

**AME**

AME ELITE CONSORTIUM BERHAD

201801030789 (1292815-W)

**I-PARK**  
Industrial Resort . Infinite Possibilities

# Agility In Adversity

Annual Report 2021

## CONTENTS

01	Corporate Information	64	Audit and Risk Management Committee Report
02	Corporate Profile	67	Additional Compliance Information
04	Financial Highlights	69	Statement on Risk Management and Internal Control
06	Corporate Structure	73	Directors' Responsibility Statement
07	Chairperson's Statement	74	Financial Statements
11	Management's Discussion & Analysis	155	List of Material Properties
20	Board of Directors' Profile	158	Analysis of Shareholdings
26	Key Senior Management's Profile	161	Notice of Annual General Meeting
29	Sustainability Statement	165	Statement Accompanying Notice of Annual General Meeting
47	Corporate Governance Overview Statement		Proxy Form



## COVER RATIONALE



Even as COVID-19 posed significant health risks, prompted international border closures and hampered Foreign Direct Investments, we are proud that AME Elite Consortium Berhad ("**AME Elite**") remained resilient, by being adaptable and proactive in navigating the treacherous waters.

On top of implementing comprehensive health and safety measures to safeguard our industrial park community, the Group stayed on course in our growth strategies, by attracting Domestic Direct Investments, expanding our landbank and unlocking shareholders' value through corporate exercises.

In this manner, AME Elite demonstrated Agility in Adversity, towards building long-term sustainability.

# 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*

**Mr Kang Koh Wei**  
*Alternate Director to  
Mr Kang Ah Chee*

## 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)  
(SSM PC No. 202008001117)*

**Ms Santhi A/P Saminathan**  
*(MAICSA 7069709)  
(SSM PC No. 201908002933)*

## 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**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Khim  
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](http://www.ame-elite.com)  
Email : [corporate@ame-elite.com](mailto: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

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.



## INTEGRATED INDUSTRIAL PARK DEVELOPMENT

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.

Photo: PropertyGuru Asia Property Awards Malaysia 2020: Best Industrial Developer – AME Development Sdn Bhd

This unparalleled commitment to excellence has led AME to gain recognition as an exemplary and forward-thinking developer from industry leaders, such as:

- ASEAN Property Awards 2018/2019: Innovative Developer – AME Development Sdn Bhd
- Malaysia’s Responsible Developer: Building Sustainable Development Award 2018 by Edge Property – AME Development Sdn Bhd
- Jewels of Johor Awards 2018: The Best Choice Awards by Starproperty.my – AME Development Sdn Bhd
- PropertyGuru Asia Property Awards Malaysia 2020: Best industrial Developer – AME Development Sdn Bhd

Moreover, our signature industrial parks have garnered numerous international, regional and domestic accolades, including:

- ASEAN Property Awards 2019: Best Industrial Development – i-Park@Senai Airport City
- World Silver Winner for Industrial Category at the FIABCI World Prix d’Excellence Awards 2019 – i-Park@Indahpura
- Winner for Industrial Category at the Malaysia Property Award™ 2018 by FIABCI-Malaysia – i-Park@Indahpura
- Starproperty.my 2018: The Business Estate Award (Best Industrial Park Development) “Excellence” – i-Park@Senai Airport City
- Starproperty.my 2018: The Business Estate Award (Best Industrial Park Development) “Honours” – i-Park@Indahpura
- The Iskandar Malaysia Accolades (TIMA) 2016/17: Platinum Winner for “Most Conducive Workplace” – i-Park@Indahpura
- PropertyGuru Asia Property Awards Malaysia 2020: Best Industrial Development – i-Park@Senai Airport City
- PropertyGuru Asia Property Awards Malaysia 2020: Regional Winner for Best Industrial Estate Development (Asia) – i-Park@Senai Airport City



### PROPERTY INVESTMENT AND MANAGEMENT SERVICES

As a vital value-add to our i-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. In 2020, we included the provision of solar power

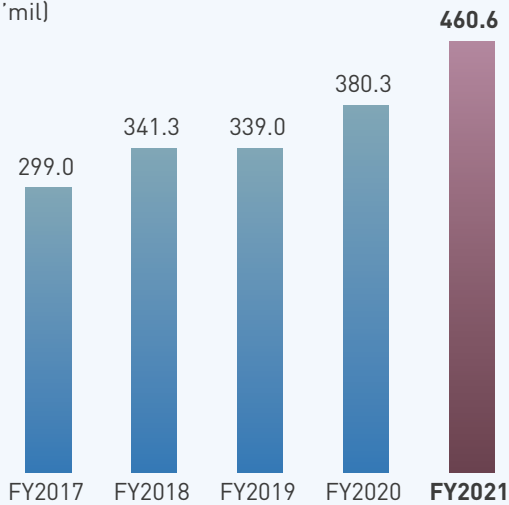
systems into our suite of capabilities to advocate the adoption of sustainable green energy solutions.

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.

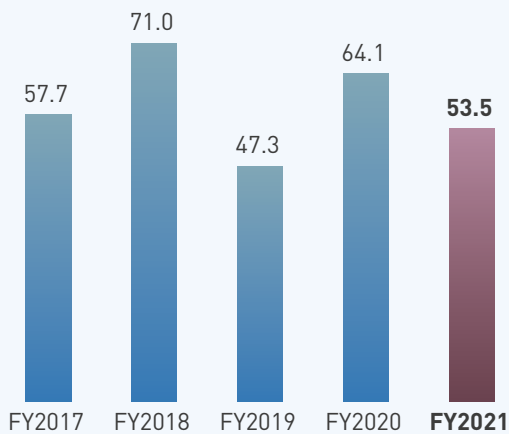
# FINANCIAL HIGHLIGHTS

## 5-YEAR FINANCIAL HIGHLIGHTS

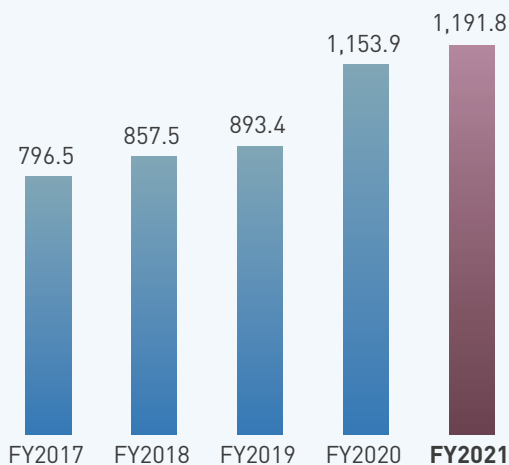
**Revenue**  
(RM'mil)



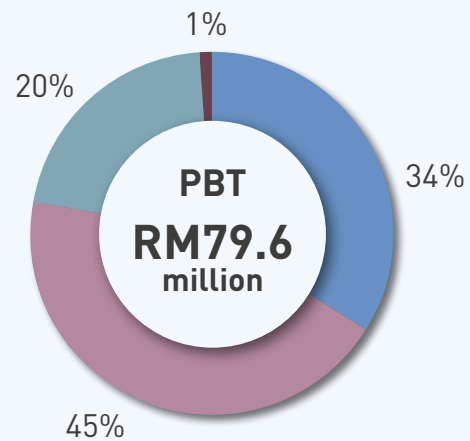
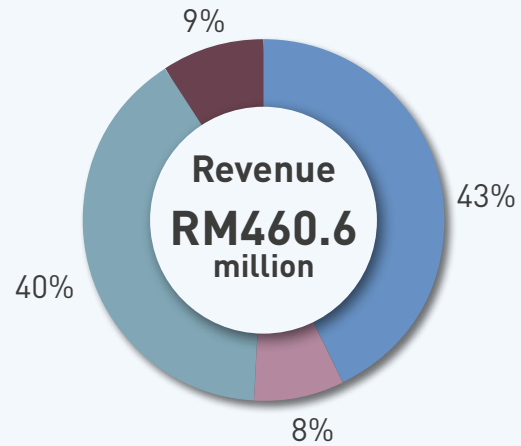
**Net Profit Attributable to Owners of The Company**  
(RM'mil)



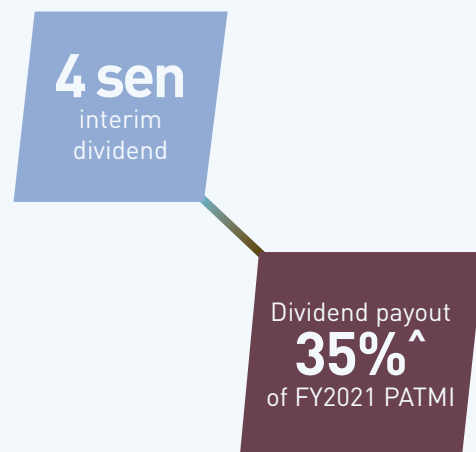
**Total Assets**  
(RM'mil)



## FY2021 GROUP PERFORMANCE HIGHLIGHTS



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



<sup>^</sup> after excluding fair value gains on investment properties in FY2021



## FINANCIAL HIGHLIGHTS

For the Financial Year Ended 31 March (RM'000)	2017	2018	2019	2020	2021
<b>STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME SUMMARY</b>					
Revenue	298,959	341,320	339,013	380,346	460,605
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	80,173	101,287	81,373	105,159	91,798
Earnings Before Interest and Tax (EBIT)	74,808	95,655	76,006	98,634	85,037
Profit Before Tax (PBT)	74,534	95,219	72,591	88,675	79,639
<b>Net Profit Attributable to Owners of The Company (PATMI)</b>	<b>57,661</b>	<b>70,971</b>	<b>47,347</b>	<b>64,141</b>	<b>53,477</b>
<b>STATEMENTS OF FINANCIAL POSITION SUMMARY</b>					
Property, Plant and Equipment	63,927	77,347	95,380	100,579	131,597
Investment Properties	171,853	236,995	278,796	344,266	325,600
Inventories	244,938	240,274	242,759	366,424	320,120
Cash and Cash Equivalents	111,198	109,785	102,488	191,806	271,402
Other Assets	204,558	193,127	173,958	150,788	143,113
<b>Total Assets</b>	<b>796,474</b>	<b>857,528</b>	<b>893,381</b>	<b>1,153,863</b>	<b>1,191,832</b>
Equity Attributable to Owners of The Company	308,090	369,061	406,409	633,877	674,540
Loans and Borrowings	250,899	219,704	215,841	283,225	247,608
Non-Controlling Interests and Other Liabilities	237,485	268,763	271,131	236,761	269,684
<b>Total Equity and Liabilities</b>	<b>796,474</b>	<b>857,528</b>	<b>893,381</b>	<b>1,153,863</b>	<b>1,191,832</b>
<b>PER SHARE</b>					
Number of Ordinary Shares in Issue ('000)	341,692	341,692	341,692	427,115	427,115
Basic Earnings per Share (sen) <sup>(i)</sup>	16.88	20.77	13.86	16.82 <sup>(ii)</sup>	12.52
Dividend per Share (sen) <sup>(i)</sup>	15.99	3.01	2.93	3.00	4.00
Net Assets per Share to Owners of The Company (RM) <sup>(i)</sup>	0.90	1.08	1.19	1.48	1.58
<b>RETURNS</b>					
Return on Equity Attributable to Owners of The Company (%)	18.7	19.2	11.7	10.1	7.9
Return on Total Assets (%)	7.2	8.3	5.3	5.6	4.5
<b>FINANCIAL STATISTICS</b>					
EBITDA Margin (%)	26.8	29.7	24.0	27.6	19.9
EBIT Margin (%)	25.0	28.0	22.4	25.9	18.5
PBT Margin (%)	24.9	27.9	21.4	23.3	17.3
PATMI Margin (%)	19.3	20.8	14.0	16.9	11.6
Net Gearing Ratio (times)	0.45	0.30	0.28	0.14	Net Cash

