd.	21,000	–	(21,000)	–
Mr. Lee Chai's, Mr. Lim Yook Kim's and Mr. Kang Ah Chee's deemed interest each in:				
Subsidiaries				
- Active Gold Services Sdn. Bhd.	–	500,000,000	–	500,000,000
- AME Integrated Sdn. Bhd.	–	100,000	–	100,000
- Symphony Square Sdn. Bhd.	90,000	300,000,000	–	300,090,000
- Ipark Development Sdn. Bhd.	4,000,000	–	–	4,000,000
- I Stay Management Sdn. Bhd.	–	70,000	–	70,000

DIRECTORS' INTERESTS IN SHARES (Cont'd)

Name of Directors	Number of preference shares			
	At 1 April 2019	Bought	Sold	At 31 March 2020
Mr. Lee Chai's, Mr. Lim Yook Kim's and Mr. Kang Ah Chee's deemed interest each in:				
Subsidiary				
- Ipark Development Sdn. Bhd.	7,680	–	–	7,680

Mr. Lee Chai's deemed interest represents shares held by his daughter, Ms. Lee Ling Sien and by a company in which he has substantial financial interest. Mr. Lim Yook Kim's deemed interest represents shares held by his son and by a company in which he has substantial financial interest. Mr. Kang Ah Chee's deemed interest represents shares held by his sons, his daughter and by a company in which he has substantial financial interest.

In addition to Mr. Lee Chai's, Mr. Lim Yook Kim's and Mr. Kang Ah Chee's deemed interests in the ordinary shares and preference shares of the subsidiaries as disclosed above, by virtue of their substantial interests in the shares of the Company, they are also deemed to have interest in the ordinary shares of all the subsidiaries of the Company as disclosed in Note 6 to the financial statements during the financial year to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than transactions in the ordinary course of business between the Company and companies in which Directors have financial interest as disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ISSUE OF SHARES

During the financial year, the Company issued the following shares:

a) 304,541,235 ordinary shares for a total consideration of RM456,811,853 for the Acquisition of subsidiaries as disclosed in Note 32.1 to the financial statements;

b) 37,149,865 ordinary shares for a total consideration of RM55,724,797 by capitalisation of amount owing by the subsidiaries to certain Directors as disclosed in Note 33.1.4 to the financial statements; and

c) 85,423,000 ordinary shares as part of the Initial Public Offering at RM1.30 per ordinary share.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of premium paid for insurance effected for Directors and officers of the Company is RM10,833.

There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' reports on the audited financial statements of Company's subsidiaries did not contain any qualification or any adverse comments.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and the Company misleading, or

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

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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, the financial performance of the Group and of the Company for the financial year ended 31 March 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 22 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Lee Chai
Director

Lee Sai Boon
Director

Johor Bahru

Date: 29 July 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Group 2020 RM	Group 2019[1] RM	Company 2020 RM	Company 2019 RM
Assets					
Property, plant and equipment	3	100,579,465	95,379,858	683,333	883,333
Inventories	4	8,661,560	8,661,560	–	–
Investment properties	5	344,266,191	278,795,777	–	–
Investments in subsidiaries	6	–	–	511,837,125	–
Investment in a joint venture	7	20,768,833	32,391,985	–	–
Deferred tax assets	8	7,148,105	3,047,521	–	–
Total non-current assets		481,424,154	418,276,701	512,520,458	883,333
Inventories	4	357,762,724	234,097,443	–	–
Contract costs	9	5,819,641	11,737,383	–	–
Contract assets	10	30,156,977	28,091,654	–	–
Trade and other receivables	11	86,233,959	94,425,555	47,087	648,478
Due from subsidiaries	12	–	–	27,094,742	–
Current tax assets		659,408	4,264,599	–	–
Cash and cash equivalents	13	191,806,343	102,487,797	99,894,056	12,347
Total current assets		672,439,052	475,104,431	127,035,885	660,825
Total assets		1,153,863,206	893,381,132	639,556,343	1,544,158
Equity					
Share capital		620,139,959	1,001	620,139,959	1,001
Reserves		13,736,568	406,407,646	14,057,426	(2,897,799)
Equity attributable to owners of the Company	14	633,876,527	406,408,647	634,197,385	(2,896,798)
Non-controlling interests	6	33,769,413	30,266,132	–	–
Total equity		667,645,940	436,674,779	634,197,385	(2,896,798)
Liabilities					
Loans and borrowings	15	260,783,528	186,948,746	–	–
Due to Directors	16	–	3,295,914	–	–
Due to a minority shareholder	17	10,000,000	10,000,000	–	–
Deferred tax liabilities	8	16,893,820	14,015,940	–	–
Total non-current liabilities		287,677,348	214,260,600	–	–
Loans and borrowings	15	22,441,871	28,892,294	–	–
Trade and other payables	18	144,642,559	138,231,264	830,246	4,440,596
Contract liabilities	10	23,707,034	21,297,891	–	–
Due to Directors	16	–	50,929,255	–	–
Due to subsidiaries	12	–	–	4,318,948	–
Due to a minority shareholder	17	1,962,579	565,355	–	–
Current tax liabilities		5,785,875	2,529,694	209,764	360
Total current liabilities		198,539,918	242,445,753	5,358,958	4,440,956
Total liabilities		486,217,266	456,706,353	5,358,958	4,440,956
Total equity and liabilities		1,153,863,206	893,381,132	639,556,343	1,544,158

[1] As explained in Note 32 Acquisition of subsidiaries, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Group 1.4.2019 to 31.3.2020 RM	Group 1.4.2018 to 31.3.2019[1] RM	Company 1.4.2019 to 31.3.2020 RM	Company 27.8.2018 to 31.3.2019 RM
Revenue	19	380,345,692	339,013,457	20,629,007	318,000
Cost of sales		(260,021,416)	(244,959,746)	(841,828)	(423,333)
Gross profit/(loss)		120,324,276	94,053,711	19,787,179	(105,333)
Other income		15,836,610	18,469,351	375	–
Distribution expenses		(4,719,984)	(3,768,538)	–	–
Administrative expenses		(37,564,575)	(31,956,551)	(3,978,710)	(2,790,624)
Other expenses		(482,005)	(206,710)	–	–
Result from operating activities		93,394,322	76,591,263	15,808,844	(2,895,957)
Finance income	20	4,021,787	3,201,853	1,446,350	118
Finance costs	20	(13,980,252)	(6,615,541)	–	–
Net finance (costs)/income		(9,958,465)	(3,413,688)	1,446,350	118
Share of profit/(loss) of an equity-accounted joint venture, net of tax		5,239,270	(586,536)	–	–
Profit/(Loss) before tax		88,675,127	72,591,039	17,255,194	(2,895,839)
Tax expense	21	(20,031,071)	(21,601,655)	(299,969)	(1,960)
Profit/(Loss) for the year/period/Total comprehensive income/(expense) for the year/period	22	68,644,056	50,989,384	16,955,225	(2,897,799)
Profit/(Loss) attributable to:					
Owners of the Company		64,140,775	47,346,826	16,955,225	(2,897,799)
Non-controlling interests		4,503,281	3,642,558	–	–
Profit/(Loss) for the year/period/Total comprehensive income/(expense) for the year/period		68,644,056	50,989,384	16,955,225	(2,897,799)
Basic and diluted earnings per ordinary share (sen)	23	16.82	13.86		

[1] As explained in Note 32 Acquisition of subsidiaries, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Note	Attributable to owners of the Company					Non-controlling interests RM	Total equity RM
		Non-distributable			Distributable			
		Share capital RM	Invested equity RM	Merger reserve RM	Retained earnings RM	Total RM		
Group								
At 1 April 2018[1]		–	4,500,760	–	364,560,060	369,060,820	26,623,574	395,684,394
At date of incorporation		1,001	–	–	–	1,001	–	1,001
Profit and total comprehensive income for the year		–	–	–	47,346,826	47,346,826	3,642,558	50,989,384
Contributions by and distributions to owners of the Company								
Dividends to owners of the Group/ **Total transactions with owners of the Company**	24	–	–	–	(10,000,000)	(10,000,000)	–	(10,000,000)
At 31 March 2019/1 April 2019[1]		1,001	4,500,760	–	401,906,886	406,408,647	30,266,132	436,674,779
Profit and total comprehensive income for the year		–	–	–	64,140,775	64,140,775	4,503,281	68,644,056
Contributions by and distributions to owners of the Company								
New shares issued by the Company as consideration for the acquisition of subsidiaries	32.1	456,811,853	–	(456,811,853)	–	–	–	–
Subscription of shares in subsidiaries	32.2	–	800,100	(800,100)	–	–	–	–
Reversal of issued and paid-up share capital		–	(5,300,860)	5,300,860	–	–	–	–
Capitalisation of amounts due to Directors	33.1.4	55,724,797	–	–	–	55,724,797	–	55,724,797
New shares issued by the Company for the Public Issue		111,049,900	–	–	–	111,049,900	–	111,049,900
New share issuance expenses for the Public Issue		(3,447,592)	–	–	–	(3,447,592)	–	(3,447,592)
Total transactions with owners of the Company		620,138,958	(4,500,760)	(452,311,093)	–	163,327,105	–	163,327,105
Dividends to non-controlling interests in a subsidiary		–	–	–	–	–	(1,000,000)	(1,000,000)
At 31 March 2020		620,139,959	–	(452,311,093)	466,047,661	633,876,527	33,769,413	667,645,940

[1] As explained in Note 32 Acquisition of subsidiaries, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

		Attributable to owners of the Company		
	Note	Non-distributable Share capital RM	Non-distributable (Accumulated losses)/ Distributable Retained earnings RM	Total equity RM
Company				
At date of incorporation		1,001	–	1,001
Loss and total comprehensive expense for the period		–	(2,897,799)	(2,897,799)
At 31 March 2019/1 April 2019		1,001	(2,897,799)	(2,896,798)
Profit and total comprehensive income for the year		–	16,955,225	16,955,225
Contributions by and distributions to owners of the Company				
Capitalisation of amounts due to Directors	33.1.4	55,724,797	–	55,724,797
New shares issued by the Company as consideration for the acquisition of subsidiaries	32.1	456,811,853	–	456,811,853
New shares issued by the Company for the Public Issue		111,049,900	–	111,049,900
New share issuance expenses for the Public Issue		(3,447,592)	–	(3,447,592)
Total transactions with owners of the Company		620,138,958	–	620,138,958
At 31 March 2020		620,139,959	14,057,426	634,197,385

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Group		Company	
	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019[1] RM	1.4.2019 to 31.3.2020 RM	27.8.2018 to 31.3.2019 RM
Cash flows from operating activities				
Profit/(Loss) before tax	88,675,127	72,591,039	17,255,194	(2,895,839)
Adjustments for:				
Reversal of impairment loss on trade receivables	(4,907)	(102,961)	–	–
Depreciation of property, plant and equipment	6,525,471	5,367,426	200,000	116,667
Loss/(Gain) on disposal of:				
- property, plant and equipment	55,372	(383,441)	–	–
- investment properties	108,821	–	–	–
Share of (profit)/loss of equity-accounted joint venture, net of tax	(5,239,270)	586,536	–	–
Finance costs	13,980,252	6,615,541	–	–
Finance income	(4,021,787)	(3,201,853)	(1,446,350)	(118)
Unrealised foreign exchange (gain)/loss	(145,515)	59,144	–	–
Dividend income	–	–	(19,993,007)	–
Change in fair value of investment properties	(13,467,150)	(16,376,235)	–	–
Operating profit/(loss) before changes in working capital	86,466,414	65,155,196	(3,984,163)	(2,779,290)
Change in inventories	(123,992,820)	(2,461,946)	–	–
Change in trade and others receivables	8,204,440	(18,983,378)	601,391	(648,478)
Change in trade and other payables	6,410,923	(12,365,619)	(3,610,725)	4,440,596
Change in contract assets/(liabilities)	343,820	43,979,411	–	–
Change in contract costs	5,917,742	(10,099,477)	–	–
Cash (used in)/generated from operations	(16,649,481)	65,224,187	(6,993,497)	1,012,828
Interest received	4,021,787	3,201,853	1,446,350	118
Interest paid	(13,069,762)	(6,290,876)	–	–
Tax paid	(14,392,403)	(16,215,483)	(90,565)	(1,600)
Net cash (used in)/from operating activities	(40,089,859)	45,919,681	(5,637,712)	1,011,346

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

STATEMENTS OF CASH FLOWS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Group 1.4.2019 to 31.3.2020 RM	Group 1.4.2018 to 31.3.2019[1] RM	Company 1.4.2019 to 31.3.2020 RM	Company 27.8.2018 to 31.3.2019 RM
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	25	(11,086,440)	(23,482,168)	–	(1,000,000)
- investment properties		(66,003,264)	(25,424,372)	–	–
Proceeds from disposal of:					
- property, plant and equipment		176,990	715,290	–	–
- investment properties		13,891,179	–	–	–
- assets classified as held for sale		–	33,333	–	–
Dividend received from a joint venture		17,000,000	3,000,000	–	–
Change in pledged deposits		2,340,423	4,597,792	–	–
Increase in investments in subsidiaries	32.2	–	–	(800,100)	–
Net cash used in investing activities		(43,681,112)	(40,560,125)	(800,100)	(1,000,000)
Cash flows from financing activities					
Repayment of hire purchase liabilities		(2,083,529)	(2,521,154)	–	–
Repayment of term loans		(79,484,001)	(57,351,698)	–	–
Drawdown from term loans		151,159,769	51,580,178	–	–
Proceeds from issue of shares capital		111,049,900	–	111,049,900	–
Payment of share issuance expenses		(3,447,592)	–	(3,447,592)	–
Interest paid		(185,727)	(172,467)	–	–
Due to a minority shareholder		–	10,000,000	–	–
Due to subsidiaries		–	–	(2,782,787)	–
Dividends paid to owners of the Company		–	(10,000,000)	–	–
Due to Directors		1,500,000	(3,774,307)	1,500,000	–
Net cash from/(used in) financing activities		178,508,820	(12,239,448)	106,319,521	–
Net increase/(decrease) in cash and cash equivalents		94,737,849	(6,879,892)	99,881,709	11,346
Cash and cash equivalents at date of incorporation		–	1,001	–	1,001
Cash and cash equivalents as at 1 April		78,436,182	85,315,073	12,347	–
Cash and cash equivalents as at 31 March	13	173,174,031	78,436,182	99,894,056	12,347