<sup>(i)</sup> For comparative purposes, the figures for the financial years ended 31 March 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. The figures for the financial years ended 31 March 2020 and 2021 have been computed based on the issued share capital of 427,115,101 ordinary shares after the completion of the Restructuring Exercise and the Public Issue.

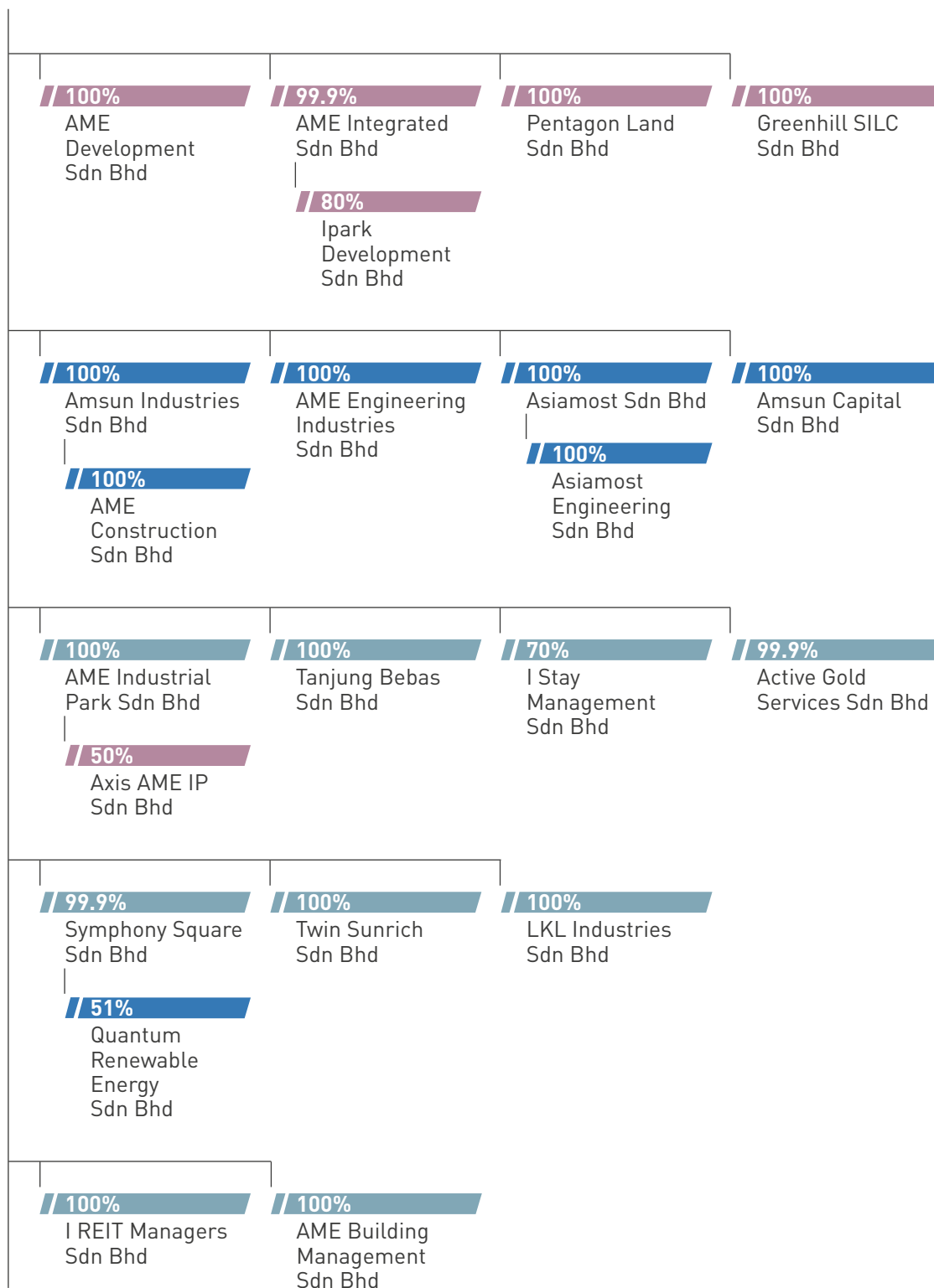
<sup>(ii)</sup> Based on the weighted average number of issued share capital of 341,692,101 ordinary shares after the completion of the Restructuring Exercise but before the Public Issue and 427,115,101 ordinary shares after the completion of the Public Issue.

# CORPORATE STRUCTURE

AS AT 1 JULY 2021



AME ELITE CONSORTIUM BERHAD





# CHAIRPERSON'S STATEMENT

## *Distinguished Shareholders,*

The second year of AME Elite Consortium Berhad (“**AME**” or the “**Group**”) as a listed corporation on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) proved to be an eventful journey, against the backdrop of the relentless COVID-19 pandemic that substantially altered international trade, workplace practices, and social norms globally.

**YM Tengku Azrina  
Binti Raja Abdul Aziz**  
INDEPENDENT NON-EXECUTIVE  
CHAIRPERSON

Be that as it may, the Group adapted to the volatile landscape, harnessing our 26 years of experience within our distinctive capabilities as an integrated industrial space solutions provider. I am heartened to report that we deftly demonstrated agility in the face of adversity, and strategically moved forward as a cohesive unit to maintain long-term business sustainability.

On behalf of the Board of Directors (“**Board**”) of AME, I am pleased to present to you our Annual Report and Audited Financial Statements for the financial year ended 31 March 2021 (“**FY2021**”).

### **2020/2021 ECONOMIC REVIEW**

The severe economic impact of COVID-19 resulted in the contraction of global gross domestic product (“**GDP**”) by 3.3% in 2020 compared to the expansion of 2.8% achieved in 2019, on account of significant disruptions across most international trade, businesses, and supply chain activities worldwide.

Malaysia faced a similarly dire situation, as economic activity waned to its weakest in 2020, with GDP declining 5.6% compared to the 4.3% growth registered in 2019. This was largely due to the various iterations of the Government-imposed Movement Control Order (“**MCO**”) throughout the year under review which halted or constrained economic activity across most sectors.

Even though Malaysia's GDP reduced by 0.5% in the first quarter of 2021, this was an encouraging uptick in performance compared to the contraction of 3.4% in the fourth quarter of 2020, led by growth in the manufacturing sector and a gradual improvement in other sectors.



## CHAIRPERSON'S STATEMENT

### CORPORATE DEVELOPMENTS

Despite the unprecedented challenges during the year, including prolonged international border closures, AME continued to enhance its value proposition to growth-centric companies, as i-Park attracted significant investments from high profile and reputed domestic and foreign businesses. The Group also made great strides in expanding our landbank, fortifying our recurring income base, and enhancing shareholders' value.

#### ■ Acquisition of 169.8 acres of land in Southern Industrial & Logistics Clusters ("SiLC")

In line with our long-term growth strategies, we are also acquiring land to expand our integrated industrial space solutions business.

On 8 April 2021, the shareholders of AME gave the green light to proceed with the Group's acquisition of 169.8 acres of land in SiLC, Iskandar Puteri, Johor for RM434.3 million. Pending regulatory approvals, the Group targets to launch a new industrial park on the said land with a gross development value of at least RM1.5 billion.

The project expands AME's industrial park footprint to three major growth hotspots in Johor, namely Indahpura, Senai Airport City, and SiLC, thus boosting our geographical coverage as a premier industrial space solutions provider with an increasing base of reputed clientele.

#### ■ Proposed establishment and listing of Real Estate Investment Trust ("REIT")

In line with our efforts to unlock greater value for our shareholders, we had on 1 December 2020, announced the proposal to establish and list a REIT on the Main Market of Bursa Securities.

The proposed REIT would comprise assets identified from the Group's growing portfolio of high-occupancy industrial leasing properties, with the capital raised enabling us to capitalise on strategic opportunities to expand our integrated industrial space solutions.

Additional details on the proposed REIT will be announced when the terms and conditions are finalised.



Manufacturing plant for an international client in i-Park@Indahpura

#### ■ Proposed corporate exercise involving 1-for-2 bonus issue of new ordinary shares, 1-for-3 free warrants issue, and Employees' Share Option Scheme ("ESOS")

We had, on 27 May 2021, announced a corporate exercise to issue bonus shares and free warrants, as well as a proposed ESOS. The corporate exercise is expected to enhance the trading liquidity of AME shares, as well as provide our employees with more opportunity to participate in the Group's long term growth prospects.

The proposed bonus issue involves the issuance of up to 213,557,550 new ordinary shares on the basis of one bonus share for every two AME shares held, and would enlarge the Group's share base from 427,115,101 shares to 640,672,651 shares.

The Group would also issue up to 142,371,700 free warrants, with a tenure of five years commencing from the issuance date, on the basis of one free warrant for every three existing AME shares held. The warrants issue potentially raises funds for working capital requirements. The Group's enlarged share base, assuming full exercise of warrants, would increase to 783,044,351 shares.

MEANWHILE,  
THE MALAYSIAN  
GOVERNMENT HAS  
ALSO INDICATED 2021  
TO BE A BETTER YEAR,  
WITH GDP TARGETED  
TO GROW IN THE  
SINGLE-DIGIT RANGE.

## CHAIRPERSON'S STATEMENT

Meanwhile, the proposed ESOS entails issuing up to 10% of the Group's total number of issued shares, and assuming full subscription, would see the Group's share base increase to 861,348,786 shares.

The corporate exercise is subject to the approval of the relevant authorities and the shareholders at an extraordinary general meeting to be convened.

### FORWARD OUTLOOK

Given the pervasive nature of the COVID-19 pandemic, the prospects of the global economic recovery hinge primarily on the successful rollout of COVID-19 vaccines and the implementation of individual government's policies in balancing socio-economic concerns. In that vein, the International Monetary Fund's World Economic Outlook Report in April 2021 projected global GDP to grow by 6.0% in 2021, in anticipation of heightened economic activities worldwide.

Meanwhile, the Malaysian Government has also indicated 2021 to be a better year, with GDP targeted to grow in the single-digit range. This would be dependent on the performance of the global economy and the speed of the vaccination rollout programme nationwide.

While these positive indicators indicate an improved economic landscape going forward, significant uncertainties remain as key themes, as the COVID-19 pandemic and its wide-reaching impact continue to reverberate across the globe.

However, there are other growth drivers that may well emerge as bright spots. This includes supply chain diversification of international businesses into Southeast Asia, in order to tap into growth opportunities in this populous region, and mitigate risks from the yet-unresolved US-China trade war.

I am confident in AME's ability to reinforce our strategic position as one of the leading industrial space providers not only in Malaysia but also in the Southeast Asia region. Our vigorous pursuit of high quality and comprehensive solutions have led to increasing international recognition, positioning us strongly to capitalise on significant opportunities in the coming years.

OUR VIGOROUS PURSUIT OF HIGH QUALITY AND COMPREHENSIVE SOLUTIONS HAVE LED TO INCREASING INTERNATIONAL RECOGNITION, POSITIONING US STRONGLY TO CAPITALISE ON SIGNIFICANT OPPORTUNITIES IN THE COMING YEARS.

*Artist's impression of the new clubhouse facilities in the vicinity of i-Park@Senai Airport City*





## CHAIRPERSON'S STATEMENT



### APPRECIATION

As AME continues to lay the building blocks towards an increasingly resilient and sustainable business, I wish to extend, on behalf of the Board, our deepest gratitude towards all members of the management as well as employees not only for your perseverance, but also your immense effort and contribution towards the Group's successes to date.

We welcome the appointment of Mr Kang Koh Wei ("**Mr Kang**") as Alternate Director to the Group's Executive Director, Mr Kang Ah Chee on 1 January 2021. Mr Kang is also on the board of the Group's wholly-owned subsidiary, AME Construction Sdn Bhd, a role he has held since 2013, where his job function includes overseeing the business development, operational activities, and construction projects undertaken by the company.

We also convey our appreciation to our shareholders, business partners and associates, clients, and the various regulatory bodies, government agencies, as well as financial institutions, for your continued support and belief in the Group's long-term prospects.

By honing our award-winning integrated industrial space solutions and pursuing strategic growth opportunities even amidst the prevailing global uncertainties, we look forward to continue delivering greater value to all stakeholders in the year ahead.

Sincerely,

**YM TENGKU AZRINA  
BINTI RAJA ABDUL AZIZ**

Independent Non-Executive Chairperson  
28 July 2021

*Industrial facilities for leasing  
to an international client in  
i-Park@Senai Airport City*

# MANAGEMENT'S DISCUSSION & ANALYSIS

## *Dear Esteemed Shareholders*

It would not be an understatement to assert that AME underwent our most challenging year yet in FY2021, as the COVID-19 pandemic unleashed significant economic disruptions and tremendous risks to the health and safety of global populations.



*Linear Park with outdoor sports facilities within the gated and guarded community of i-Park@Senai Airport City*

Even so, I am pleased to share that the Group displayed tremendous agility amidst the adversity. We continued to attract new and increasing domestic and international investments into i-Park, embarked onto a landbank expansion, and reinforced our recurring income stream.

### **BUSINESS OVERVIEW**

The Group's integrated industrial space solutions comprise three complementary business segments as below:

#### **Property Development**

Our property development segment designs, constructs, and sells/leases industrial buildings in i-Park, namely i-Park@Indahpura and i-Park@Senai Airport City. Armed with over 25 years of experience in building industrial facilities for multinational corporations and domestic companies across a wide range of industries, we offer

our clients in-depth understanding of their specific requirements in addition to meeting time-sensitive delivery timelines.

#### **Property investment and management services**

Our property investment and management services segment leases customised industrial buildings to our i-Park clients, and provides rental and management of our i-Stay workers' dormitories that are located adjacent to our industrial parks. The segment forms a recurring income stream for the Group.

The leasing option provides our i-Park clients with a flexible investment choice, while our i-Stay workers' dormitories are essential in meeting the statutory accommodation requirements of clients' workforce.



Property Development  
maintained firm new  
sales of

**RM140.3  
MILLION**

in FYE 31 March 2021

### Construction and engineering

Our construction segment is equipped with extensive expertise and experience to provide a full suite of construction services, from planning and scoping, design, construction and management to post-construction maintenance. The engineering segment is engaged in steel engineering works, precast concrete works, and mechanical and electrical ("M&E") engineering services to our i-Parks and as well as external clients.

### OPERATIONS REVIEW

With the onset of the various iterations of the MCO throughout the year together with international border restrictions, the first half of FY2021 from April to September 2020 contained immense challenges. The most significant one was the initial uncertainty of incoming foreign and domestic investments.

However, upon obtaining authorities' approval to undertake economic activities within a safe environment, we spared no effort in adhering to the government-mandated Standard Operating Procedures ("SOPs"), and implementing stringent organisational and facilities-wide practices to ensure the continued health and safety of our employees, our clients, and all i-Park tenants.

We also adopted the use of digital solutions such as video conferencing to facilitate work-from-home measures for our office-based employees, and engage with potential domestic and international clients.

These initiatives enabled us to maintain commendable performance in FY2021, as we gradually resumed full activities in our property development and construction segments, in addition to securing new and sizeable investments into our i-Parks.

### Property development

Our property development segment performed commendably in FY2021, as we maintained firm new sales at RM140.3 million compared to RM146.1 million in the previous year.

We continued to attract sizeable investments from home-grown companies as well as foreign companies in Malaysia that were seeking expansion. Notable investors in our developments in FY2021 comprised new and existing clients, including V.S. Industry Berhad, Jstar Motion Sdn Bhd, and Shengda New Energy Sdn Bhd.

As at 31 March 2021, the segment had unbilled sales of RM64.3 million, which would be recognised in the financial year ending 31 March 2022.

Headquarter and other  
industrial facilities for a  
domestic client in  
i-Park@Senai Airport City







Industrial facilities for an international client in i-Park@Senai Airport City



21.1%

Group Revenue  
FY2021

RM460.6  
MILLION

### Property investment and management services

Our property investment and management services segment, which comprises our leasing assets and i-Stay workers' dormitories, continued to provide healthy recurring income in FY2021.

As at 31 March 2021, AME leased out a total of 37 industrial properties to clients, increasing from 32 units a year ago. Of the 37 leased units, 54% of them held leases of 5 years and above, while the remaining 46% had a lease of less than 5 years.

Among the new leasing clients secured in FY2021 were Enics AG and AAC Technologies (Malaysia) Sdn Bhd, with a total agreed lettable area of more than 170,000 square feet delivered in December 2020 and March 2021 respectively.

Meanwhile, our i-Stay workers' dormitories, namely i-Stay@Indahpura and i-Stay@Senai Airport City registered improved occupancy rates of 97% and 95%, respectively as at 31 March 2021, compared to 95% and 81% respectively a year ago.

### Construction and engineering

Even though the sector recorded slower overall activities, the Group's construction and engineering services segment remained competitive and secured new jobs of RM71.5 million in FY2021, which is lower compared to RM452.2 million in the previous year. The new jobs comprised single storey detached factory at i-Park@Indahpura and dryer plant, warehouses, loading bay, office, ancillary building and external works in Johor.

The segment's remaining orderbook stood at RM155.7 million as at 31 March 2021 to be recognised until the second half of FY2021.

### FINANCIAL REVIEW

AME made commendable strides in maintaining a sustainable business amid the COVID-19 pandemic, and managed to record normalised earnings growth in FY2021.

### Statements of Profit or Loss and Other Comprehensive Income

The Group recorded revenue of RM460.6 million in FY2021, up 21.1% from RM380.3 million previously, contributed by all-round growth across the property development, as well as property investment and management services segments.



A leasing property for an international client in i-Park@Senai Airport City

Group total PBT  
**RM79.6**  
MILLION  
in FY2021

Of total revenue in FY2021, contributions from the property development segment increased 113.7% to RM197.2 million, from RM92.3 million in the previous year, on the back of higher progress billings for in-progress industrial properties and commercial shops. The segment's profit before tax ("PBT") expanded 151.1% to RM34.9 million in FY2020 from RM13.9 million previously.

Meanwhile, the property investment and management services segment registered 5.2% higher revenue of RM36.4 million in FY2021 compared to RM34.6 million previously, contributed by higher rental income from i-Stay workers' dormitories. The segment's PBT rose 10.7% to RM45.5 million from RM41.1 million previously.

Furthermore, the construction and engineering services segment contributed revenue of RM227.1 million in FY2021 compared to RM253.4 million previously. The 10.4% lower revenue was attributable to the impact of the Movement Control Order in 2020, and timing of completion of ongoing construction and engineering services projects. The segment registered PBT of RM21.3 million in FY2020 compared to RM40.2 million previously.

The Group's total PBT declined 10.3% to RM79.6 million in FY2021 from RM88.7 million previously. Apart from the stronger profit contribution from the property development as well as property investment and management services segments, the Group's also registered fair value gains on investment properties of RM6.9 million. The Group's net profit attributable to shareholders ("PATMI") stood 16.5% lower

at RM53.5 million in FY2021 versus RM64.1 million in the previous year.

However, the Group's normalised PATMI<sup>1</sup> registered a healthy performance with 6.6% growth to RM61.2 million in FY2021 compared to RM57.4 million previously.