[1] As explained in Note 32 Acquisition of subsidiaries, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

Cash outflows from leases as a lessee

	Note	Group 1.4.2019 to 31.3.2020 RM	Group 1.4.2018 to 31.3.2019 RM	Company 1.4.2019 to 31.3.2020 RM	Company 27.8.2018 to 31.3.2019 RM
Included in net cash from operating activities					
Payment relating to short-term leases/ **Total cash outflows for leases**	22	10,252,971	–	524,194	–

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	At 1 April 2018 RM	Net changes from financing cash flows RM	Set-off RM	Drawdown of term loan/ Acquisition of new hire purchase RM	At 31 March 2019 RM	Adjustment on initial application of MFRS 16 RM	At 1 April 2019 RM	Net changes from financing cash flows RM	Other changes RM	Drawdown of term loan/ Acquisition of new hire purchase RM	At 31 March 2020 RM
Term loans	211,911,680	(57,351,698)	–	51,580,178	206,140,160	–	206,140,160	(79,484,001)	–	151,159,769	277,815,928
Finance lease liabilities	6,432,976	(2,521,154)	–	250,000	4,161,822	(4,161,822)	–	–	–	–	–
Hire purchase liabilities	–	–	–	–	–	4,161,822	4,161,822	(2,083,529)	–	871,000	2,949,293
Due to Directors	68,349,017	(3,774,307)	(10,349,541)	–	54,225,169	–	54,225,169	1,500,000	(55,725,169)	–	–
Due to a minority shareholder	–	10,000,000	–	–	10,000,000	–	10,000,000	–	–	–	10,000,000
Total liabilities from financing activities	286,693,673	(53,647,159)	(10,349,541)	51,830,178	274,527,151	–	274,527,151	(80,067,530)	(55,725,169)	152,030,769	290,765,221
Company											
Due to Directors	–	–	–	–	–	–	–	1,500,000	(1,500,000)	–	–
Due to subsidiaries	–	–	–	–	–	–	–	(2,782,787)	7,101,735	–	4,318,948
Total liabilities from financing activities	–	–	–	–	–	–	–	(1,282,787)	5,601,735	–	4,318,948

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

NOTES TO THE FINANCIAL STATEMENTS

AME Elite Consortium Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
5, Jalan I-Park SAC 2
Taman Perindustrian I-Park SAC
81400 Senai
Johor

Registered office
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in a joint venture. The financial statements of the Company as at and for year ended 31 March 2020 do not include other entities.

The principal activity of the Company consists of those relating to investment holding. The principal activities of its subsidiaries are disclosed in Note 6.

These financial statements were authorised for issue by the Board of Directors on 29 July 2020.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases - Covid-19 - Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

1. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 – valuation of investment properties
- Note 19 – revenue from contract with customers

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

Arising from the adoption of MFRS 16, *Leases*, there are changes to the accounting policies applied to lease contracts entered into by the Group entities as compared to those applied in previous financial statements. The impacts arising from the changes are disclosed in Note 34.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised in the consolidated financial statements at the carrying amounts recognised previously. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

The category of financial assets at initial recognition is as follows:

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

Financial assets are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

(a) Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- The amount of the loss allowance; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 - 60 years
Plant, machinery, tools and equipment	5 - 10 years
Office equipment, furniture and fittings	3 - 10 years
Building improvement	3 - 5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Leases

Current financial year

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Leases (Cont'd)

Current financial year (Cont'd)

(ii) Recognition and initial measurement (Cont'd)

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of the "revenue".

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Leases (Cont'd)

Previous financial year

As a lessee

(i) Finance lease

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

Minimum lease payments made under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments were accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment was confirmed.

Leasehold land which in substance was a finance lease was classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group or the Company did not assume substantially all the risks and rewards of ownership were classified as operating leases and, the leased assets were not recognised on the statement of financial position.

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

Leasehold land which in substance was an operating lease was classified as prepaid lease payments.

(f) Investment properties

(i) Investment property carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Investment properties (Cont'd)

(i) Investment property carried at fair value (Cont'd)

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying cost amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in other comprehensive income and accumulated in equity as revaluation reserve. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

(g) Inventories

(i) Raw materials and consumables

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(ii) Completed properties held for sale

Completed properties held for sale are measured at the lower of cost and net realisable value.

Costs comprise land costs and development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

(iii) Freehold land held for future development

Freehold land held for future development consists of land or such portions thereof on which no development activities have been carried out. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses.

Development land held for future development is reclassified as current assets at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Inventories (Cont'd)

(iv) Properties under development

Inventories are measured at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Inventories comprise costs of land and development costs incurred during the development period. On completion, the inventories are transferred to completed properties held for sale.

Inventories are classified as current assets when the construction of the relevant properties commences unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

(h) Contract costs

(i) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

(ii) Cost to fulfil a contract

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(i) Contract assets/(liabilities)

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from customers.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Impairment (Cont'd)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Where the treasury shares are subsequently distributed as dividends to shareholders, the cost of the treasury shares is applied as reduction of the distributable retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Revenue and other income

(i) Revenue from contract with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

For property development, if control of the assets transfer over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Revenue and other income (Cont'd)

(i) Revenue from contract with customers (Cont'd)

The progress towards complete satisfaction of the performance obligation is measured based on the Group's internal surveys of inputs for the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For completed property and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

For construction services, the revenue is recognised over time by reference to the survey of work performed.

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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

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

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Operating segments

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

(r) Contingencies

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(t) Fair value measurements

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

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

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

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RM	Right-of-use assets RM	Building improvement RM	Plant, machinery, tools and equipment RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Total RM
Group							
At cost							
At 1 April 2018	64,891,354	–	454,476	16,873,775	14,390,922	5,226,892	101,837,419
Additions	20,802,000	–	1,163,065	495,210	563,047	708,846	23,732,168
Disposals/Written off	–	–	(1,255)	(157,989)	(1,356,462)	(131,299)	(1,647,005)
At 31 March 2019, as previously reported	85,693,354	–	1,616,286	17,210,996	13,597,507	5,804,439	123,922,582
Adjustment on initial application of MFRS 16	(25,081,615)	25,081,615	–	–	–	–	–
At 1 April 2019, as restated	60,611,739	25,081,615	1,616,286	17,210,996	13,597,507	5,804,439	123,922,582
Additions	6,066,090	45,689	61,462	1,868,414	1,321,594	2,594,191	11,957,440
Disposals/Written off	–	–	–	(512,000)	(545,272)	(41,994)	(1,099,266)
At 31 March 2020	66,677,829	25,127,304	1,677,748	18,567,410	14,373,829	8,356,636	134,780,756
Accumulated depreciation							
At 1 April 2018	4,085,466	–	366,386	8,378,995	8,960,955	2,698,652	24,490,454
Depreciation charge	912,604	–	147,842	1,792,001	1,848,910	666,069	5,367,426
Disposals/Written off	–	–	(1,255)	(134,489)	(1,048,115)	(131,297)	(1,315,156)
At 31 March 2019, as previously reported	4,998,070	–	512,973	10,036,507	9,761,750	3,233,424	28,542,724
Adjustment on initial application of MFRS 16	(2,645,274)	2,645,274	–	–	–	–	–
At 1 April 2019, as restated	2,352,796	2,645,274	512,973	10,036,507	9,761,750	3,233,424	28,542,724
Depreciation charge	1,007,151	418,606	249,919	1,799,884	1,811,476	1,238,435	6,525,471
Disposals/Written off	–	–	–	(294,199)	(536,235)	(36,470)	(866,904)
At 31 March 2020	3,359,947	3,063,880	762,892	11,542,192	11,036,991	4,435,389	34,201,291
Carrying amounts							
At 1 April 2018	60,805,888	–	88,090	8,494,780	5,429,967	2,528,240	77,346,965
At 31 March 2019	80,695,284	–	1,103,313	7,174,489	3,835,757	2,571,015	95,379,858
At 31 March 2020	63,317,882	22,063,424	914,856	7,025,218	3,336,838	3,921,247	100,579,465

3. PROPERTY, PLANT AND EQUIPMENT

	Building improvement/ Total RM
Company	
At cost	
At date of incorporation	–
Additions	1,000,000
At 31 March 2019	1,000,000
At 1 April 2019/31 March 2020	1,000,000
Accumulated depreciation	
At date of incorporation	–
Depreciation charge	116,667
At 31 March 2019/1 April 2019	116,667
Depreciation charge	200,000
At 31 March 2020	316,667
Carrying amounts	
At date of incorporation	–
At 31 March 2019/1 April 2019	883,333
At 31 March 2020	683,333

3.1 Carrying amount of land and buildings

	Group	
	2020 RM	2019 RM
Land	12,600,892	29,396,342
Buildings	50,716,990	51,298,942
	63,317,882	80,695,284

3.2 Security

The following property, plant and equipment are charged to banks for credit facilities granted to the Group (Note 15) with a carrying amount of:

	Group	
	2020 RM	2019 RM
Land and buildings	59,659,081	80,695,284
Right-of-use assets	22,063,424	–

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

3.3 Leased plant and equipment

Leased plant and equipment and motor vehicles under finance lease agreements were as follows:

	Group 2019 RM
Plant and machinery	4,689,754
Motor vehicles	3,045,262
	7,735,016

3.4 Right-of-use assets

Included in property, plant and equipment are right-of-use assets as follows:

	Land RM	Buildings RM	Total RM
At 1 April 2019	14,811,970	7,624,371	22,436,341
Additions	38,930	6,759	45,689
Depreciation	(275,325)	(143,281)	(418,606)
At 31 March 2020	14,575,575	7,487,849	22,063,424

The Group leases land and buildings for 60 years.

3.5 Others

Motor vehicles with carrying amount of RM365,658 (2019: RM547,841) are registered in the name of certain Directors held in trust for the Group.

4. INVENTORIES

	Group 2020 RM	2019 RM
Non-current		
Land held for future development	8,661,560	8,661,560
Current		
Raw materials	921,100	755,120
Consumables	345,662	333,857
Completed properties held for sale	92,866,563	85,522,705
Properties under development	263,629,399	147,485,761
	357,762,724	234,097,443
	366,424,284	242,759,003
Recognised in profit or loss:		
- Inventories recognised as cost of goods sold	91,692,969	46,244,621

4.1 Completed properties held for sale

Included in completed properties held for sale are properties of RM84,465,637 (2019: RM74,343,826) charged as security of banking facilities granted to the Group (Note 15).

4. INVENTORIES (Cont'd)

4.2 Properties under development

	Group 2020 RM	Group 2019 RM
At 1 April		
Freehold land	120,556,140	158,771,115
Development costs	26,929,621	16,385,018
	147,485,761	175,156,133
Add: Costs incurred during the year		
- Freehold land	145,286,432	(5,146,917)
- Development costs	15,170,740	36,830,545
	160,457,172	31,683,628
Less: Cost transferred to contract fulfilment costs (Note 10)		
- Freehold land	(25,122,378)	(18,560,796)
- Development costs	(8,670,200)	(4,189,587)
	(33,792,578)	(22,750,383)
Less: Transfer to completed properties held for sale		
- Freehold land	(4,014,162)	(14,507,262)
- Development costs	(6,506,794)	(22,096,355)
	(10,520,956)	(36,603,617)
At 31 March		
Freehold land	236,706,032	120,556,140
Development costs	26,923,367	26,929,621
	263,629,399	147,485,761

4.2.1 Security

Included in properties under development is RM230,046,503 (2019: RM135,021,688) charged to banks for bank facilities granted to the Group (Note 15).

4.2.2 Interest capitalised

Included in properties under development is interest capitalised for the year of RM1,071,488 (2019: RM1,694,145) (Note 20).

5. INVESTMENT PROPERTIES

	Group 2020 RM	Group 2019 RM
At 1 April	278,795,777	236,995,170
Additions	66,003,264	25,424,372
Disposals	(14,000,000)	–
Gains and losses recognised in profit or loss		
Change in fair value - Other income - Unrealised	13,467,150	16,376,235
At 31 March	344,266,191	278,795,777
Included in the above are:		
At fair value		
Freehold land	199,500,000	151,600,000
Factory buildings	141,500,000	125,600,000
	341,000,000	277,200,000
At cost		
Buildings under construction	3,266,191	1,595,777
	344,266,191	278,795,777

5. INVESTMENT PROPERTIES (Cont'd)

Investment properties comprise freehold land and factory buildings that are leased to third parties and a number of freehold land and factory buildings that are vacant as the end of the financial year. Each of the lease contains an initial non-cancellable period of a range between 2 to 10 years. Subsequent renewals are negotiated with the lessee and on average renewal periods are 1 to 5 years. No contingent rents are charged.

Certain factory buildings are currently under construction and the fair value of the properties is unable to be determined as there are uncertainties in estimating its fair value.

5.1 Security

Included in investment properties is RM320,766,191 (2019: RM255,295,777) charged to banks for bank facilities granted to the Group (Note 15).

5.2 Interest capitalised

Included in investment properties is interest capitalised for the year of RM838,654 (2019: RM1,367,793) (Note 20).

5.3 Others

The following are recognised in profit or loss:

	Group	
	2020 RM	2019 RM
Lease income	20,064,164	11,458,491
Direct operating expenses		
- Income generating investment properties	2,185,542	921,562
- Non-income generating investment properties	34,350	8,539

The operating lease payments to be received are as follows:

	Group 2020 RM
Less than one year	18,635,086
One to two years	18,603,676
Two to three years	14,592,805
Three to four years	10,992,946
Four to five years	8,984,265
More than five years	31,536,801
Total undiscounted lease payments	103,345,579

	2019 RM
Less than one year	11,222,986
Between one and five years	28,734,658
More than five years	3,683,791
Total undiscounted lease payments	43,641,435

5. INVESTMENT PROPERTIES (Cont'd)

5.4 Fair value information

Fair value of investment properties are categorised as follows:

	Level 2 RM	Group Level 3 RM	Total RM
2020			
Freehold land	–	199,500,000	199,500,000
Factory buildings	–	141,500,000	141,500,000
	–	341,000,000	341,000,000
2019			
Freehold land	80,200,000	71,400,000	151,600,000
Factory buildings	58,800,000	66,800,000	125,600,000
	139,000,000	138,200,000	277,200,000

Level 2 fair value

Fair values of land have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach was price per square foot of comparable properties.

Fair values of buildings have been generally derived using the depreciated replacement cost approach. The cost of buildings was derived from estimation of reproduction cost of building of same kind and design based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.

Level 3 fair value

	Note	Group 2020 RM	2019 RM
At 1 April		138,200,000	137,300,000
Additions		65,800,000	900,000
Disposals		(14,000,000)	–
Transfer into Level 3	a	151,000,000	–
At 31 March		341,000,000	138,200,000

Note a – Transfer into Level 3

For the year ended 31 March 2020, due to the use of unobservable inputs in the valuation, the fair value was therefore reclassified to Level 3.

The fair value of investment properties is determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

5. INVESTMENT PROPERTIES (Cont'd)

5.4 Fair value information (Cont'd)

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot of comparable properties: • Land: RM56 - RM76 • Land and building: RM251 - RM460	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).
Cost approach: The valuation method considers: (i) cost of construction, taking into account of percentage of completion; and (ii) estimate of the current gross replacement (or reproduction costs) of improvements, less depreciation due to physical deterioration and all relevant forms of obsolescence and optimisation.	• Construction cost per square foot (RM135) • Estimated percentage of completion	The estimated fair value would increase (decrease) if: • Construction cost is higher (lower); or • Estimated percentage of completion is higher (lower); or • Depreciation is lower (higher)

6. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM
Cost of investment	511,837,125

Details of the subsidiaries, which are incorporated and have principal place of business in Malaysia are as follows:

Name of entity	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Active Gold Services Sdn. Bhd.	Property investment	99.9	99.9
Amsun Industries Sdn. Bhd.	Investment holding	100.0	100.0
AME Industrial Park Sdn. Bhd.	Investment holding	100.0	100.0
AME Integrated Sdn. Bhd.	Investment holding	99.9	99.9
Twin Sunrich Sdn. Bhd.	Property investment	100.0	100.0
Symphony Square Sdn. Bhd.	Property investment	99.9	99.9
AME Development Sdn. Bhd.	Property development, management services and investment holding	100.0	100.0
AME Engineering Industries Sdn. Bhd.	Provision of manufacturing, installation and contractor for industrialised building system-precast concrete and steel structure product	100.0	100.0
Asiamost Sdn. Bhd.	Fire protection system, mechanical and Electrical contractor	100.0	100.0
Amsun Capital Sdn. Bhd.	Provision of heavy equipment for construction industry	100.0	100.0
Tanjung Bebas Sdn. Bhd.	Property investment	100.0	100.0
LKL Industries Sdn. Bhd.	Property investment	100.0	100.0
I Stay Management Sdn. Bhd.	Property letting and maintenance	70.0	70.0

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries, which are incorporated and have principal place of business in Malaysia are as follows: (Cont'd)

Name of entity	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiary of AME Integrated Sdn. Bhd.			
Ipark Development Sdn. Bhd.	Property development and investment holding	80.0	80.0
Subsidiary of Asiamost Sdn. Bhd.			
Asiamost Engineering Sdn. Bhd.	Provision of servicing, maintenance and installation of firefighting system	100.0	100.0
Subsidiary of Amsun Industries Sdn. Bhd.			
AME Construction Sdn. Bhd.	Fabrication works, building contractors and property letting activities	100.0	100.0

6.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	I Stay Management Sdn. Bhd.	Ipark Development Sdn. Bhd.	Total
2020			
NCI percentage of ownership interest	30%	20%	
	RM	**RM**	**RM**
Carrying amount of NCI	(446,094)	34,215,507	33,769,413
(Loss)/Profit allocated to NCI	(383,400)	4,886,681	4,503,281
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	17,089,266	188,879,259	
Current assets	2,591,864	305,546,692	
Non-current liabilities	(12,415,632)	(241,678,080)	
Current liabilities	(8,752,478)	(81,670,335)	
Net (liabilities)/assets	(1,486,980)	171,077,536	
Year ended 31 March			
Revenue	9,600,608	100,722,457	
(Loss)/Profit for the year/Total comprehensive (expense)/income	(1,278,000)	24,433,405	
Cash flows from/(used in) operating activities	5,318,085	(36,946,985)	
Cash flows used in investing activities	(2,150,967)	(42,446,444)	
Cash flows (used in)/from financing activities	(4,142,458)	63,061,662	
Net decrease in cash and cash equivalents	(975,340)	(16,331,767)	
Dividends attributable to NCI	–	1,000,000	

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

6.1 Non-controlling interests in subsidiaries (Cont'd)

	I Stay Management Sdn. Bhd.	Ipark Development Sdn. Bhd.	Total
2019			
NCI percentage of ownership interest	30%	20%	
	RM	**RM**	**RM**
Carrying amount of NCI	(62,694)	30,328,826	30,266,132
Profit allocated to NCI	165,865	3,476,693	3,642,558
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	477,742	137,502,843	
Current assets	3,160,234	259,355,629	
Non-current liabilities	(98,947)	(172,853,881)	
Current liabilities	(3,748,009)	(72,360,460)	
Net (liabilities)/assets	(208,980)	151,644,131	
Year ended 31 March			
Revenue	6,426,156	48,777,156	
Profit for the year/Total comprehensive income	552,884	17,383,467	
Cash flows (used in)/from operating activities	(78,926)	7,697,361	
Cash flows used in investing activities	(265,945)	(25,185,618)	
Cash flows from financing activities	10,800	37,045,590	
Net (decrease)/increase in cash and cash equivalents	(334,071)	19,557,333	
Dividends paid to NCI	–	–	

7. INVESTMENT IN A JOINT VENTURE

	Group	
	2020	**2019**
	RM	RM
Investment in shares	500,000	500,000
Share of post-acquisition reserves	37,268,833	34,891,985
	37,768,833	35,391,985
Less: Distribution by a joint venture	(17,000,000)	(3,000,000)
	20,768,833	32,391,985

Axis AME IP Sdn. Bhd. is incorporated and has principal place of business in Malaysia. It is principally engaged in property development and investment.

Axis AME IP Sdn. Bhd. is structured as a separate vehicle and provides the Group with rights to the net assets of the entity. Accordingly, the Group has classified the investment in the above entity as a joint venture.

7. INVESTMENT IN A JOINT VENTURE (Cont'd)

The following tables summarise the financial information of Axis AME IP Sdn. Bhd.. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in Axis AME IP Sdn. Bhd., which has been accounted for using the equity method.

	Group	
	2020	**2019**
Percentage of ownership interest/voting interest	50%	50%
	RM	**RM**
Summarised financial information		
As at 31 March		
Non-current assets	13,684,682	7,026,497
Current assets (excluding cash and cash equivalents)	47,192,202	82,657,881
Cash and cash equivalents	20,034,681	6,898,733
Non-current liabilities	(447,289)	(381,574)
Current liabilities (excluding trade and other payables)	(16,016,883)	(20,284,344)
Trade and other payables	(19,571,447)	(7,519,786)
Year ended 31 March		
Profit/(Loss) from continuing operations	10,478,540	(1,173,072)
Included in the total comprehensive income/(expense) are:		
Revenue	61,954,328	53,846,218
Depreciation	(2,815)	(7,538)
Change in fair value of investment property	657,154	(284,830)
Finance income	374,139	308,961
Finance costs	(235,700)	(822,112)
Income tax expense	(3,224,328)	(4,530,982)
Reconciliation of net assets to carrying amount as at 31 March		
Unquoted shares, at cost	500,000	500,000
Group's share of net assets	21,937,973	33,698,703
Elimination of unrealised profit, net of tax	(1,669,140)	(1,806,718)
Carrying amount in the statement of financial position	20,768,833	32,391,985
Group's share of results for the year ended 31 March		
Group's share of profit/(loss) from continuing operation	5,239,270	(586,536)
Elimination of unrealised profit	137,578	2,121,110
	5,376,848	1,534,574
Other information		
Dividend received by the Group	17,000,000	3,000,000

8. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020 RM	2019 RM	2020 RM	2019 RM	2020 RM	2019 RM
Group						
Trade receivables	–	41,000	–	–	–	41,000
Unabsorbed capital allowances	954,000	151,000	–	–	954,000	151,000
Inventories	6,194,105	2,855,521	–	–	6,194,105	2,855,521
Investment properties						
- Fair value gain	–	–	(9,003,353)	(7,976,176)	(9,003,353)	(7,976,176)
- Others	–	–	(3,367,000)	(1,934,000)	(3,367,000)	(1,934,000)
Property, plant and equipment	–	–	(3,478,496)	(4,087,764)	(3,478,496)	(4,087,764)
Provisions	–	–	(1,044,971)	(18,000)	(1,044,971)	(18,000)
Tax assets/(liabilities)	7,148,105	3,047,521	(16,893,820)	(14,015,940)	(9,745,715)	(10,968,419)

Movement in temporary differences during the year

	At 1.4.2018 RM	Recognised in profit or loss (Note 21) RM	At 31.3.2019 RM	Recognised in profit or loss (Note 21) RM	At 31.3.2020 RM
Trade receivables	66,000	(25,000)	41,000	(41,000)	–
Unabsorbed capital allowances	244,000	(93,000)	151,000	803,000	954,000
Inventories	1,438,936	1,416,585	2,855,521	3,338,584	6,194,105
Investment properties	(1,694,000)	(240,000)	(1,934,000)	(1,433,000)	(3,367,000)
Fair value gain of investment properties	(2,927,349)	(5,048,827)	(7,976,176)	(1,027,177)	(9,003,353)
Property, plant and equipment	(4,006,239)	(81,525)	(4,087,764)	609,268	(3,478,496)
Provision	–	(18,000)	(18,000)	(1,026,971)	(1,044,971)
Unutilised tax losses	55,000	(55,000)	–	–	–
Deferred rental income	18,000	(18,000)	–	–	–
Property development cost	2,194,179	(2,194,179)	–	–	–
	(4,611,473)	(6,356,946)	(10,968,419)	1,222,704	(9,745,715)

9. CONTRACT COSTS

	Group 2020 RM	Group 2019 RM
Cost to obtain a contract	1,885,099	–
Contract fulfilment costs	3,934,542	11,737,383
	5,819,641	11,737,383

9.1 Cost to obtain a contract

Cost to obtain a contract primarily comprises incremental sales and marketing fees paid to intermediaries as a result of obtaining contracts and they are recoverable.

Capitalised sales and marketing fees are recognised in profit or loss when the related revenues are recognised.

9.2 Contract fulfilment costs

	Group 2020 RM	Group 2019 RM
At 1 April		
Freehold land	11,032,358	1,448,834
Development costs	705,025	189,072
	11,737,383	1,637,906
Add: (Adjustment)/Costs incurred during the year		
- Freehold land	(96,699)	(5,052,342)
- Development costs	19,472,720	7,506,462
	19,376,021	2,454,120
Add: Transfer from inventories during the year (Note 4)		
- Freehold land	25,122,378	18,560,796
- Development costs	8,670,200	4,189,587
	33,792,578	22,750,383
Less: Cost recognised as expenses in profit or loss		
- Freehold land	(32,977,090)	(3,924,930)
- Development costs	(27,994,350)	(11,180,096)
	(60,971,440)	(15,105,026)
At 31 March		
Freehold land	3,080,947	11,032,358
Development costs	853,595	705,025
	3,934,542	11,737,383

Land and related costs that are attributable to units sold are presented as contract fulfilment costs. These costs are expected to be recoverable and are amortised to profit or loss when the related revenues are recognised.

10. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2020 RM	2019 RM
Contract assets	30,156,977	28,091,654
Contract liabilities	(23,707,034)	(21,297,891)

10.1 Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts and properties sold but not yet billed at the reporting date.

10.2 Contract liabilities

The contract liabilities primarily relate to:

- Advance consideration received from customers for construction contracts which revenue is recognised over time during the construction.
- Advance billing billed to customers, but work has yet to be completed at the reporting date.