### Highlights from the Statements of Financial Position

The Group maintained a healthy financial position, with total assets increasing 3.5% to RM1.19 billion as at 31 March 2021 compared to RM1.15 billion in the previous year, driven mainly by higher cash and bank balances and increased property, plant and equipment ("PPE"). The new PPE include:

- In-progress workers' dormitories in i-Park@Indahpura
- In-progress headquarters and clubhouse in i-Park@Senai Airport City
- 3 plots of freehold land for building new workers' dormitories adjacent to i-Park@Senai Airport City in the near future

Total liabilities declined to RM479.6 million as at 31 March 2021 compared to RM486.2 million previously, with the loan and borrowings component reduced in line with the Group's prudent approach.

Shareholders' equity attributable to owners increased to RM674.5 million from RM633.9 million previously, mainly attributed to higher retained earnings. The Group stood in net cash position as at 31 March 2021 compared to net gearing of 0.14x previously, allowing us to maintain sustainable operations as well as to fund landbanking and business expansion activities.

<sup>1</sup> After subtracting fair value gain on investment properties (FY2021: RM4.9 million, and adding realisation of fair value gains on sale of investment properties (FY2021: RM12.6 million), net of tax and share of non-controlling interest



### DIVIDENDS

AME has a dividend policy to pay out at least 20% of annual net profit attributable to owners of the Company less fair value gain on investment properties.

The Group declared an interim dividend of 4.0 sen per share in respect of FY2021, which amounted to a payout of RM17.1 million or 35% net profit attributable to shareholders less fair value gain on investment properties. This dividend was distributed to shareholders on 8 July 2021.

We are thankful to shareholders for your confidence in the Group's prospects, and would continue to strive for a balance in dividend payouts as well as reinvestments to drive growth.

### AWARDS & ACCOLADES

AME was named in Forbes® Asia's 200 Best Under A Billion 2020 list, which highlights 200 Asia Pacific public companies with sales under USD 1 billion with consistent top and bottom line growth. The Group's inclusion in this prestigious list is an important recognition of our achievements to date, as we strive to grow as an industry leader in Malaysia and regionally.

Additionally, we secured three awards by PropertyGuru in recognition of our property developments. i-Park@Senai Airport City emerged champion as Best Industrial Development in the publication's Asia Property Awards Malaysia 2020 and even the regional Asia Property Awards (Asia) 2020. Furthermore, AME Development Sdn Bhd was crowned Best Industrial Developer at the PropertyGuru Asia Property Awards Malaysia 2020, placing our star firmly amongst the industry's finest.





## MANAGEMENT'S DISCUSSION & ANALYSIS

WE PLAN TO ENHANCE OUR I-STAY WORKERS' DORMITORIES, WITH A NEW RANGE OF VALUE-ADDED SERVICES SUCH AS TRANSPORTATION SERVICES, MEDICAL AND INSURANCE CLAIMS, FOOD CATERING, AND OTHER SERVICES WHICH WOULD BE INTRODUCED IN PHASES.

### GROWTH STRATEGIES

AME's long term growth strategies involve the expansion of our integrated industrial space solutions to cater to increasing opportunities, with the following focus areas:

#### Land expansion

To support our growth aspirations, we are actively pursuing new land acquisitions in suitable localities. On 8 April 2021, the Group's shareholders approved the proposed acquisition of 169.8 acres of land in the Southern Industrial & Logistics Clusters ("SiLC"), Iskandar Puteri, Johor for RM434.3 million from UEM Land Berhad and Nusajaya Heights Sdn Bhd, both wholly-owned subsidiaries of UEM Sunrise Berhad.

The Group plans to launch a new industrial park with gross development value of at least RM1.5 billion, which would provide a development period of about 7 years. The land acquisition process is pending regulatory approvals and is expected to be completed in the second half of 2021.

With the new land, AME's total undeveloped landbank would amount to 237.2 acres, which will last the Group until 2028.

Encouraged by the successes of our existing i-Park developments, we are confident of capturing new opportunities by providing a highly sought after and conducive environment in supporting businesses' expansion requirements. To this end, we target to launch more industrial parks not only to build up our existing portfolio in Johor, but also in high-potential areas such as Klang Valley.

#### Enhancing portfolio of workers' dormitories

AME's i-Stay workers' dormitories are key to supporting the accommodation needs for the workers of our i-Park clientele, offering a safe and comfortable environment with a host of managed services that support workers' well-being and quality of life.

*Aerial view of the proposed new land acquisition of 169.8 acres in SiLC*





## MANAGEMENT'S DISCUSSION & ANALYSIS



*Artist's impression of the new expansion of i-Stay@Indahpura workers' dormitories*

To date, our i-Stay@Indaphura and i-Stay@Senai Airport City workers' dormitories have played an essential role in safeguarding the health and safety of our clients' workers amid the COVID-19 pandemic. We ensure that all i-Stay residents comply to SOPs and sanitisation protocols, in addition to strict enforcement of social distancing requirements, and are provided with continuous support and education.

The continued expansion of our i-Parks and clientele also become a natural precursor to higher demand for our managed i-Stay workers' dormitories. In this regard, the Group is undertaking the expansion of our i-Stay@Indapura workers' dormitories with two additional blocks at a cost of RM25 million, which would provide approximately 2,700 extra beds. Upon the expansion's targeted completion in first quarter of 2022, i-Stay@Indahpura would feature five blocks and approximately 5,200 beds in total.

*Workers' dormitories equipped with comprehensive amenities*



Going forward, we intend to further increase the capacity of i-Stay accommodation, which would not only ensure that we continue to meet the requirements of existing and new clientele, but also generate additional recurring income to the Group.

We also plan to enhance our i-Stay workers' dormitories, with a new range of value-added services such as transportation services, medical and insurance claims, food catering, and other services which would be introduced in phases.







COVID-19 swab test carried out in i-Stay Dormitories

### RISKS

#### COVID-19 and Movement Restrictions

With the COVID-19 pandemic continuing to pose significant uncertainties and risks globally, this may lead to unforeseen developments that could potentially impact business continuity. Should there be a worsening of the pandemic situation on the ground, renewed and intensified movement restriction mandates by the Government to contain the virus could result in operational disruptions.

Since early-2020, the Group has implemented comprehensive health and safety protocols to keep potential COVID-19 transmissions at bay, and have regularly reviewed and strengthened our practices as we learn more about the virus and its management. These practices have enabled the Group to maintain a safe working environment for all employees with full operational uptime.

We would continue evaluating and enhancing our business continuity and safety measures to further minimise potential risks to operational sustainability.





## MANAGEMENT'S DISCUSSION & ANALYSIS



*The Jacaranda commercial development in i-Park@Senai Airport City*

### Supply risks

The Group procures raw materials and other components, including buildings materials such as steel and concrete, construction equipment and machinery, as well as various industrial fittings required across our property development, and construction and engineering segments.

Risks of supply disruption, as well as price fluctuations, may pose an impact to our operations. However, the Group has formed long-term working relationships with an extensive supplier base comprising reputed companies, which minimises potential risks.

Additionally, the Group is dependent on available landbank to expand our i-Parks. As Malaysia has adequate undeveloped land, we do not foresee significant risks related to landbank availability.

### Economic risks

As the global economy remains at risk due to the uncertain course of the COVID-19 pandemic, further economic fallout and decline in international trade and investments may impact the demand for our i-Park properties.

However, despite international border closures in FY2021, the Group has witnessed a steady inflow in investments into our i-Parks. These investments largely

came from domestic companies and foreign companies with operations in Malaysia that are undertaking expansion to support their business growth requirements. Additionally, we have also secured interest and bookings from a significant number of foreign investors and look forward to concluding the sales in the near future.

Amongst other aspects, our new clients have cited global developments such as the US-China trade war and ongoing diversification in global supply chains to include Southeast Asia, as key considerations affirming their investment decision in favour of i-Parks. Hence, the persistence in these factors may further support demand for our i-Park properties in the future.

### APPRECIATION

I am deeply thankful to our management team and all employees of the Group for your sincere contributions and strong resolve as we navigate these uncertain times together. I also thank our clients, suppliers, business associates, as well as our valued shareholders for your trust in our capabilities.

With your continued support, I am confident that AME is well poised for considerable growth and establishing our position as a premier industrial space solutions provider in Southeast Asia.

# BOARD OF DIRECTORS' PROFILE



**YM Tengku Azrina Binti Raja Abdul Aziz**

INDEPENDENT NON-EXECUTIVE CHAIRPERSON

Female / Malaysian / Aged 48

DATE OF APPOINTMENT 5 September 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

#### MEMBERSHIP OF BOARD COMMITTEE(S)

- Audit and Risk Management Committee (member)
- Remuneration Committee (member)
- Nomination Committee (member)

#### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Arts (Jurisprudence), University of Oxford, United Kingdom
- Master of Arts, University of Oxford, United Kingdom
- Called to the Bar of England and Wales
- Advocate and solicitor of the High Court of Malaya

#### EXPERIENCES

YM Tengku Azrina has around 22 years of experience in legal practice. 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.

#### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

#### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Nil



**Mr Lee Chai**

GROUP MANAGING DIRECTOR

Male / Malaysian / Aged 58

DATE OF APPOINTMENT 27 August 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

#### MEMBERSHIP OF BOARD COMMITTEE(S)

Nil

#### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Sijil Tinggi Persekolahan Malaysia Certificate, Sekolah Menengah Kebangsaan Sultan Ismail, Johor

#### EXPERIENCES

Mr Lee Chai has around 37 years of experience in the construction industry and around 10 years of experience in property development, which began with the launch of i-Park@SiLC in 2011. He 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.

#### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

#### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Mr Lee Chai 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.

## BOARD OF DIRECTORS' PROFILE



**Mr Lee Sai Boon**

EXECUTIVE DIRECTOR

Male / Malaysian / Aged 56

DATE OF APPOINTMENT 27 August 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

MEMBERSHIP OF BOARD COMMITTEE(S)

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Mechanical Engineering, Universiti Teknologi Malaysia
- Master of Business Administration, University of Dubuque, Iowa, United States of America

EXPERIENCES

Mr Lee has around 27 years of experience in construction and around 10 years in property development, which began with the launch of i-Park@SILC in 2011. He 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 in 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

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Mr Lee Sai Boon 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.