Contract assets/(liabilities) include the following:

	Group	
	2020 RM	2019 RM
Amount due from/(to) a joint venture		
- Contract assets	801,236	71,311
- Contract liabilities	(948)	–
	800,288	71,311

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade				
Trade receivables	58,994,730	54,526,578	–	–
Retention sum	19,289,404	5,444,898	–	–
	78,284,134	59,971,476	–	–
Non-trade				
Other receivables, deposits and prepayments				
Other receivables	2,085,816	9,089,962	–	–
Goods and service tax recoverable	956,118	868,217	–	–
Deposits and other costs	3,103,278	17,553,505	–	142,307
Prepayments	1,804,613	6,942,395	47,087	506,171
	7,949,825	34,454,079	47,087	648,478
	86,233,959	94,425,555	47,087	648,478

Retention sum are due upon the expiry of the defect liability period stated in the respective construction contracts. The defect liability periods range from 12 to 24 months and expected to be collected within 2 years.

Included in deposits and other costs of the Group is non-refundable deposits paid for the purchase of freehold development land of NIL (2019: RM15,013,956).

11. TRADE AND OTHER RECEIVABLES (Cont'd)

Trade and other receivables include the following:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Amount due from a joint venture				
Trade receivables	4,798,239	1,146,890	–	–
Retention sum	3,707,871	197,141	–	–
Other receivables	6,760	–	–	–
Deposits	12,166	–	–	–
	8,525,036	1,344,031	–	–
Amount due from a company in which certain Directors have financial interest				
Deposits	–	–	–	142,307

12. DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are non-trade in nature, interest free, unsecured and repayable on demand.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash and bank balances	30,227,231	48,473,752	525,790	12,347
Fixed deposits with licensed banks	161,579,112	54,014,045	99,368,266	–
Cash and cash equivalents in the statements of financial position	191,806,343	102,487,797	99,894,056	12,347
Less: Bank overdrafts	(2,460,178)	(5,539,058)	–	–
Pledged deposits	(16,172,134)	(18,512,557)	–	–
Cash and cash equivalents in the statements of cash flows	173,174,031	78,436,182	99,894,056	12,347

Included in fixed deposits with licensed banks of the Group is RM16,172,134 (2019: RM18,512,557) pledged to banks as securities for banking facilities granted to the Group (Note 15).

Fixed deposits with licensed banks of the Group amounting to RM2,445,767 (2019: RM2,365,244) are registered in the name of certain Directors held in trust for the Group.

14. CAPITAL AND RESERVES

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2020 RM	2019 RM	2020	2019
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At date of incorporation/1 April	1,001	1,001	1,001	1,001
Issued for acquisition of subsidiaries (Note 32.1)	456,811,853	–	304,541,235	–
Issued by capitalisation of amount owing by the subsidiaries to certain Directors (Note 33.1.4)	55,724,797	–	37,149,865	–
Issued for Initial Public Offering	111,049,900	–	85,423,000	–
New share issuance expenses for the Public Issue	(3,447,592)	–	–	–
At 31 March	620,139,959	1,001	427,115,101	1,001

Reserves

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Distributable				
Retained earnings/(Accumulated losses)	466,047,661	401,906,886	14,057,426	(2,897,799)
Non-distributable				
Invested equity	–	4,500,760	–	–
Merger reserve	(452,311,093)	–	–	–
	13,736,568	406,407,646	14,057,426	(2,897,799)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Invested equity

Invested equity comprised the share capital of the subsidiaries acquired. The amount has been reversed against the merger reserve as disclosed in Note 32.2.

Merger reserve

The merger reserve comprises of the differences between the cost of acquisition and the share capital of the combining entities during the restructuring among common shareholders.

15. LOANS AND BORROWINGS

	Group	
	2020 RM	2019 RM
Secured		
Non-current		
Finance lease liabilities	–	2,205,592
Hire purchase liabilities	1,505,022	–
Term loans	259,278,506	184,743,154
	260,783,528	186,948,746
Current		
Bank overdrafts	2,460,178	5,539,058
Finance lease liabilities	–	1,956,230
Hire purchase liabilities	1,444,271	–
Term loans	18,537,422	21,397,006
	22,441,871	28,892,294
	283,225,399	215,841,040

Finance lease liabilities

Finance lease liabilities were payable as follows:

	Group		
	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
2019			
Less than one year	2,116,247	160,017	1,956,230
Between one and five years	2,329,934	124,342	2,205,592
	4,446,181	284,359	4,161,822

The Group's loans and borrowings are secured by way of:

i) legal charge over fixed deposits of the Group;

ii) fixed charge over certain investment properties, inventories, property, plant and equipment of the Group;

iii) joint and several guarantee of the Directors of the Group; and

iv) corporate guarantee by certain Directors of the Group.

16. DUE TO DIRECTORS

At 31 March 2019, the amounts due to Directors were non-trade in nature, unsecured, interest free and had no fixed terms of repayment, while the non-current portion was not repayable within next 12 months.

As part of the restructuring exercise, the entire amount owing by the subsidiaries to certain Directors of RM55,724,797 has been capitalised into 37,149,865 shares, at an issue price of RM1.50 per share.

17. DUE TO A MINORITY SHAREHOLDER

The non-current portion of amount due to a minority shareholder consists of unsecured advance that bears interest at 0.5% per annum above six month Kuala Lumpur Interbank Offered Rate. The amount is to fund property development projects in a subsidiary and has no fixed terms of repayment.

Included in the current portion of the amount due to a minority shareholder is dividend payable of RM1,000,000 (2019: NIL) while the remaining portion of the balance consists of the unpaid interest portion for the above advance as at the end of the financial year. The amount is interest free, unsecured and repayable on demand.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade payables	43,417,352	55,054,273	–	–
Retention sum				
- Completed projects	7,349,463	9,867,506	–	–
	50,766,815	64,921,779	–	–
Other payables and accrued expenses				
- Other payables	11,034,567	2,893,643	143,446	3,910,247
- Advance payment from project customers	943,161	11,990,475	–	–
- Retention sum				
- ongoing projects	16,985,200	15,040,322	–	–
- Provisions	–	9,000	–	–
- Accruals	5,978,374	4,779,102	686,800	530,349
- Accrued sub-contractor costs	32,271,751	25,516,310	–	–
- Deposits received	17,701,067	12,362,184	–	–
- Deposits received for property development project	8,961,624	718,449	–	–
	93,875,744	73,309,485	830,246	4,440,596
	144,642,559	138,231,264	830,246	4,440,596

Included in other payables of the Group is the remaining consideration of RM9,579,375 payable to the vendor for the acquisition of a parcel of land during the financial year.

Trade and other payables include the following:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Amount due to a joint venture				
Advance payment from project customer	–	1,988,969	–	–
Amounts due to companies in which certain Directors have financial interest				
Other payables	–	–	–	3,898,990

19. REVENUE

19.1 Disaggregation of revenue

	Group		Company	
	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM	1.4.2019 to 31.3.2020 RM	27.8.2018 to 31.3.2019 RM
Revenue from contracts with customers				
Construction contract				
- over time	253,367,852	274,348,325	–	–
Sales of properties under development				
- over time	49,232,165	33,782,404	–	–
Sales of completed properties				
- at a point in time	14,160,600	9,360,600	–	–
Sales of land				
- at a point in time	28,953,787	–	–	–
	345,714,404	317,491,329	–	–
Other revenue				
Rental income	34,631,288	21,522,128	636,000	318,000
Dividend income	–	–	19,993,007	–
Total revenue	380,345,692	339,013,457	20,629,007	318,000

19.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Construction contract	Revenue is recognised over time by reference to the survey of work performed	Based on agreed milestones, certified by architects	Not applicable	Defect liability period of 2 years is given to the customer
Sales of properties under development	Revenue is recognised over time by reference to the progress towards satisfaction of the performance obligation	Credit period of 14 days from the date of written notice	Rebates are given to purchasers upon signing of the Sale and Purchase Agreement	Defect liability period of 0 - 12 months is given to the customer
Sales of completed properties and land	Revenue is recognised at a point in time upon the delivery of vacant possession to purchaser	10% deposit to be paid upon execution of contract while the balance purchase price to be paid 3 months after the unconditional date	Rebates are given to purchasers upon signing of the Sale and Purchase Agreement	Defect liability period of 0 - 12 months is given to the customer

19. REVENUE (Cont'd)

19.3 Transaction price allocated to the remaining performance obligations:

The contract revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date is RM273,837,589 (2019: RM89,453,319).

The Group expects the full transaction price allocated to the unsatisfied construction contracts as at reporting date to be recognised as revenue over the next 2 years.

All considerations from contracts with customers are included in the amount presented above.

The Group applies the practical expedient to exempt on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

19.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For construction contracts, the Group measured the performance of construction work done by comparing the agreed milestones certified by architects with the estimated total contract income of the construction contract. In making these estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.
- For sales of properties that revenue recognised over time using the cost incurred method, the Group measured the performance of work done by comparing the actual costs incurred with the estimated total costs required to complete the work. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed developed properties. A change in estimates will directly affect the revenue to be recognised.

20. FINANCE INCOME AND COSTS

	Group		Company	
	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM	1.4.2019 to 31.3.2020 RM	27.8.2018 to 31.3.2019 RM
Finance income				
Interest income:				
- Deposits with licensed banks	4,021,787	3,026,943	1,446,350	118
- Loan to a previous related party	–	174,910	–	–
	4,021,787	3,201,853	1,446,350	118
Finance costs				
Interest expenses	15,890,394	9,677,479	–	–
Less: Amount capitalised in inventories (Note 4)	(1,071,488)	(1,694,145)	–	–
Less: Amount capitalised in investment properties (Note 5)	(838,654)	(1,367,793)	–	–
	13,980,252	6,615,541	–	–

The capitalisation rates used to capitalise finance costs on qualifying assets range from 3.42% to 5.19% (2019: 4.19% to 5.19%).

21. TAX EXPENSE

Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM	1.4.2019 to 31.3.2020 RM	27.8.2018 to 31.3.2019 RM
Current tax expense				
- Current year	20,565,087	14,347,677	301,929	1,960
- Prior years	688,688	897,032	(1,960)	–
	21,253,775	15,244,709	299,969	1,960
Deferred tax (income)/expense				
- Origination and reversal of temporary differences	(284,704)	7,182,946	–	–
- Over provision in prior years	(938,000)	(826,000)	–	–
	(1,222,704)	6,356,946	–	–
	20,031,071	21,601,655	299,969	1,960
Share of tax in a joint venture	1,612,164	2,265,491	–	–
Total income tax expense	21,643,235	23,867,146	299,969	1,960
	RM'000	RM'000	RM'000	RM'000
Reconciliation of tax expense				
Profit/(Loss) for the year	68,644	50,989	16,955	(2,898)
Total income tax expense	21,643	23,867	300	2
Profit/(Loss) excluding tax	90,287	74,856	17,255	(2,896)
Income tax calculated using Malaysian tax rates	21,669	17,965	4,099	(695)
Non-deductible expenses	3,768	5,205	1,001	697
Non-taxable income	(3,232)	(3,930)	–	–
Non-business income	(54)	(34)	–	–
Effect of change in real property gain tax rate	–	4,592	–	–
Tax exempt income	–	–	(4,798)	–
Tax incentive	(259)	–	–	–
Others	–	(2)	–	–
	21,892	23,796	302	2
(Over)/Under provision in prior years	(249)	71	(2)	–
	21,643	23,867	300	2

22. PROFIT/(LOSS) FOR THE YEAR

	Note	Group 1.4.2019 to 31.3.2020 RM	Group 1.4.2018 to 31.3.2019 RM	Company 1.4.2019 to 31.3.2020 RM	Company 27.8.2018 to 31.3.2019 RM
Profit/(Loss) for the year is arrived at after charging/(crediting):					
Audit fee					
- KPMG PLT		385,000	363,000	40,000	10,000
Non-audit fee					
- KPMG PLT		665,600	900,021	600,000	834,921
Depreciation		6,525,471	5,367,426	200,000	116,667
Expenses relating to short-term leases	a	10,252,971	–	524,194	–
Personnel expenses (including key management personnel):					
- Contributions to state plans		4,422,933	4,406,876	–	–
- Wages, salaries and others		41,222,373	37,393,583	12,000	–
Rental of:					
- Equipment		–	14,684,847	–	–
- Premises		–	109,381	–	262,097
Loss/(Gain) on disposal of:					
- Property, plant and equipment		55,372	(383,441)	–	–
- Investment properties		108,821	–	–	–
Net foreign exchange (gain)/loss		(102,764)	151,586	–	–
Change in fair value of investment properties		(13,467,150)	(16,376,235)	–	–
Rental income from land and buildings		–	(2,720)	–	–
Reversal of impairment loss on trade receivables		(4,907)	(102,961)	–	–
Late payment interest income from purchasers		(185,098)	(565,678)	–	–

Note a

The Group and the Company lease office equipment, machineries, cranes, hostels and buildings with contract terms of less than 1 year. These leases are short-term. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

23. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2020 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	Group	
	2020 RM'000	2019 RM'000
Profit for the year attributable to ordinary shareholders	64,141	47,347

Weighted average number of ordinary shares are determined as follows:

	Group	
	2020 '000	2019 '000
Weighted average number of ordinary shares at 31 March	381,369 (i)	341,692 (ii)
Basic/diluted earnings per ordinary share (sen)	16.82	13.86

(i) Based on the weighted average number of issued share capital of 341,692,101 ordinary shares after the completion of the Restructuring Exercise but before the Public Issue and 427,115,101 ordinary shares after the completion of the Public Issue.

(ii) Based on the issued share capital of 341,692,101 ordinary shares after the completion of the Restructuring Exercise but before the Public Issue.

There is no outstanding dilutive potential ordinary share.

24. DIVIDENDS

Dividends recognised by certain entities in the Group were:

	Total amount RM	Date of payment
2019		
First dividend 2019	2,000,000	5 November 2018
Second dividend 2019	8,000,000	23 November 2018
	10,000,000	

After the end of the reporting period, the following dividends were declared by the Company and recognised in subsequent financial year.

	Sen per share	Total amount RM	Date of payment
Interim dividend 2020	3.0	12,813,453	18 August 2020

25. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current year's addition of property, plant and equipment	11,957,440	23,732,168	–	1,000,000
Less: Amount financed by finance lease	–	(250,000)	–	–
Amount financed by hire purchase	(871,000)	–	–	–
	11,086,440	23,482,168	–	1,000,000

26. CONTINGENT LIABILITIES

	Group	
	2020 RM	2019 RM
Granted to a subsidiary		
- Performance guarantee given to a customer of a subsidiary in respect of performance of contract	20,187,836	–
Granted to companies in which Directors have financial interest		
- Corporate guarantees given to licensed banks in respect of outstanding banking facilities of companies having common shareholders of the Group in prior year	–	44,450,000*

* The corporate guarantees of RM10,500,000 and RM33,950,000 have been fully discharged on 1 August 2019 and 5 August 2019 respectively.

27. CAPITAL COMMITMENTS

	Group	
	2020 RM	2019 RM
Contracted but not provided for:		
- Development land	–	135,125,603

28. OPERATING SEGMENTS

The Group has four reportable segments, as described below:

- Construction
- Property development
- Engineering
- Investment holding/property investment and management services

For each of the business segment, the Managing Director, being the Chief Operating Decision Maker ("CODM"), reviews the internal management reports on a quarterly basis.

Performance is measured based on segment profit before tax as the management believes that such information is the most relevant in evaluating the results of the operation.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Managing Director. Segment total assets is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is included in the internal management reports that are reviewed by the Managing Director.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and development lands.

Geographical segments

The Group's operations are located in Malaysia.

Major customers

The significant segments of the Group are construction and property development. As at the end of reporting period, two (2019: two) major customers with respective revenue equals or more than 10% of the Group's total revenue and contributed, in aggregate, 27.6% (2019: 57.7%) to the Group's total revenue.

28. OPERATING SEGMENTS (Cont'd)

1.4.2019 to 31.3.2020	Construction RM	Property development RM	Engineering RM	Investment holding/ Property investment and management RM	Total RM	Elimination RM	Total RM
Segment profit							
Profit before tax	34,757,612	13,854,379	5,466,835	41,089,050	95,167,876	(6,492,749)	88,675,127
Included in the measure of segment profit are:							
- Revenue from external customers	185,185,917	92,346,552	68,181,935	34,631,288	380,345,692	–	380,345,692
- Inter-segment revenue	61,192,804	–	58,701,843	9,116,880	129,011,527	(129,011,527)	–
- Depreciation	(1,524,288)	(400,821)	(2,286,038)	(1,028,339)	(5,239,486)	(1,285,985)	(6,525,471)
- Change in fair value of investment properties	–	–	–	18,263,625	18,263,625	(4,796,475)	13,467,150
- Finance income	912,810	853,074	490,110	3,751,907	6,007,901	(1,986,114)	4,021,787
- Finance costs	(111,871)	(10,263,999)	(311,354)	(4,977,185)	(15,664,409)	1,684,157	(13,980,252)
- Share of profit of a joint venture	–	4,943,550	–	295,720	5,239,270	–	5,239,270
Segment assets							
Total assets	190,349,656	431,620,253	101,802,890	612,754,811	1,336,527,610	(182,664,404)	1,153,863,206
Addition of non-current assets							
Property, plant and equipment	1,149,911	443,496	5,419,749	2,250,001	9,263,157	2,694,283	11,957,440
Investment properties	–	–	–	69,670,193	69,670,193	(3,666,929)	66,003,264
	1,149,911	443,496	5,419,749	71,920,194	78,933,350		77,960,704
Segment liabilities							
Total liabilities	104,388,837	256,516,366	54,123,804	322,929,438	737,958,445	(251,741,179)	486,217,266

28. OPERATING SEGMENTS (Cont'd)

1.4.2018 to 31.3.2019	Construction RM	Property development RM	Engineering RM	Investment holding/ Property investment and management RM	Total RM	Elimination RM	Total RM
Segment profit							
Profit before tax	30,254,185	4,869,922	4,806,738	25,538,968	65,469,813	7,121,226	72,591,039
Included in the measure of segment profit are:							
- Revenue from external customers	233,670,471	43,143,004	40,677,854	21,522,128	339,013,457	–	339,013,457
- Inter-segment revenue	75,831,467	1,020,904	52,807,856	6,500,914	136,161,141	(136,161,141)	–
- Depreciation	(1,593,549)	(427,350)	(2,090,442)	(369,447)	(4,480,788)	(886,638)	(5,367,426)
- Change in fair value of investment properties	–	–	–	13,563,012	13,563,012	2,813,223	16,376,235
- Finance income	1,592,737	680,606	505,940	1,975,282	4,754,565	(1,552,712)	3,201,853
- Finance costs	(241,174)	(4,105,160)	(366,802)	(4,121,308)	(8,834,444)	2,218,903	(6,615,541)
- Share of loss of a joint venture	–	(355,848)	–	(230,688)	(586,536)	–	(586,536)
Segment assets							
Total assets	229,809,784	357,157,827	90,601,376	421,350,362	1,098,919,349	(205,538,217)	893,381,132
Addition of non-current assets							
Property, plant and equipment	612,305	247,226	639,912	1,278,796	2,778,239	20,953,929	23,732,168
Investment properties	–	–	1,321,500	47,452,691	48,774,191	(23,349,819)	25,424,372
	612,305	247,226	1,961,412	48,731,487	51,552,430		49,156,540
Segment liabilities							
Total liabilities	127,980,591	207,134,677	46,919,250	278,127,964	660,162,482	(203,456,129)	456,706,353

29. FINANCIAL INSTRUMENTS

29.1 Categories of financial instruments

All financial assets and liabilities are categorised as amortised cost in accordance with the Group's and the Company's accounting policies as disclosed in Note 2(c).

29.2 Net gains and losses arising from financial instruments

	Group		Company	
	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM	1.4.2019 to 31.3.2020 RM	27.8.2018 to 31.3.2019 RM
Net gains/(losses) on:				
Financial assets at amortised cost	4,314,556	3,718,906	1,446,350	118
Financial liabilities at amortised cost	(13,980,252)	(6,615,541)	–	–
	(9,665,696)	(2,896,635)	1,446,350	118

29.3 Financial risk management

The Group and the Company have exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

29.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from its receivable from subsidiaries. There are no significant changes as compared to prior period.

29.4.1 Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. New customer is analysed individually for creditworthiness before tendering for the construction project, signing of Sales and Purchase Agreement or lease agreement. The Group's review may include Credit Tip Off Service Rating ("CTOS"), financial statements, industry information and own research through various sources including information available on the internet.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are impaired.

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

There are no significant changes as compared to prior period.

29. FINANCIAL INSTRUMENTS (Cont'd)

29.4 Credit risk (Cont'd)

29.4.1 Trade receivables and contract assets (Cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

Concentration of risk

The Group has significant concentrations of credit risk arising from amounts due from three (2019: three) major customers, representing 64% (2019: 56%) of the Group's trade receivables and contract assets. The Group considers this to be normal given the nature of the industry.

Trade receivables and contract assets by segment are as follows:

	Construction and engineering segment RM	Property development segment RM	Property investment segment RM	Total RM
Group				
2020				
Trade receivables	56,346,850	1,594,564	1,055,262	58,996,676
Less: Loss allowance	–	–	(1,946)	(1,946)
	56,346,850	1,594,564	1,053,316	58,994,730
Retention sum (a)	19,289,404	–	–	19,289,404
Contract assets (b)	23,094,869	7,062,108	–	30,156,977
	98,731,123	8,656,672	1,053,316	108,441,111
2019				
Trade receivables	51,924,179	1,858,897	965,037	54,748,113
Less: Loss allowance	(219,589)	–	(1,946)	(221,535)
	51,704,590	1,858,897	963,091	54,526,578
Retention sum (a)	5,444,898	–	–	5,444,898
Contract assets (b)	19,091,664	8,999,990	–	28,091,654
	76,241,152	10,858,887	963,091	88,063,130

(a) The retention sum are due upon the expiry of the defects liability period stated in the respective contracts.

(b) The contract assets are work performed but not billed as at the end of the reporting period.

29. FINANCIAL INSTRUMENTS (Cont'd)

29.4 Credit risk (Cont'd)

29.4.1 Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses

The Group assesses the exposure to credit risk and expected credit losses for trade receivables together with contract assets as at reporting date on a segment by segment basis:

(a) Construction and engineering segment

Expected credit loss ("ECLs") assessment for construction and engineering activities

The official credit term granted to customers generally ranges 15 to 60 days but the payment cycle in the industry generally ranges from 30 to 60 days. The Group assumes that the credit risk on trade receivables and contract assets has increased significantly if it is more than 90 days past due.

The Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. The Group considers all of these customers have low risk of default.

In determining the ECLs, the Group assesses the balances with higher risk of default individually.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for construction and engineering segment which grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2020			
Current (not past due)	36,333,397	–	36,333,397
1 - 30 days past due	14,476,298	–	14,476,298
31 - 60 days past due	1,219,499	–	1,219,499
61 - 90 days past due	1,733,059	–	1,733,059
Retention sum	19,289,404	–	19,289,404
Contract assets	23,094,869	–	23,094,869
	96,146,526	–	96,146,526
Credit impaired			
More than 90 days past due	2,584,597	–	2,584,597
	98,731,123	–	98,731,123

29. FINANCIAL INSTRUMENTS (Cont'd)

29.4 Credit risk (Cont'd)

29.4.1 Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

(a) Construction and engineering segment (Cont'd)

Expected credit loss ("ECLs") assessment for construction and engineering activities (Cont'd)

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2019			
Current (not past due)	24,907,212	–	24,907,212
1 - 30 days past due	10,359,301	–	10,359,301
31 - 60 days past due	14,401,267	–	14,401,267
61 - 90 days past due	102,407	–	102,407
Retention sum	5,444,898	–	5,444,898
Contract assets	19,091,664	–	19,091,664
	74,306,749	–	74,306,749
Credit impaired			
More than 90 days past due	1,934,403	–	1,934,403
Individually impaired	219,589	(219,589)	–
	76,460,741	(219,589)	76,241,152

The movements in the allowance for impairment in respect of trade receivables and contract assets for construction and engineering segment during the year are shown below:

	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM
Balance at 1 April	219,589	322,550
Net remeasurement of loss allowance (Note 22)	(4,907)	(102,961)
Amount written off	(214,682)	–
Balance at 31 March	–	219,589

29. FINANCIAL INSTRUMENTS (Cont'd)

29.4 Credit risk (Cont'd)

29.4.1 Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

(b) Properties development segment

Expected credit loss ("ECLs") assessment of property development activities

In managing credit risk of trade receivables, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are related parties or third party customers, whether they obtain loan from bank or financial institution, industry, transactions history with the Group and the existence of any previous financial difficulties.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for property development activities which are grouped together as they are expected to have similar risk nature.

Group	Loan RM	Self-finance RM	Total RM
2020			
Current (not past due)	755,818	–	755,818
1 - 30 days past due	–	837,746	837,746
31 - 60 days past due	–	–	–
61 - 90 days past due	–	–	–
Contract assets	6,682,514	379,594	7,062,108
	7,438,332	1,217,340	8,655,672
Credit impaired			
More than 90 days past due	–	1,000	1,000
	7,438,332	1,218,340	8,656,672
2019			
Current (not past due)	3,434	–	3,434
1 - 30 days past due	–	–	–
31 - 60 days past due	–	–	–
61 - 90 days past due	1,855,463	–	1,855,463
Contract assets	7,414,145	1,585,845	8,999,990
	9,273,042	1,585,845	10,858,887

As the title and vacant possession of the sold properties would be transferred to the customers only upon full payment of the entire sale consideration, the management believes that credit risk inherent in the Group's outstanding trade receivable balances and contract assets is not significant.

29. FINANCIAL INSTRUMENTS (Cont'd)

29.4 Credit risk (Cont'd)

29.4.1 Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

(c) Property investment segment

Expected credit loss ("ECLs") assessment of property investment activities

The official credit term granted to customers is 7 days but the payment cycle in the industry generally ranges from 30 to 60 days. The Group assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due.

Majority of the tenants pay on timely basis with no major overdue balances. The Group considers that receivables for property investment activities have low credit risk by reference to sound collection history of receivables.

In determining the ECLs, the Group assesses the balances with higher risk of default individually.