**Mr Lim Yook Kim**

EXECUTIVE DIRECTOR

Male / Malaysian / Aged 67

DATE OF APPOINTMENT 27 August 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

MEMBERSHIP OF BOARD COMMITTEE(S)

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Primary education at Sekolah Jenis Kebangsaan (C) Labis, Johor

EXPERIENCES

Mr Lim has around 47 years of experience in the construction industry and around 10 years in property development. He began his career as a general construction worker in a construction company in Singapore in 1974. He 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.

He 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.

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Mr Lim Yook Kim 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.



## BOARD OF DIRECTORS' PROFILE



**Mr Kang Ah Chee**

EXECUTIVE DIRECTOR

Male / Malaysian / Aged 66

DATE OF APPOINTMENT 27 August 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

#### MEMBERSHIP OF BOARD COMMITTEE(S)

Nil

#### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Secondary education at Sekolah Menengah Kebangsaan Pekan Nanas, Johor

#### EXPERIENCES

Mr Kang has around 49 years of experience in the construction industry and around 10 years of experience in property development. 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.

#### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

#### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Mr Kang Ah Chee is the father to Mr Kang Koh Wei.



**Ms Tan Lay Beng**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Female / Malaysian / Aged 67

DATE OF APPOINTMENT 5 September 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

#### MEMBERSHIP OF BOARD COMMITTEE(S)

- Audit and Risk Management Committee (Chairperson)
- Remuneration Committee (Member)
- Nomination Committee (Member)

#### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Associate of the Chartered Association of Certified Accountants (now known as Association of Chartered Certified Accountants ("ACCA"))
- Fellow of the ACCA
- Public Accountant of the Malaysia Institute of Accountants
- Fellow Member of the Chartered Tax Institute of Malaysia
- Chairman for Southern Branch of Chartered Tax Institute of Malaysia (June 2008 to May 2015)
- Regional Chairman of the Malaysian Institute of Accountants

#### EXPERIENCES

Ms Tan has around 33 years of working experience in taxation. 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 in 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.

#### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Solid Automotive Berhad

#### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Nil

## BOARD OF DIRECTORS' PROFILE



**Mr Chang Tian Kwang**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Male / Malaysian / Aged 56

DATE OF APPOINTMENT 5 September 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

**MEMBERSHIP OF BOARD COMMITTEE(S)**

- Audit and Risk Management Committee (Member)
- Remuneration Committee (Member)
- Nomination Committee (Chairperson)

**ACADEMIC/PROFESSIONAL QUALIFICATION(S)**

- Bachelor of Accounting, University of Malaya
- Public Accountant of the Malaysian Institute of Accountants

**EXPERIENCES**

Mr Chang has around 27 years of working experience in corporate finance, finance and accounting. 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 included 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.

**PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES**

Nil

**FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS**

Nil



**Mr Wee Soon Chit**

INDEPENDENT NON-EXECUTIVE DIRECTOR

Male / Malaysian / Aged 54

DATE OF APPOINTMENT 5 September 2018  
TENURE OF DIRECTORSHIP 2 Years and 10 Months

**MEMBERSHIP OF BOARD COMMITTEE(S)**

- Audit and Risk Management Committee (Member)
- Remuneration Committee (Chairperson)
- Nomination Committee (Member)

**ACADEMIC/PROFESSIONAL QUALIFICATION(S)**

- Bachelor of Surveying (Property Management), Universiti Teknologi Malaysia
- Registered Valuer and Registered Estate Agent with the Board of Valuers, Appraisers, Estate Agents & Property Managers Malaysia
- Professional Member of The Royal Institution of Chartered Surveyors
- Fellow of the Institution of Surveyors, Malaysia

**EXPERIENCES**

Mr Wee has around 29 years of working experience in the property consultancy industry. 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.

**PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES**

Nil

**FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS**

Nil

## BOARD OF DIRECTORS' PROFILE



### Ms Lim Pei Shi

ALTERNATE DIRECTOR TO MR LIM YOOK KIM

Female / Malaysian / Aged 33

DATE OF APPOINTMENT 22 October 2018  
TENURE OF DIRECTORSHIP 2 Years and 9 Months

#### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Education (Montessori Early Childhood Teaching), Auckland University of Technology, New Zealand

#### EXPERIENCES

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 and subsequently promoted to Property Development Director in July 2019. 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.

#### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

#### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Ms Lim Pei Shi 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.



### Ms Lee Ling Sien

ALTERNATE DIRECTOR TO MR LEE CHAI

Female / Malaysian / Aged 31

DATE OF APPOINTMENT 12 May 2020  
TENURE OF DIRECTORSHIP 1 Year and 2 Months

#### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Business (Marketing and Management), Monash University, Australia

#### EXPERIENCES

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.

#### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

#### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Ms Lee Ling Sien 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.



## BOARD OF DIRECTORS' PROFILE



### Mr Kang Koh Wei

ALTERNATE DIRECTOR TO MR KANG AH CHEE

Male / Malaysian / Aged 39

DATE OF APPOINTMENT 1 January 2021  
TENURE OF DIRECTORSHIP 6 Months

#### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Engineering (Civil), Queensland University of Technology, Australia

#### EXPERIENCES

Mr Kang 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.

#### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

#### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Mr Kang Koh Wei is the son to Mr Kang Ah Chee.



# KEY SENIOR MANAGEMENT'S PROFILE



**Mr Lim Khai Wen**

EXECUTIVE DIRECTOR OF  
AME ENGINEERING

Male  
Malaysian  
Aged 40

## ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Diploma in Computer Science, Sydney Institute of Business and Technology, Australia
- Master of Science in International Business Management, University of East London, United Kingdom

## EXPERIENCES

Mr Lim has around 13 years of working experience in the construction industry. 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 and was re-designated as Executive Director in May 2021. In July 2020, Mr Lim assumed an additional role as Director of Quantum Renewable Energy Sdn Bhd. He is primarily in charge of the overall operations, business development and strategic planning of the companies.

## PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

## FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Mr Lim Khai Wen 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.



**Mr Gregory Lui Poh Sek**

GROUP FINANCIAL  
CONTROLLER

Male  
Malaysian  
Aged 53

## ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Business, University of Southern Queensland, Australia
- Professional Member of the Australian Society of Certified Practising Accountants (now known as CPA Australia)
- Chartered Accountant of the Malaysian Institute of Accountants

## EXPERIENCES

Mr Lui 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.

## PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

## FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Nil

## KEY SENIOR MANAGEMENT'S PROFILE



**Mr Law Han Meng**

PROJECT DIRECTOR OF  
AME CONSTRUCTION

Male  
Malaysian  
Aged 56

### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Diploma course in Technology (Materials Engineering), Tunku Abdul Rahman University College (then known as Tunku Abdul Rahman College)

### EXPERIENCES

Mr Law has around 31 years of experience working in the construction industry. Mr Law started his career with a building contractor in Singapore and was seconded as a Surveyor in Kajima (Malaysia) Sdn Bhd in 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.

### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Nil



**Mr Razal Bin Ahmad**

MANAGING DIRECTOR  
OF ASIAMOST

Male  
Malaysian  
Aged 48

### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Intermediate Malaysian Skills Certificate as a Domestic and Industry Electrician, Majlis Latihan Vokasional Kebangsaan
- Certificate of competency as a wireman for the category of three-phase and testing endorsement (PW4)
- Certificate of competency as an electrical chameleon for the category of low voltage system (A4-2)

### EXPERIENCES

Mr Razal has around 28 years of experience in mechanical and electrical works including approximately 25 years in the construction industry. Mr Razal 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 Bulkiers Sdn Bhd as an Electrician with a similar scope of work. He left Felda Johore Bulkiers 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, Deputy Managing Director in June 2015 and Managing Director in April 2021.

### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Nil



**Mr Tan Yik Woei**

PROJECT DIRECTOR OF AME  
CONSTRUCTION

Male  
Malaysian  
Aged 47

### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor's Degree in Engineering (Harbour & River Engineering), National Taiwan Ocean University
- Master's Degree in Engineering (Civil), Zhejiang University

### EXPERIENCES

In April 2002, Mr Tan started his career as a Site Engineer at Kumpulan Jayaputera Sdn Bhd where he was involved in a 21-floor apartment project. He left Kumpulan Jayaputera on March 2004 and joined Mahabuilders Sdn Bhd as a Project Engineer in April 2004. In October 2004, he left Mahabuilders Sdn Bhd to join Shamho Construction Sdn Bhd as a Project Manager. His responsibilities included reporting to director, liaising with authorities, clients, and

sub-contractors, and acting as the project team focal point for workpack interfaces. He left Shamho Construction Sdn Bhd in April 2007 and joined Mahabuilders Sdn Bhd in the same month. At Mahabuilders he was responsible for the overall planning, coordinating of site activities, site management and budgeting. In April 2009, he joined AME Construction as a Project Manager and was subsequently promoted to Project Director in December 2018.

### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Nil



## KEY SENIOR MANAGEMENT'S PROFILE



**Mr Chai Kian Fui**

**PROJECT DIRECTOR OF AME  
CONSTRUCTION**

Male  
Malaysian  
Aged 39

### ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- Bachelor of Engineering (Civil), Universiti Teknologi Malaysia
- Master of Business Administration in Construction Management, Wawasan Open University

### EXPERIENCES

Upon his graduation in May 2005, Mr Chai started his career with AME Construction as a Project Engineer. He left AME Construction in April 2008 and immediately joined Pusat Antara Sdn Bhd as a Project Engineer. He was responsible for supervising and managing of the refinery plant, warehouse building and storage tanks project. He was then promoted to Senior Project Engineer in September 2008. In May 2011, he left Pusat Antara Sdn Bhd

and joined AME Engineering as a Production and Project Manager. He was subsequently promoted to Production and Project Director in July 2018. In April 2021, he joined AME Construction as a Project Director.

### PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES

Nil

### FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

Nil

## ADDITIONAL INFORMATION

### Conflict of Interest with the Company

None of the Directors and Key Senior Management has any conflict of interest with the Company.

### Conviction for Offences

None of the Directors and Key Senior Management has conviction for any offences (other than traffic offences, if any) within the past five years and none of them has any public sanction or penalty imposed by the relevant bodies during the financial year ended 31 March 2021.



# SUSTAINABILITY STATEMENT

AME Elite Consortium Berhad (“**AME**” or the “**Group**”) is pleased to present our Sustainability Statement for the financial year ended 31 March 2021 (“**FY2021**”), which outlines the framework set in place to instil sustainable principles across our operations.



### SCOPE OF STATEMENT

The statement covers all business operations of AME and its subsidiaries in Malaysia. The divisions covered are property development, property investment and management services, construction and engineering, unless otherwise stated.

### REPORTING PERIOD

The statement covers the period from 1 April 2020 to 31 March 2021, unless otherwise stated.

### GUIDANCE

The preparation of this statement is guided by the Bursa Malaysia Sustainability Reporting Toolkit, the United Nations Sustainable Development Goals ("SDGs") the Global Reporting Initiatives ("GRI Standards").

### ASSURANCE

The statement has been reviewed by the management and approved by the Board of AME. Independent assurance has not been obtained for the information and data disclosed in this statement, but AME will consider engaging for independent assurance services in the future.

### FEEDBACK

We welcome any feedback, comments, and suggestions from our valued stakeholders on our sustainability initiatives and practices. Please contact us at [sustainability@ame-elite.com](mailto:sustainability@ame-elite.com)

### SUSTAINABILITY GOVERNANCE

During the financial year, the management of AME has formally established a comprehensive sustainability governance structure. The aim is to ensure transparency and accountability on the deliverance of AME's sustainability commitments, strategies, and performance. Prior to the establishment of the sustainability governance structure, all sustainability-related matters were governed by the management team of AME.

Sitting at the top of the governance structure is the Board of Directors ("**Board**") of AME. The Board is strongly committed towards sustainability and to inculcate a strong sustainability culture in AME. The Board will provide a general oversight of the Group's sustainability performance and determine AME's strategic direction in sustainability.

Reporting directly to the Board is the Sustainability Steering Committee ("**SSC**"). The SSC is a dedicated sustainability committee put in place to take charge of the planning and integration of sustainability initiatives into the Group's business strategies and operations. The SSC meets at least once a quarter to ensure key decisions on sustainability matters are made in alignment with the Group's business strategies and to ensure that adequate resources are made available for the successful implementation of sustainability strategies and initiatives. The SSC is chaired by Ms. Lee Ling Sien, the alternate director to Mr. Lee Chai, our Group Managing Director. The members of the SSC consist of one key sustainability representative from each business division.

The day-to-day management of the sustainability matters resides with the Sustainability Working Group ("**SWG**"). The SWG is assigned to implement the sustainability strategy and initiatives, perform data gathering, track sustainability progress and report sustainability progress and performance to the SSC. The SWG is led by the key sustainability representative from each division and its members are comprised of working level representatives from every department.

#### AME SUSTAINABILITY GOVERNANCE STRUCTURE





## SUSTAINABILITY STATEMENT

### STAKEHOLDER ENGAGEMENT

AME believes that continuous stakeholder engagement is necessary for us to keep abreast of our stakeholders' latest needs, concerns, and expectations with regards to key sustainability matters. Their perspectives provide valuable input to AME in identifying the most relevant sustainability matters, allowing us to prioritise

our resources in addressing the most material sustainability risks and opportunities facing the Group.

Throughout FY2021, we have regularly engaged with our stakeholders through different engagement methods. The frequency of engagement, methods of engagement, and materials issued identified for each stakeholder are shown in the figure below.

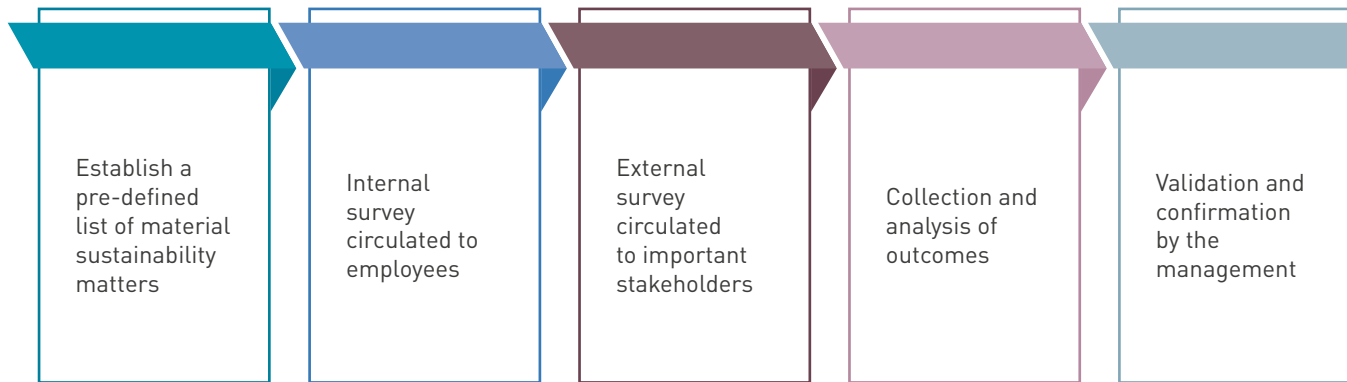
Stakeholder	Material Issues	Engagement	Frequency
Employees	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Equal opportunity</li> <li>• Occupational health and safety</li> </ul>	• Training programmes	• Monthly/As needed
		• Educational programmes	• Monthly/As needed
		• Safety inspections	• Monthly
Customers	<ul style="list-style-type: none"> <li>• Timely project delivery</li> <li>• Service quality</li> </ul>	• Satisfaction surveys	• Quarterly/As needed
Vendors/Suppliers	<ul style="list-style-type: none"> <li>• Competitive pricing</li> <li>• Reliability</li> <li>• Ethics</li> </ul>	• Supplier assessment	• Annual/As needed
Regulators/ Certification Bodies	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Regulatory compliance</li> <li>• Certifications</li> </ul>	<ul style="list-style-type: none"> <li>• Audits</li> <li>• Presentations</li> <li>• Site visits</li> </ul>	• Quarterly/As needed
Local Communities	<ul style="list-style-type: none"> <li>• Social development</li> <li>• Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Community charity events</li> <li>• Internships</li> </ul>	• As needed
Shareholders	<ul style="list-style-type: none"> <li>• Corporate developments</li> <li>• Financial performance</li> <li>• Growth plans</li> </ul>	• Annual Report	• Annual
		• Annual General Meeting	• Annual
		• Fund/analyst briefing	• Quarterly/As needed
		• Investor relations website	• As needed
Media	<ul style="list-style-type: none"> <li>• Brand image</li> <li>• Reputation</li> <li>• Corporate news</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Press Releases</li> </ul>	• Quarterly/As needed

## SUSTAINABILITY STATEMENT

### MATERIALITY ASSESSMENT PROCESS AND MATERIALITY MATRIX

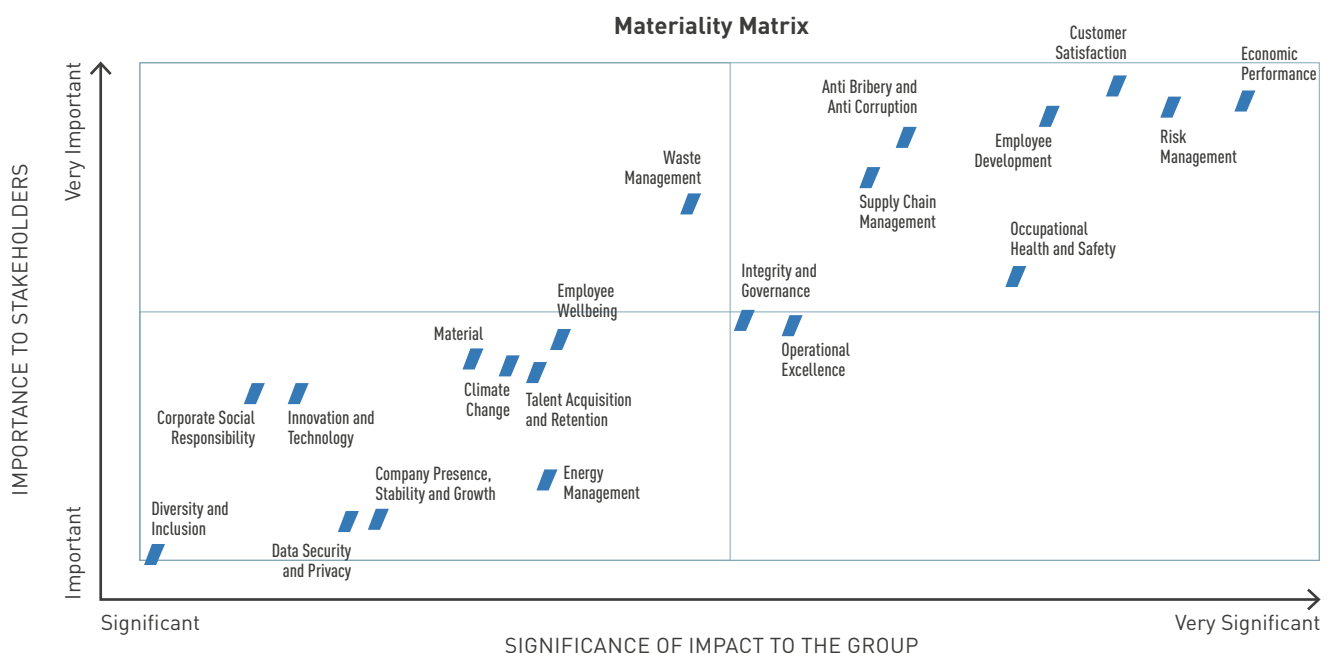
In FY2021, we conducted an in-depth materiality assessment exercise based on five steps process. The materiality assessment begins with an internal discussion within the SSC to identify a pre-defined list of sustainability matters relevant to AME's business operation. After the list of pre-defined sustainability matters was identified, a survey was subsequently circulated internally to AME's key personnel for each division and department. The respondents were asked to rate on the pre-defined list of sustainability matters on a ten-point Likert scale, with 1 being the least significant matter

and 10 being the most significant matter. The outcome of this survey allows AME to determine the significance of those sustainability matters to AME. The third step involves circulating a survey to our important external stakeholders to determine the influence of those sustainability matters on their assessment and decision. Similarly, the respondents were requested to rate on the pre-defined list of sustainability matters on a ten-point Likert scale. The fourth step involves the collection and analysis of outcomes from both the internal and external surveys. Based on the inputs from the surveys, the sustainability matters of importance to AME, and our stakeholders will be determined for the purpose of constructing the materiality matrix. The final step involves the review and validation of the materiality matrix by the SSC and management of AME.