The following table provides information about the exposure to credit risk and ECLs for trade receivables for property investment activities which grouped together as they are expected to have similar risk nature:

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2020			
Current (not past due)	773,944	–	773,944
1 - 30 days past due	248,360	–	248,360
31 - 60 days past due	25,563	–	25,563
61 - 90 days past due	39	–	39
	1,047,906	–	1,047,906
Credit impaired			
More than 90 days past due	5,410	–	5,410
Individually impaired	1,946	(1,946)	–
	1,055,262	(1,946)	1,053,316
2019			
Current (not past due)	772,403	–	772,403
1 - 30 days past due	128,661	–	128,661
31 - 60 days past due	46,056	–	46,056
61 - 90 days past due	–	–	–
	947,120	–	947,120
Credit impaired			
More than 90 days past due	15,971	–	15,971
Individually impaired	1,946	(1,946)	–
	965,037	(1,946)	963,091

29. FINANCIAL INSTRUMENTS (Cont'd)

29.4 Credit risk (Cont'd)

29.4.1 Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

(c) Property investment segment (Cont'd)

Expected credit loss ("ECLs") assessment of property investment activities (Cont'd)

The movement in the allowance for impairment in respect of trade receivables for property investment segment during the year is shown below:

	Group	
	2020 RM	2019 RM
Balance at 1 April/31 March	1,946	1,946

29.4.2 Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

29.4.3 Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and the Group and the Company did not recognise any allowance for impairment losses.

29.4.4 Inter-companies balances

Risk management objectives, policies and processes for managing the risk

The Company monitors the ability of the subsidiaries to repay the balances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

The Company considers amounts due from subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers amounts due from subsidiaries to be credit impaired when:

- The subsidiaries are unlikely to repay its amount due to the Company in full; or
- The subsidiaries are continuously loss making and is having a deficit shareholders' fund.

29. FINANCIAL INSTRUMENTS (Cont'd)

29.4 Credit risk (Cont'd)

29.4.4 Inter-companies balances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The Company determines the probability of default for these amounts due from subsidiaries individually using internal information available.

The following table provides information about the exposure to credit risk for amounts due from subsidiaries as at the end of the reporting period:

	Gross carrying amount/ Net balance	
	2020 RM	2019 RM
Company		
Low credit risk	27,094,742	–

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

29.4.5 Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured financial guarantee to a customer of a subsidiary in respect of contract sum agreed by the subsidiary. The Group monitors the ability of the subsidiary to supply the goods and services to the customer on an individual basis.

In prior year, the Group provided unsecured financial guarantees to banks in respect of banking facilities granted to related parties as disclosed in Note 26.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk for the Group amounts to RM20,187,836 representing the performance guarantee given to a customer of a subsidiary in respect of performance of contract as at the end of the reporting period.

Recognition and measurement of impairment loss

The financial guarantee has not been recognised since fair value on initial recognition was not material.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

29.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significant different amounts.

29. FINANCIAL INSTRUMENTS (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate/ coupon %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2020							
Non-derivative financial liabilities							
Trade and other payables	144,642,559	–	144,642,559	144,642,559	–	–	–
Hire purchase liabilities	2,949,293	2.27 – 5.80	3,139,469	1,550,147	883,994	705,328	–
Secured term loans	277,815,928	3.92 – 5.72	332,458,744	30,377,539	53,320,386	157,108,001	91,652,818
Bank overdrafts	2,460,178	7.62 – 7.95	2,460,178	2,460,178	–	–	–
Due to a minority shareholder	10,000,000	3.42	10,000,000	–	–	–	10,000,000
Due to a minority shareholder	1,962,579	–	1,962,579	1,962,579	–	–	–
Financial guarantee	–	–	20,187,836*	20,187,836	–	–	–
	439,830,537		514,851,365	201,180,838	54,204,380	157,813,329	101,652,818
2019							
Non-derivative financial liabilities							
Trade and other payables	138,231,264	–	138,231,264	138,231,264	–	–	–
Finance lease liabilities	4,161,822	2.33 – 4.61	4,446,181	2,116,247	1,322,150	1,007,784	–
Secured term loans	206,140,160	4.67 – 6.45	260,376,747	31,549,437	32,160,137	87,361,463	109,305,710
Bank overdrafts	5,539,058	5.95 – 8.32	5,539,058	5,539,058	–	–	–
Due to Directors	54,225,169	–	54,225,169	54,225,169	–	–	–
Due to a minority shareholder	10,000,000	4.19	10,000,000	–	–	–	10,000,000
Due to a minority shareholder	565,355	–	565,355	565,355	–	–	–
Financial guarantee	–	–	44,450,000*	44,450,000	–	–	–
	418,862,828		517,833,774	276,676,530	33,482,287	88,369,247	119,305,710

* represents the amount outstanding as disclosed in Note 26.

29. FINANCIAL INSTRUMENTS (Cont'd)

29.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Company	Carrying amount RM	Contractual interest rate/ coupon %	Contractual cash flows RM	Under 1 year RM
2020				
Non-derivative financial liabilities				
Other payables	830,246	–	830,246	830,246
Due to subsidiaries	4,318,948	–	4,318,948	4,318,948
	5,149,194		5,149,194	5,149,194
2019				
Non-derivative financial liabilities				
Other payables	4,440,596	–	4,440,596	4,440,596

29.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

29.6.1 Currency risk

The Group is exposed to foreign currency risk on bank balances, borrowings and trade receivables that are denominated in a currency other than the respective functional currencies of Group. The currencies giving rise to this risk are US Dollar ("USD") and Singapore Dollar ("SGD").

Risk management objectives, policies and processes for managing the risk

The Group does not hedge its financial assets and liabilities denominated in foreign currencies.

Exposure to foreign currency risk

The Group's exposure to foreign currencies (a currency which is other than the functional currency of Group entities) risk, based on carrying amounts as at the end of the reporting periods are as follows:

	Group Denominated in USD RM	SGD RM
2020		
Cash and cash equivalents	2,822,412	81,946
Hire purchase liabilities	–	(335,315)
Trade receivables	–	8,594,893
	2,822,412	8,341,524
2019		
Cash and cash equivalents	2,823,474	70,627
Finance lease liabilities	–	(405,516)
Trade receivables	–	4,830,431
	2,823,474	4,495,542

29. FINANCIAL INSTRUMENTS (Cont'd)

29.6 Market risk (Cont'd)

29.6.1 Currency risk (Cont'd)

Currency risk sensitivity analysis

A 10% (2019: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss	
Group	**1.4.2019 to 31.3.2020 RM**	**1.4.2018 to 31.3.2019 RM**
USD	(214,503)	(214,584)
SGD	(633,956)	(341,661)

29.6.2 Interest rate risk

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Group endeavours to keep to exposure at acceptable level.

Exposure to interest rate risk

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

	Group	
	2020 RM	**2019 RM**
Fixed rate instruments		
Financial assets	161,579,112	54,014,045
Financial liabilities	(2,949,293)	(4,161,822)
	158,629,819	49,852,223
Floating rate instruments		
Financial liabilities	(290,276,106)	(221,679,218)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates during the reporting period would have increased/(decreased) the Group's post-tax profit or loss by RM2,206,098 (2019: RM1,684,762). This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

29. FINANCIAL INSTRUMENTS (Cont'd)

29.7 Fair value information

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

The carrying amounts of floating rate term loans approximate their fair values as their effective interest rates change according to movements in the market interest rates.

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments not carried at fair value Level 3 RM	Total fair value RM	Carrying amount RM
Group			
2020			
Financial liabilities			
Hire purchase liabilities	(2,968,777)	(2,968,777)	(2,949,293)
2019			
Financial liabilities			
Finance lease liabilities	(4,205,362)	(4,205,362)	(4,161,822)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Finance lease liabilities and hire purchase liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the Group at the reporting dates.

30. CAPITAL MANAGEMENT

The Group's capital is represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

During 2020, the Group's strategy, which was unchanged from 2019, was to maintain the debt-to-equity ratio at below 2.00 multiples. The debt-to-equity ratios at 31 March 2020 and 31 March 2019 were as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Loans and borrowings (Note 15)	283,225	215,841
Less: Cash and cash equivalents (Note 13)	(191,806)	(102,488)
Net debt	91,419	113,353
Total equity	667,646	436,675
Debt-to-equity-ratios	0.14	0.26

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

31. RELATED PARTIES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group and the Company have related party relationship with its subsidiaries, a joint venture, companies and a firm in which certain Directors have financial interest, a minority shareholder of a subsidiary and key management personnel.

31. RELATED PARTIES (Cont'd)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 11, 12, 16, 17 and 18.

	Group		Company	
	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM	1.4.2019 to 31.3.2020 RM	27.8.2018 to 31.3.2019 RM
A. Subsidiaries				
Rental expenses	–	–	(524,194)	(262,097)
Rental income	–	–	612,000	306,000
Renovation costs	–	–	–	(1,000,000)
B. Joint venture				
Contract income	17,038,063	16,072,256	–	–
Rental income	89,530	58,901	24,000	12,000
C. Minority shareholder of a subsidiary				
Interest expenses	(397,224)	(295,699)	–	–
D. Companies in which certain Directors have financial interest				
Contract income	–	66,000	–	–
Rental expenses	–	(99,000)	–	–
Maintenance fee	–	(49,649)	–	–
Management fee	–	(6,206)	–	–
E. Firm in which a Director has financial interest				
Professional fees	(257,418)	(323,850)	–	–
F. Key management personnel compensation				
Directors:				
- Fees	624,000	415,139	624,000	364,139
- Remunerations	7,608,000	7,150,439	12,000	–
- Contributions to state plans	1,104,446	1,314,875	–	–
	9,336,446	8,880,453	636,000	364,139
Other key management personnel:				
- Short term employee benefits	3,046,400	2,714,700	–	–
- Contributions to state plans	384,972	370,158	–	–
	3,431,372	3,084,858	–	–
	12,767,818	11,965,311	636,000	364,139

Other key management personnel comprise persons other than the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group entities, either directly or indirectly.

The estimated monetary value of benefits-in-kind receivable by the Directors and other key management personnel of the Group is RM124,950 (31.3.2019: RM175,170) and RM107,523 (31.3.2019: RM102,350) respectively.

32. ACQUISITION OF SUBSIDIARIES

In conjunction with, and as an integral part of the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the Company has undertaken the following restructuring exercise:

32.1 Acquisition of shares in respect of the subsidiaries of the Company ("Acquisition")

On 1 June 2019, the Company acquired from the shareholders the ordinary shares held by them in the following subsidiaries:

	Equity interest %	Purchase consideration RM	No. of shares issued by the Company
Amsun Industries Sdn. Bhd.	100	124,125,045	82,750,030
AME Development Sdn. Bhd.	100	184,619,859	123,079,906
AME Industrial Park Sdn. Bhd.	100	59,882,205	39,921,470
AME Engineering Industries Sdn. Bhd.	100	25,524,444	17,016,296
Asiamost Sdn. Bhd.	100	16,520,232	11,013,488
Amsun Capital Sdn. Bhd.	100	4,248,005	2,832,003
Tanjung Bebas Sdn. Bhd.	100	18,746,109	12,497,406
Twin Sunrich Sdn. Bhd.	100	4,505,535	3,003,690
LKL Industries Sdn. Bhd.	100	18,570,420	12,380,280
I Stay Management Sdn. Bhd.	70	69,999	46,666
		456,811,853	304,541,235

The purchase consideration was satisfied via the issuance by the Company of an aggregate of 304,541,235 new ordinary shares in the Company at an issue price of RM1.50 per share.

32.2 Subscription of shares in respect of the subsidiaries of the Company ("Subscription")

On 1 June 2019, the Company completed the subscription of new ordinary shares in the following subsidiaries at a subscription price of RM0.001 per share for cash:

	No. of shares subscribed by the Company	Subscription consideration RM
AME Integrated Sdn. Bhd.	100,000	100
Active Gold Services Sdn. Bhd.	500,000,000	500,000
Symphony Square Sdn. Bhd.	300,000,000	300,000
	800,100,000	800,100

The subscription of shares resulted in the Company holding 99.9% equity interest in each of the above subsidiaries.

The Subscription and Acquisition of subsidiaries were completed on 18 June 2019 and 27 June 2019 respectively. The Group has consolidated the financial information of these subsidiaries as if the combination of entities under common control had occurred before the start of the earliest period presented.

32. ACQUISITION OF SUBSIDIARIES (Cont'd)

32.2 Subscription of shares in respect of the subsidiaries of the Company ("Subscription") (Cont'd)

The following summarises the recognised amounts of assets acquired and liabilities assumed at 1 April 2018.

	Group 2019 RM
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	77,346,965
Inventories	240,273,605
Investment properties	236,995,170
Investment in joint venture	33,857,411
Deferred tax assets	4,016,115
Due from a joint venture	9,315,001
Contract costs	1,637,906
Trade and other receivables	78,433,962
Contract assets	62,388,487
Current tax assets	3,445,973
Cash and cash equivalents	109,784,534
Asset classified as held for sale	33,333
Loans and borrowings	(219,703,768)
Due to Directors	(68,349,017)
Deferred tax liabilities	(150,596,883)
Trade and other payables	(8,627,588)
Contract liabilities	(11,615,313)
Due to a minority shareholder	(269,657)
Current tax liabilities	(2,681,842)
Total identifiable net assets	395,684,394

For the purpose of accounting for the restructuring exercise, the Group has applied book value accounting as all the entities within the Group are under common control by the same parties before and after the restructuring exercise. Under book value accounting, the difference between cost of investment recorded by the Company and the share capital of the subsidiaries are accounted for as merger reserve as follows:

	RM
New shares issued by the Company as consideration for the acquisition of subsidiaries (Note 32.1)	456,811,853
Subscription of shares in subsidiaries (Note 32.2)	800,100
Reversal of issued and paid-up share capital of these subsidiaries	(5,300,860)
Merger reserve	452,311,093

33. SIGNIFICANT EVENT

In conjunction with, and as an integral part of the listing of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:

33.1 Restructuring exercise

33.1.1 The acquisitions of subsidiaries for an aggregated consideration of approximately RM456,811,853 were settled via the issuance of 304,541,235 shares of the Company to their respective shareholders on 1 June 2019.