Based on the materiality assessment, we have identified 7 key material matters pertinent to AME and its stakeholders in FY2021. The top right corner of the matrix highlights the most material sustainability matters to AME and its stakeholders, which includes economic performance, risk management,

customer satisfaction, employee development, anti-bribery and anti-corruption, supply chain management and occupational health and safety. In view that none of the environmental matters were identified as significantly material through the materiality assessment, three additional environmental matters including energy management, water management and emissions had been included in the top material matters list at the suggestion of the management.



## SUSTAINABILITY STATEMENT

### TOP 10 MATERIAL SUSTAINABILITY MATTERS

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
<b>Economic</b>			
1.	Economic Performance	Employees, Shareholders	
2.	Risk Management	Regulators, Shareholders	
3.	Customer Satisfaction	Customers	 
4.	Anti-Bribery and Anti-Corruption	Regulators, Shareholders	
5.	Supply Chain Management	Vendors, Suppliers	 
<b>Social</b>			
6.	Employee Development	Employees	 
7.	Occupational Health and Safety	Employees, Customers	
<b>Environmental</b>			
8.	Energy Management	Regulators, Community	 
9.	Water Management	Regulators, Community	 
10.	Emissions	Regulators, Community	 



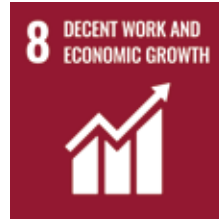
### SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 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 12 out of 17 SDGs deemed relevant to the nature of our businesses, and are supporting the goals through:

- The application of buildings 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 6,7,11,12,13)



- Promoting ethics, diversity, equality, and human rights in all levels of the organisation, fostering a safe and healthy work environment, as well as continuous education (SDG 3,4,5,16)



## SECTION 1

## ECONOMIC

### 1.1 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 FY2021, the Group recorded higher revenue of RM460.6 million compared to RM380.3 million in FY2020, while the profit attributable to the owners of the Company dropped slightly to RM53.5 million compared to RM64.1 million in FY2020. In adherence to our dividend policy, we have also declared an interim dividend amounting to RM17.1 million, which was distributed to shareholders on 8 July 2021.

We will continue to pursue sustainable growth by executing our long-term growth strategies that take into consideration the various goals of our stakeholders.

### 1.2 ENSURING CUSTOMER SATISFACTION THROUGH 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 system ("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 by Construction Industry Development Board ("CIDB"). 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.

AME regularly conducts customer satisfaction surveys to garner customers' feedback and satisfaction towards our products and services. These invaluable feedback from our customers allow us to better understand the customers' expectations and for us to identify any opportunities for further improvement in our business strategies, operational processes, and product offerings.

Different criteria are used by each division in AME in measuring the customer satisfaction due to the differences in the nature of business.

#### Examples of Criteria Used in the Customer Satisfaction Survey

- Project Implementation
- Overall Quality and Workmanship
- Professionalism and Knowledge
- Complaint Resolution
- Responsiveness to Enquiries
- On Time Completion
- Defect Rectification on Work Time Frame
- Adherence to Specification
- Health, Safety and Environmental Control

### 1.3 PROCUREMENT 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 98% of related purchases in FY2021.

## SUSTAINABILITY STATEMENT

### 1.4 RISK MANAGEMENT

In response to the ever-changing business environment, AME has engaged an independent professional service company to assist the management in formally establishing the enterprise risk management framework. AME has adopted the Committee of Sponsoring Organizations ("COSO") Enterprise Risk Management ("ERM") 2017 as the risk management framework to assist the management in managing various business risks spanning from strategic risk, financial risk, operational risk, compliance risk to reputational risk in a structured and proactive approach. The risk management framework allows the management to make more informed business decision as we strive to minimise potential downside risks and taking advantage of potential upside risks and opportunities facing the company.

As part of the risk management process, the Enterprise Risk Management Working Group ("RMWG") was formally established. The RMWG is headed by our Executive Director, Mr Lee Sai Boon and comprises members from major subsidiaries and departments of AME. In FY2021, the RMWG reviewed the existing business strategy, functional areas, processes, people, and resources from the risk management perspective, identified and analysed risks facing AME, and constructed the risk profile for each major subsidiary of AME. The risk profile will be regularly monitored and reviewed.

Additional details on AME's risk management framework are set out in the Statement on Risk Management and Internal Control from pages 69 to 72 of this Annual Report.

On 10 September 2020, a risk awareness training and discussion forum was also conducted to ensure that our key personnel understand the concept of enterprise risk management and the full process of risk management.



*Risk awareness training and discussion forum*



*Training and awareness programme on the Malaysian Anti-Corruption Commission Act 2009, Section 17A Corporate Liability Provision*

### 1.5 ANTI-BRIBERY AND ANTI-CORRUPTION

AME is committed to conducting business dealings with integrity. This includes avoiding practices of bribery and corruption of all forms in the daily operations of the Group. The Group has adopted a zero-tolerance stance against all forms of bribery and corruption.

We have in place the Anti-Bribery and Anti-Corruption Policy which sets out the position of AME on bribery in all its forms and matters of corruption that might confront the Group in its day-to-day operations. The policy is meant to provide information and guidance to the directors, employees, customers, suppliers, contractors, and any person associated with the group to recognise and deal with bribery and corruption issues. The Anti-Bribery and Anti-Corruption Policy has been communicated to all directors and employees of group and a copy of the policy is available online on our corporate website at [www.ame-elite.com](http://www.ame-elite.com). Any violation of the Anti-Bribery and Anti-Corruption Policy could be reported through the whistleblowing channel on the Company's website. There was no confirmed cases of violations of the Anti-Bribery and Anti-Corruption Policy in FY2021.

On 15 May 2020 and subsequently on 12 March 2021, training and awareness programme on the Malaysian Anti-Corruption Commission Act 2009, Section 17A Corporate Liability Provision were conducted to introduce the key concepts of this new provision, the implication of this provision to the company, the adequate procedures and recommended practices to protect the company from corrupt practices and against prosecution in the event of corruption.



## SUSTAINABILITY STATEMENT



*Training and awareness programme on the Malaysian Anti-Corruption Commission Act 2009, Section 17A Corporate Liability Provision*

### 1.6 CYBERSECURITY

Today, companies are becoming increasingly susceptible to cyber risks due to the heavy reliance on IT products such as smart devices, computers, and cloud-based systems. Cyber risks are also further magnified by the rapid introduction of various new technologies, products, and platforms. There is a common misconception that only large corporation are targeted by hackers, but this could not be any further away from the truth. Every company, regardless of its size, are susceptible to cyber-attacks and cyberthreats such as Ransomware-as-a-service, malware, and phishing. It is extremely important to have a robust cybersecurity practices to effectively defend against cyber-attacks in the digital world. At AME, various measures and controls have been implemented to protect our corporate digital assets, critical data, and network infrastructures.

Our IT team works tightly with external expertise on the IT security solutions and proactively monitoring the existing infrastructure. Security hardening are constantly performed to eliminate as many vulnerabilities as possible from the existing infrastructure. This helps to assist the team in the identification and maintenance of

essential programs and utilities which will greatly reduce the probability of unauthorised access into the infrastructure or applications. We also proactively evaluate our policy framework, invest in IT security solutions, and educate our employees to mitigate any potential risks as cyber threats becomes increasingly sophisticated.

Recently, AME has enhanced our cybersecurity framework with a few digital protective measures. We have introduced an Anti-spam software by introducing an additional layer to scan all incoming messages and quarantine any suspicious mails that may contain virus, malware, or phishing. An improved cloud platform of end-point antivirus software was also installed at our employees' workstation to allow the IT team to monitor remotely and remedy instantly for any suspicious threat.

We have also upgraded our Firewall hardware to a higher specification platform and enhanced existing policy to handle the increasing traffic capacity. Once again, this is to ensure the protection line remains robust. In addition, we have implemented a productivity corporate instant chat messaging application which is credible, easy to use and secure. The application is designed for enterprise use, and it enables a safer communication and work collaboration between our employees and partners.

We acknowledged that part of the cybersecurity strategy must involve user education. Thus, a security awareness campaign has been implemented with the goal of educating our employees of the potential cybersecurity threat. The latest cybersecurity knowledge and best practices are frequently communicated via email to keep our employees up to date in the identification of cyber threats such as malware and phishing attacks.



## SECTION 2

## SOCIAL

### 2.1 HUMAN CAPITAL MANAGEMENT

#### Diversity and Inclusiveness

Workplace discrimination and bullying are still prevalent in many parts of the world. It is particularly common for one to be discriminated due to his/her gender and ethnicity at the workplace. AME believes that we are able contribute towards reducing and eliminating workplace discrimination in Malaysia by taking a clear stance against all sorts of workplace discrimination and bullying. We are firmly committed to promoting a corporate culture that appreciates and recognises each other's differences. All employees in AME shall be entitled to equal access to opportunities regardless of their age, gender, ethnicity, religion, national origin, disability, or any other relevant characteristics. Any decisions made in relation to recruitment, retention, career advancement, training opportunities and remuneration shall base solely on merits and objective standards.

Our commitment towards diversity and inclusiveness is in support to the SDGs 5 and 8, which commits to the advancement of gender equality and to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

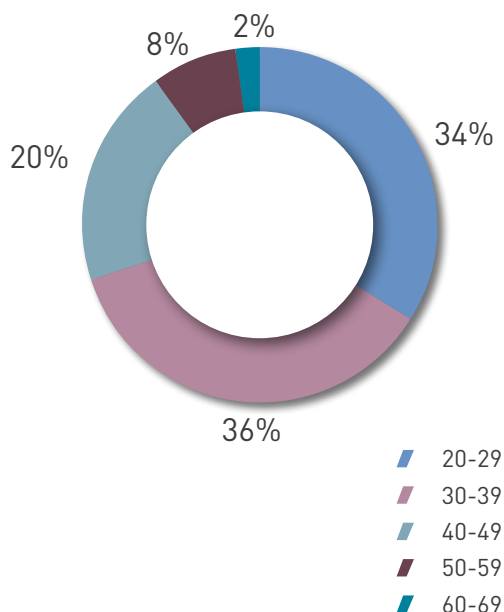
As at 31 March 2021, we have a total workforce of 416 employees, of which 72% are male and 28% are female. The relatively lower percentage of female employees as compared to the male employees is mainly attributable to the male-dominated nature of the construction industry.