Details of the Acquisitions are as disclosed in Note 32(a).

33.1.2 The subscription of new ordinary shares in three subsidiaries at a subscription price of RM0.001 per share for cash on 1 June 2019.

Details of the Acquisitions are as disclosed in Note 32(b).

33.1.3 Certain Directors have on 18 June 2019 made advances to the Company amounting to RM1,500,000 for purpose of funding the restructuring exercise.

33.1.4 As part of the restructuring exercise, the entire amount owing by the subsidiaries to certain Directors of RM55,724,797 has been capitalised into 37,149,865 shares, at an issue price of RM1.50 per share.

33. SIGNIFICANT EVENT (Cont'd)

33.2 Initial Public Offering

The Initial Public Offering ("IPO") comprised the Institutional Offering and Retail Offering for a total of 128,134,800 shares of which 42,711,800 shares were offered for sale by the shareholders and Public Issue of 85,423,000 new shares by the Company.

Listing on Bursa Securities

The Company's entire enlarged issued and paid-up share capital of RM623,587,551 comprising 427,115,101 ordinary shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 14 October 2019.

34. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

During the year, the Group and the Company adopted MFRS 16.

As a lessee

Where the Group and the Company are a lessee, the Group and the Company applied the requirements of MFRS 16 retrospectively with no cumulative effect recognised in the opening balance of retained earnings at 1 April 2019.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:

- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 April 2019;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impacts on financial statements

Since the Group and the Company applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application at 1 April 2019, there are no adjustments made to the prior period presented.

There is no financial impact except for the hire purchase arrangements previously classified as finance lease liabilities under MFRS 117 are now classified as hire purchase liabilities.

35. SUBSEQUENT EVENT

35.1 On 25 June 2020, a subsidiary of the Company, Symphony Square Sdn. Bhd. entered into a joint venture agreement with Baozhou New Energy Technology Sdn. Bhd. to form a joint venture company to provide engineering, procurement, construction and commissioning services for solar energy projects and solution for solar energy systems for commercial and industrial buildings in Malaysia.

The joint venture company is 51% owned by the subsidiary and 49% owned by Baozhou New Energy Technology Sdn. Bhd.. The initial share capital of the joint venture company is RM1 million in which Symphony Square Sdn. Bhd. will subscribe for 510,000 ordinary shares and Baozhou New Energy Technology Sdn. Bhd. will subscribe for 490,000 ordinary shares respectively. The joint venture company was incorporated on 1 July 2020.

35.2 On 1 June 2020 and 2 June 2020, two new subsidiaries, Pentagon Land Sdn. Bhd. and Greenhill SILC Sdn. Bhd. were incorporated with initial share capital of RM100 each. The principal activities of the subsidiaries consist of those relating to property development, investment holding and management of real estate.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 74 to 140 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as of 31 March 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Lee Chai
Director

Lee Sai Boon
Director

Johor Bahru

Date: 29 July 2020

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Gregory Lui Poh Sek**, the officer primarily responsible for the financial management of AME ELITE CONSORTIUM BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 74 to 140 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named Gregory Lui Poh Sek, NRIC: 680704-01-5289, MIA CA12124 at Johor Bahru in the State of Johor on 29 July 2020.

Gregory Lui Poh Sek

Before me:
Lau Lay Sung
Commissioner for Oaths
J-246

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AME ELITE CONSORTIUM BERHAD
REGISTRATION NUMBER: 201801030789 (1292815-W)
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of AME Elite Consortium Berhad, which comprise the statement of financial position as at 31 March 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 140.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

KEY AUDIT MATTERS

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

Revenue and cost of sales from property development activities

Refer to Note 2(n)(i) – Significant accounting policy: Revenue from contract with customers and Note 19 – Revenue

The key audit matter	How the matter was addressed in our audit
Revenue and cost of sales from property development activities was identified as a key audit matter because accounting for property development activity is inherently complex and involves significant judgement: • Probability of collection of consideration from purchaser, especially cash purchasers • Measurement of progress towards satisfaction of performance obligations using cost incurred method, in particular, the estimation of the total cost required to complete the work used in the calculation of stage of completion.	We performed the following audit procedures, amongst others: • We read and understood the terms of the contracts with customers and relevant supporting documents to assess the Group's revenue recognition policy with reference to the requirements of MFRS 15. • We inspected the supporting documents and agreed to the Group's assessment relating to the probability of collection of consideration from customers, in particular for customers who are not supported by end-financiers. • We agreed the estimated total costs to complete the works to the project budget prepared by the Group and compared the details of the estimated costs against documentary evidence. • We compared the progress towards satisfaction of performance obligations using cost incurred method against the progress of construction works as stipulated in architect certificates and made enquiry of completion status during the development site visit to corroborate with the percentage of completion.

KEY AUDIT MATTERS (Cont'd)

Revenue and cost of sales from property development activities (Cont'd)

Refer to Note 2(n)(i) – Significant accounting policy: Revenue from contract with customers and Note 19 – Revenue (Cont'd)

The key audit matter	How the matter was addressed in our audit
	• We recomputed the amount of the revenue recognised in the profit or loss by multiplying the contract sum with the percentage of completion derived from the cost incurred to date over the estimated costs to complete the works. • We assessed the adequacy of disclosures as required by MFRS 15.

Revenue and cost of sales from property construction contracts

Refer to Note 2(n)(i) - Significant accounting policy: Revenue from contract with customers and Note 19 – Revenue

The key audit matter	How the matter was addressed in our audit
Revenue and cost of sales from property construction contracts was identified as a key audit matter because accounting for property construction activity is inherently complex and involves significant judgement: • Significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages ("LAD"). • The progress towards complete satisfaction of performance obligations is measured using the output method by reference to the survey of work performed.	We performed the following audit procedures, amongst others: • We read and understood the terms of the contracts with customers and relevant supporting documents to assess the Group's revenue recognition policy with reference to the requirements of MFRS 15. • We inspected documents supporting the estimated total contract sum and correspondences from contract customers in relation to variations and claims. • We inspected documents certified by quantity surveyor supporting the contract work performed by the Group to-date. • We inquired in-house operational and financial personnel of the Group and inspected the extension of time submitted to the contract customers to assess the exposure of LAD. • We tested samples of costs incurred to date to supporting documentation such as contractors' claim certificates or suppliers' invoices. • We recomputed the contract revenue and construction cost to be recognised by reference to the percentage of completion determined based on survey of work performed. • We assessed the adequacy of disclosures as required by MFRS 15.

Valuation of investment properties

Refer to Note 2(f)(i) - Significant accounting policy: Investment properties and Note 5 – Investment properties

The key audit matter	How the matter was addressed in our audit
Valuation of investment properties was identified as a key audit matter because the Group owns numerous investment properties, which are leased to third parties. Investment properties represent a major category of assets on the consolidated statement of financial position of the Group. These investment properties are stated at fair values based on independent external valuations, using the market comparison approach. The valuations are sensitive to the choice of valuation methodology and key assumptions applied; where a change in the assumptions can have significant impact to the valuation.	We performed the following audit procedures, amongst others: • We evaluated the qualifications, objectivity and competency of the external valuers and held discussions with the valuers to understand the valuation method and assumptions and basis used. • We evaluated and challenged the key assumptions applied by the external valuers by comparing with internal and external sources. • We considered the adequacy of the disclosures in the financial statements, in describing the key assumptions in the estimates.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group or of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Tan Teck Eng
Approval Number: 02986/05/2022 J
Chartered Accountant

Johor Bahru

Date: 29 July 2020

LIST OF MATERIAL PROPERTIES
AS AT 31 MARCH 2020

Location	Land area / Built-up area	Description and existing use	Tenure	Age of Building (Approximately)	Net Book Value as at 31 March 2020 (RM'000)	Date of Last Revaluation
Title identification: HSD 75887, Lot no. PTD 112778, Mukim of Senai, District of Kulai, Johor. **Postal address:** No. 91, Jalan SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	1.1945 hectares / 226,378 sq ft	5 blocks of 5-storey walk-up workers' dormitories, a 2-storey shop and other ancillary buildings currently tenanted by third parties.	Freehold	1 year	35,114	(1a)
Title identification: HSD 76888, Lot no. PTD 112829, Mukim of Senai, District of Kulai, Johor. **Postal address:** (Plots 18 & 19) No. 22, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	1.5245 hectares / 118,160 sq ft	1½ storey detached factory currently leased for the manufacturing of technology components and its related activities and office.	Freehold	1 year	34,000	1 April 2020
Title identification: HSD 569755, Lot no. PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor. **Postal address:** No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai.	1.978 hectares / 129,039 sq ft	A single storey detached factory with multi storey office building and ancillary buildings currently under construction which will be leased for distribution and packaging of professional and consumer audio products.	Freehold	N/A (Construction-in-progress)	28,000	25 June 2020
Title identification: GRN 580210, Lot no. PTD 98837, Mukim of Kulai, District of Kulai, Johor. **Postal address:** (Plot 17) Fasa 1A, Jalan Pekeliling Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	1.2461 hectares / 240,251 sq ft	5 blocks of 5-storey walk-up workers' dormitories, a 2-storey shop and other ancillary buildings currently tenanted by third parties.	Freehold	5 to 6 years	24,545	(1b)

LIST OF MATERIAL PROPERTIES (Cont'd) AS AT 31 MARCH 2020

Location	Land area / Built-up area	Description and existing use	Tenure	Age of Building (Approximately)	Net Book Value as at 31 March 2020 (RM'000)	Date of Last Revaluation
Title identification: HSD 580802, Lot no. PTD 196193, Mukim of Tebrau, District of Johor Bahru, Johor. **Postal address:** (Plot 1A1b) No. 68, Jalan I-Park SAC 8, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	1.04577 hectares / 65,426 sq ft	1½ storey detached factory currently leased for process, distribution center of office suppliers and workplace products and its related activities and office.	Freehold	1 year	20,000	1 April 2020
Title identification: HSD 63619, Lot no. PTD 107694, Mukim of Kulai, District of Kulai, Johor. **Postal address:** (Plot 66) No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	0.9445 hectare / 69,599 sq ft	A single storey detached factory with mezzanine office and other ancillary buildings currently leased for manufacturing and its related activities and office.	Freehold	5 years	18,000	1 April 2020
Title identification: HSD 577103, Lot no. PTD 195950, Mukim of Tebrau, District of Johor Bahru, Johor. **Postal address:** (Plot 1B1) No. 69, Jalan I-Park SAC 8, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	0.9071 hectare / 56,706 sq ft	1½ storey detached factory currently leased for courier services and its related activities and office.	Freehold	1 year	17,000	1 April 2020
Title identification: HSD 75867, Lot no. PTD 112754, Mukim of Senai, District of Kulai, Johor. **Postal address:** (Plot 20) No. 34, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	0.7897 hectare / 53,764 sq ft	1½ storey detached factory currently leased for the manufacturing of parts and accessories for motor vehicles and its related activities and office.	Freehold	1 year	17,000	1 April 2020

LIST OF MATERIAL PROPERTIES (Cont'd)
AS AT 31 MARCH 2020

Location	Land area / Built-up area	Description and existing use	Tenure	Age of Building (Approximately)	Net Book Value as at 31 March 2020 (RM'000)	Date of Last Revaluation
Title identification: GRN 580233, Lot no. 98828, Mukim of Kulai, District of Kulai, Johor. **Postal address:** (Plot 7) No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	0.8498 hectare / 55,574 sq ft	A single storey detached factory with mezzanine office and other ancillary buildings currently leased for the manufacturing and distribution of hearing aid devices and its related activities and office.	Freehold	6 years	14,500	1 April 2020
Title identification: GRN 580232, Lot no. 98827, Mukim of Kulai, District of Kulai, Johor. **Postal address:** (Plot 8) No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	0.8462 hectare / 55,391 sq ft	A single storey detached factory with mezzanine office and other ancillary buildings currently leased for the manufacturing of contact materials and its related activities and office.	Freehold	6 years	14,500	1 April 2020

Note:

1. Self-constructed, and completed in the following years:
   a. Year 2019
   b. Year 2013 (Phase 1); Year 2015 (Phase 2)

ANALYSIS OF SHAREHOLDINGS
AS AT 1 JULY 2020

Issued Share Capital : 427,115,101 ordinary shares

Class of Shares : Ordinary shares

Voting Rights : One vote per shareholder on a show of hands
One vote per ordinary share on a poll

ANALYSIS OF HOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100 shares	4	26	0.00
100 to 1,000 shares	130	80,600	0.02
1,001 to 10,000 shares	275	1,240,901	0.29
10,001 to 100,000 shares	110	3,708,300	0.87
100,001 to less than 5% of issued shares	120	153,002,974	35.82
5% and above of issued shares	3	269,082,300	63.00
Total	**642**	**427,115,101**	**100.00**

SUBSTANTIAL SHAREHOLDERS

According to the register to be kept under Section 144 of the Companies Act 2016 ("**Act**"), the following are the substantial shareholders of the Company:

	No. of Shares Held			
Name of Substantial Shareholders	Direct	%	Indirect	%
1. Lee Chai	91,001,100	21.31	(i) 2,188,100	0.51
2. Lim Yook Kim	89,694,100	21.00	(ii) 2,919,300	0.68
3. Kang Ah Chee	89,694,100	21.00	(iii) 2,813,300	0.66
4. Lee Sai Boon	30,258,000	7.08	(i) 2,188,100	0.51

Notes:

(i) Deemed interested by virtue of his interest in Lotus Ideal Sdn Bhd ("**Lotus Ideal**") and Lifestyle Capital Sdn Bhd ("**Lifestyle Capital**"), pursuant to Section 8 of the Act.

(ii) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital and shares held by his son, Mr Lim Khai Wen, pursuant to Section 8 of the Act.

(iii) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital and shares held by his sons and daughter, Mr Kang Koh Wei, Mr Kang Chai Poh and Ms Kang Miay Hong, pursuant to Section 8 of the Act.

DIRECTORS' INTEREST IN ORDINARY SHARES OF THE COMPANY

	No. of Shares Held			
Name of Directors	Direct	%	Indirect	%
1. Lee Chai	91,001,100	21.31	(i) 2,188,100	0.51
2. Lim Yook Kim	89,694,100	21.00	(ii) 2,919,300	0.68
3. Kang Ah Chee	89,694,100	21.00	(iii) 2,813,300	0.66
4. Lee Sai Boon	30,258,000	7.08	(i) 2,188,100	0.51
5. Tengku Azrina Binti Raja Abdul Aziz	200,000	0.05	–	–
6. Tan Lay Beng	200,000	0.05	–	–
7. Chang Tian Kwang	200,000	0.05	–	–
8. Wee Soon Chit	200,000	0.05	–	–
9. Lim Pei Shi	490,000	0.11	–	–
10. Lee Ling Sien	224,100	0.05	–	–

Notes:

(i) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital, pursuant to Section 8 of the Act.

(ii) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital and shares held by his son, Mr Lim Khai Wen, pursuant to Section 8 of the Act.

(iii) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital and shares held by his sons and daughter, Mr Kang Koh Wei, Mr Kang Chai Poh and Ms Kang Miay Hong, pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS (Cont'd)
AS AT 1 JULY 2020

THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

	Name of holders	No. of Shares	%
1.	Lee Chai	89,694,100	21.00
2.	Lim Yook Kim	89,694,100	21.00
3.	Kang Ah Chee	89,694,100	21.00
4.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	18,266,800	4.28
5.	Lee Sai Boon	17,898,000	4.19
6.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Lee Sai Boon (PB)	12,360,000	2.89
7.	Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	7,686,074	1.80
8.	UOA Development Bhd	6,828,000	1.60
9.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Leef)	6,011,300	1.41
10.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Al-Fauzan (5170)	5,378,000	1.26
11.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Progress Fund (4082)	3,282,600	0.77
12.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LPF)	3,279,800	0.77
13.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS I For JPMorgan Malaysia Fund	2,994,900	0.70
14.	CIMB Commerce Trustee Berhad Public Focus Select Fund	2,789,400	0.65
15.	Citigroup Nominees (Asing) Sdn Bhd CBNY For Norges Bank (FI 17)	2,733,300	0.64
16.	Chua Ma Yu	2,547,300	0.60
17.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yee Hui	2,500,000	0.58
18.	CIMB Group Nominees (Asing) Sdn Bhd Exempt An For DBS Bank Ltd (SFS)	2,300,000	0.54
19.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LBF)	2,213,400	0.52
20.	Lotus Ideal Sdn Bhd	2,038,100	0.48
21.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Takaful Berhad (Mekar)	1,966,900	0.46
22.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment AL-Faid (4389)	1,825,800	0.43
23.	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Chong Ho	1,813,000	0.42
24.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LGF)	1,791,300	0.42
25.	Amanahraya Trustees Berhad PB Islamic Smallcap Fund	1,712,600	0.40
26.	Teo Kee Bock	1,698,000	0.40
27.	Maybank Nominees (Tempatan) Sdn Bhd Medical Fund (IFM Affinhwang)	1,517,200	0.35
28.	Lee Chai	1,307,000	0.30
29.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Flexi Invest Fund	1,192,800	0.28
30.	Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund (IFM Affinhwang)	1,152,700	0.27
Total		**386,166,574**	**90.41**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting ("**2nd AGM**") of the Company will be held at i-Park@ Senai Airport City Sales Gallery, No. 1, Jalan I-Park SAC 1, Taman Perindustrian I-Park SAC, 81400 Senai, Johor on Thursday, 27 August, 2020 at 10:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2020 together with the Reports of the Directors and Auditors thereon. — **Please refer to Note 2.1**
2. To approve the payment of Directors' fees for the financial year ended 31 March 2020. — **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits for the financial year ended 31 March 2020 and for the period from 1 April 2020 until the next Annual General Meeting ("**AGM**") of the Company to be held in 2021. — **Ordinary Resolution 2**
4. To re-elect the following Directors of the Company who are retiring by rotation in accordance with Clause 95 of the Constitution of the Company and, who being eligible, offer themselves for re-election:
   (i) Mr Lee Chai — **Ordinary Resolution 3**
   (ii) Mr Lee Sai Boon — **Ordinary Resolution 4**
   (iii) Mr Kang Ah Chee — **Ordinary Resolution 5**
5. To re-appoint Messrs KPMG PLT ("**KPMG**") as Auditors of the Company for the financial year ending 31 March 2021 and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 6**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions:

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("CA 2016")** — **Ordinary Resolution 7**

   "THAT pursuant to Sections 75 and 76 of the CA 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at the time of issue and THAT the Directors be and are also authorised to obtain the approval of Bursa Malaysia Securities Berhad for 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 AGM of the Company."
7. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

Further notice is hereby given that for the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 59 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at **18 August 2020** and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting or appoint a proxy(ies) to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD

LEONG SIEW FOONG *(MAICSA 7007572)*
SANTHI A/P SAMINATHAN *(MAICSA 7069709)*
Secretaries
Johor Bahru
30 July 2020

Notes:

1. Proxy Form

1.1 A proxy may, but need not be a Member of the Company and a Member may appoint any person to be his/her proxy(ies) without any restriction as to the qualification of the proxy(ies).

1.2 To be valid, this form, duly completed must be deposited at the registered office of the Company situated at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor and must be received by the Company within forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.

1.3 Please ensure ALL particulars required in the Proxy Form are completed, signed and dated accordingly. The last date and time to lodge the Proxy Form is on **Tuesday, 25 August 2020** at **10:00 a.m.**

1.4 Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:

(i) Identity Card (NRIC for Malaysian); or

(ii) Police report (for loss of NRIC) / Temporary NRIC for Malaysian; or

(iii) Passport (Foreigner).

1.5 A Member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote at the same meeting.

1.6 Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

1.7 If the appointor is a corporation, the Proxy Form must be executed under its Seal or under the hand of its attorney duly authorised.

1.8 Where a Member or Authorised Nominee appoint two (2) proxies, or when an Exempt Authorised Nominee appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his holdings to be represented by each proxy.

1.9 Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice shall be put to vote by way of poll.

2. Explanatory Notes on Ordinary Business

2.1 The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

2.2 Ordinary Resolution 1 and 2 – Directors' fees and benefits payable

Section 230(1) of the CA 2016 provides amongst other, that the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a General Meeting.

In this respect, the Board wishes to seek shareholders' approval for payment of Directors' fees of RM624,000 and other benefits payable up to RM48,000 for the financial year ended 31 March 2020 and for the period from 1 April 2020 until the next AGM to be held in year 2021.

In determining the estimated total amount of Directors' fees and benefits payable for the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees of the Company as well as the number of Directors involved in these meetings based on the current number of Directors.

2.3 Ordinary Resolution 3, 4 and 5 – Re-election of Directors

The Constitution of the Company states that at each AGM of the Company, one-third (1/3) of the Directors or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Mr Lee Chai, Mr Lee Sai Boon and Mr Kang Ah Chee, who retire in accordance with Clause 95 of the Company's Constitution, are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 2nd AGM. Each of the Directors has undergone a performance evaluation conducted by the Nomination Committee and was evaluated to be effective and valuable to the Board.

The profile of the above-named Directors are set out in the Board of Directors' Profile in the Annual Report 2020.

2.4 Ordinary Resolution 6 – Re-appointment of Auditors

The Audit and Risk Management Committee and the Board have considered the re-appointment of KPMG as Auditors of the Company and collectively agreed that KPMG has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

3. Explanatory Notes on Special Business

3.1 Ordinary Resolution 7 – Proposed Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the CA 2016

The Proposed authority to issue shares, Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the 2nd AGM, authority to issue not more than ten percent (10%) of the total number of issued shares of the Company. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Malaysia Securities Berhad. This authority, unless revoked or varied at a General Meeting, will expire at the conclusion of the next AGM of the Company.

The mandate sought under Ordinary Resolution 7 above if approved will provide flexibility to the Company for any potential fund-raising activities and there is no specific purpose and utilisation for the proceeds to be raised under this mandate. Hence, the proceed to be raised, if any, may be used for funding future investments, working capital, repayment of bank borrowings and/or any acquisition.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Member of the Company (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING
(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. There is no person seeking for election as Director of the Company at the Second Annual General Meeting except for the following Directors standing for re-election as follows:

(i) Mr Lee Chai - ORDINARY RESOLUTION 3

(ii) Mr Lee Sai Boon - ORDINARY RESOLUTION 4

(iii) Mr Kang Ah Chee - ORDINARY RESOLUTION 5

The profile of the above-named Directors is set out in the Board of Directors' Profile in the Annual Report 2020.

Their shareholdings in the Company and its related corporations are set out in the Directors' Report in the Annual Report 2020.

2. Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The general mandate for issuance of shares by the Company under Sections 75(1) and 76(1) of the Companies Act 2016 is for the purpose of granting the mandate for the Company for potential fund-raising activities including but not limited to further placement of shares for purposes of funding future investments, working capital, repayment of bank borrowings and/or any acquisition.

PROXY FORM

AME ELITE CONSORTIUM BERHAD
201801030789 (1292815-W)

CDS Account No.	No. of Shares Held

*I/We _____ , _____
(Full Name in Block Letters) (*NRIC No./Passport No./Company's Registration No.)

of _____
(Address)

_____ and _____
(Address cont'd) (Tel. No.)

being *a Member/Members of **AME Elite Consortium Berhad** (the "**Company**"), hereby appoint the following person(s):

Name of Proxy	*NRIC No./Passport No.	No. of Shares to be Represented by Proxy	% of Shareholding
1.			
2.			

or failing *him/her, the Chairperson of the Meeting as *my/our proxy(ies), to vote for, *me/us on *my/our behalf at the Second Annual General Meeting ("**2nd AGM**") of the Company to be held at i-Park@Senai Airport City Sales Gallery, No. 1, Jalan I-Park SAC 1, Taman Perindustrian I-Park SAC, 81400 Senai, Johor on Thursday, 27 August 2020 at 10:00 a.m. or at any adjournment thereof.

*My/our proxy(ies) *is/are to vote as indicated by an "x" in the appropriate spaces below:

		First Proxy		Second Proxy	
No.	Resolutions	For	Against	For	Against
	ORDINARY BUSINESS				
Ordinary Resolution 1	Approval of Directors' fees				
Ordinary Resolution 2	Approval of Directors' benefits				
Ordinary Resolution 3	Re-election of retiring Director, Mr Lee Chai				
Ordinary Resolution 4	Re-election of retiring Director, Mr Lee Sai Boon				
Ordinary Resolution 5	Re-election of retiring Director, Mr Kang Ah Chee				
Ordinary Resolution 6	Re-appointment of Messrs KPMG PLT as Auditors and authorise the Directors to fix their remuneration				
	SPECIAL BUSINESS				
Ordinary Resolution 7	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016				

Subject to the above stated voting instructions, *my/our proxy(ies) may vote or abstain from voting on any resolutions as *he/she/they may think fit.

Signed this _____ day of _____, 2020

_____
Signature of Shareholder

_____
Common Seal is to be affixed here
if Shareholder is a Corporation

** Strike out whichever is not applicable.*

Notes:

1. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 59 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at **18 August 2020** and only a Depositor whose names appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting or appoint a proxy(ies) to attend and/or vote on his/her behalf.
2. A proxy may, but need not be a Member of the Company and a Member may appoint any person to be his/her proxy(ies) without any restriction as to the qualification of the proxy(ies).
3. To be valid, this form, duly completed must be deposited at the registered office of the Company situated at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor and must be received by the Company within forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
4. Please ensure ALL particulars required in the Proxy Form are completed, signed and dated accordingly. The last date and time to lodge the Proxy Form is on **Tuesday, 25 August 2020 at 10:00 a.m.**
5. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
   (i) Identity Card (NRIC for Malaysian); or
   (ii) Police report (for loss of NRIC) / Temporary NRIC for Malaysian; or
   (iii) Passport (Foreigner).
6. A Member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote at the same meeting.
7. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. If the appointer is a corporation, the Proxy Form must be executed under its Seal or under the hand of its attorney duly authorised.
9. Where a Member or Authorised Nominee appoint two (2) proxies, or when an Exempt Authorised Nominee appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his holdings to be represented by each proxy.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the Notice of 2nd AGM dated 30 July 2020.

Fold this flap for sealing

Then fold here

AFFIX
STAMP
HERE

The Company Secretary
AME ELITE CONSORTIUM BERHAD
201801030789 (1292815-W)
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor, Malaysia

1st fold here

AME ELITE CONSORTIUM BERHAD
201801030789 (1292815-W)

Business Address
No. 5, Jalan I-Park SAC 2
Taman Perindustrian I-Park SAC
81400 Senai, Johor, Malaysia

Registered Address
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor, Malaysia
T +607-5959 666
F +607-5959 668
E corporate@ame-elite.com
W www.ame-elite.com

Bursa MY / Main Market
AME: 5293