Breaking down our employees by age, 34% are below 30 years old, 56% are between 30-50 years old, 11% are over 50 years old. Breaking down our employees by ethnicity, 46% of our employees are Malay, 37% of our employees are Chinese, 3% of our employees are Indians, 14% are of other ethnicity.

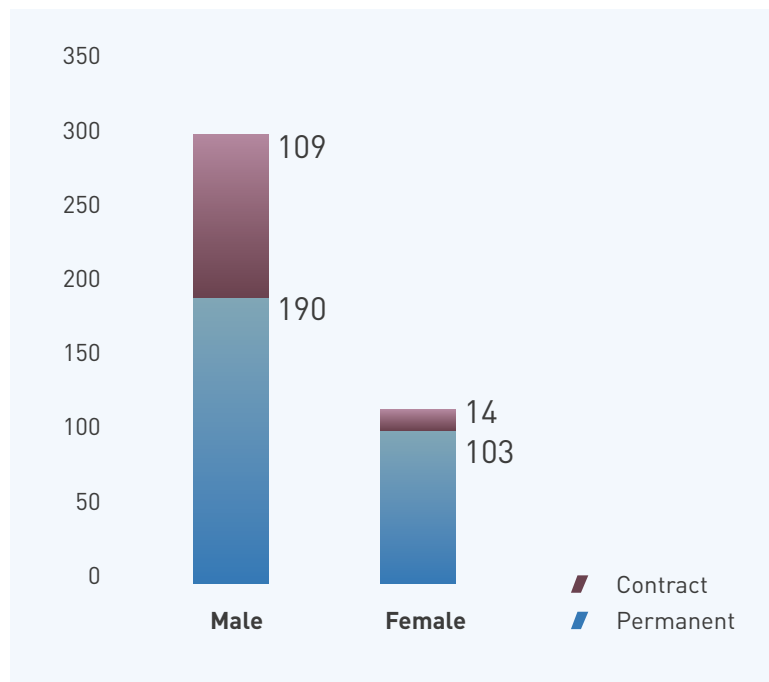
In terms of diversity at the Board level, AME currently achieves a 25% of women representation on the Board. AME is working towards achieving a 30% women director as recommended by the Malaysia Code of Corporate Governance 2017. The Board has set a target to appoint one additional women director within three to five years from AME's Initial Public Offering on the Main Market of Bursa Malaysia.

On 26 February 2020, the Board of AME has adopted the Code of Conduct and Ethics which sets out the tone and standards for ethical conducts of AME Elite Consortium Berhad. Areas of conduct such as fair and courteous behaviour and sexual harassment and violence are covered comprehensively in the policy. Any violation of the Code of Conduct and Ethics can be reported through the whistleblowing channel on the Company's website [www.ame-elite.com](http://www.ame-elite.com).

Headcount by Age Group



Headcount by Gender

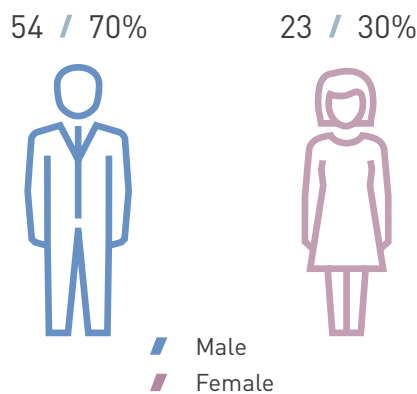


## SUSTAINABILITY STATEMENT

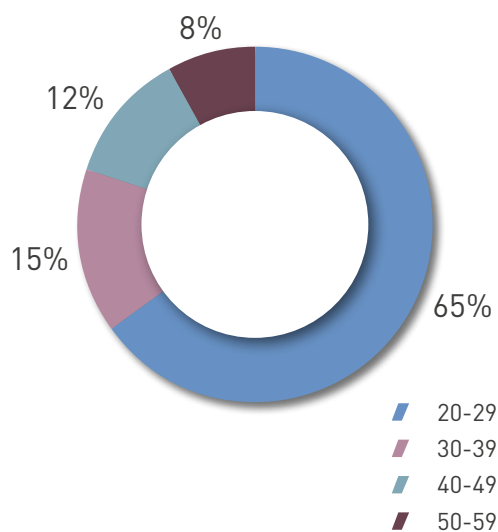
### New Hires

In FY2021, we hired a total of 77 new employees. We are especially proud of this achievement and on our ability to contribute to the restoration and improvement in the Malaysian labour market, especially in the current challenging pandemic situation.

All our new employees are briefed on the key policies and procedures of AME, including but not limited to the Code of Conduct and Ethics and Anti-bribery and Anti-Corruption Policy. This is to ensure that our new employees understand AME's stance and procedures on certain important matters such as bribery and corruption, acceptance of gift, safeguarding of confidential information, insider information, workplace health and safety, sexual harassment, violence and more.



New Hires by Age Group



### Employee Benefits / Remuneration and Employee Retention

Fair remuneration is a fundamental labour right of every employee. AME recognises and appreciates the significance of our employees' contribution and is committed to ensure that our employees are properly and fairly rewarded regardless of their age, gender, ethnicity, religion, national origin, disability, or any other relevant characteristics. This is inline with SDG 8 to achieve full and productive employment, decent work for all, and equal pay for equal work.

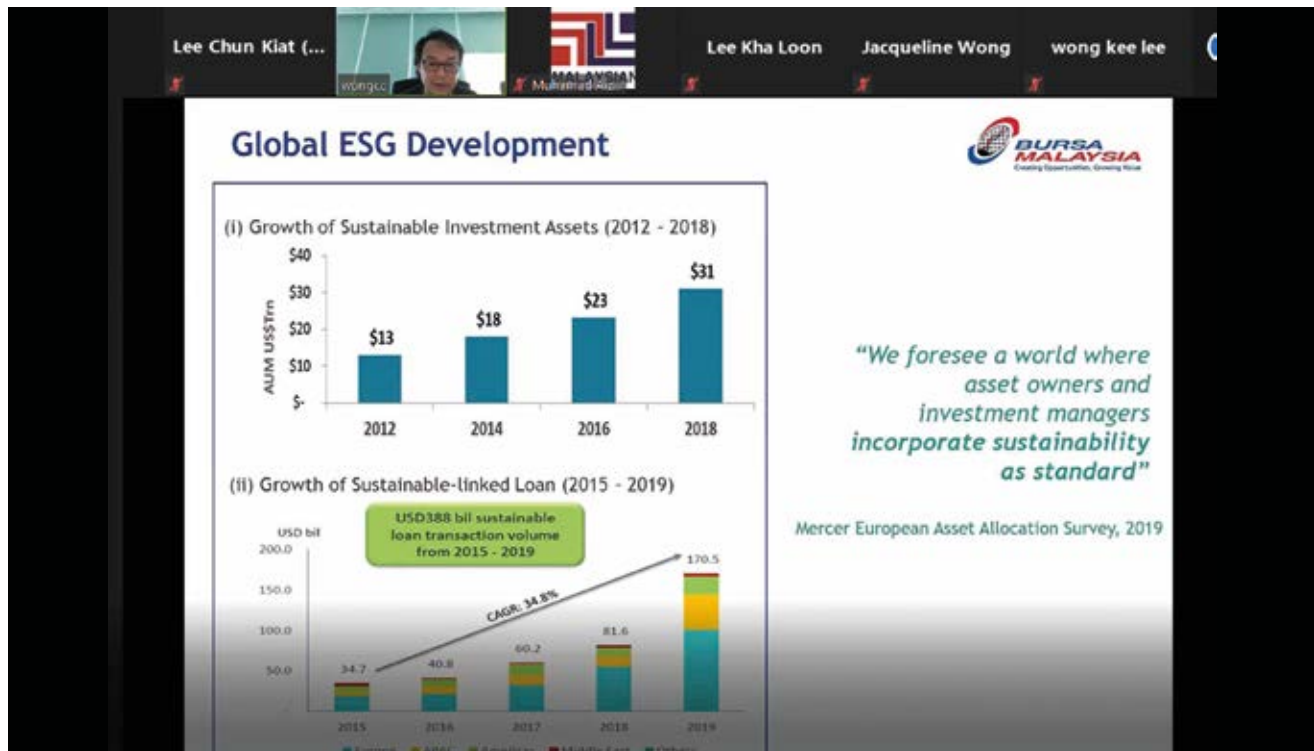
Type of Benefit	Details
Leaves	Annual Leave, No Pay Leave, Sick or Hospitalisation Leave, Marriage Leave, Maternity leave, Compassionate Leave, Convocation Leave, Replacement Leave
Flexi-Wellness	Pre-employment Medical Check-up
Allowance and Subsidy	Transport Allowance, Car Allowance, Motor Allowance, Car Maintenance Allowance, Outstation Allowance, Meal Allowance, Handphone Allowance, Medical Reimbursement, Business Travel Expenses Reimbursement, Professional Membership Subsidy, CIDB Green Card Renewal Fee
Insurance	Personal Accident Insurance, Surgical and Hospitalisation Insurance
Flexi- Work Arrangement	Time-Off Benefit
Retirement	Memento for Long Services Employees
Others	Recreational Park Facility (Fitness Facilities and Clubhouse)

### Training and Development

As an effort to drive employee performance and engagement, AME offers regular training and education opportunities to support their personal and professional growth. Various trainings were delivered through physical and virtual workshops covering a broad range of topics. Performance appraisal and training needs analysis are conducted annually to determine employees' performance and identify areas of training required.



## SUSTAINABILITY STATEMENT



Virtual workshop and training

Programme	Provider	Department
Malaysian Anti-Corruption Commission (MACC) Act 2018 Section 17A Training	External Trainer: Mr Balbeer Singh Jessy	All departments
Mandatory Accreditation Programme	Asia School of Business	Management
ISO 45001:2018 Internal Audit Training Occupational Health and Safety Management System	Tri-Eqsh Management Consultants (M) Sdn. Bhd.	All departments
CIS 7 Competency Assessor Course	Construction Industry Development Board (CIDB)	Project
Kursus Sistem Solar Fotovolta Tersambung Grid untuk Penjaga Jenera Elektrik dan Pendawai	Sustainable Energy Development Authority (SEDA)	Production
Project Management Essential	MTI Training	Project, Production
Basic Occupational First Aid and CPR	Master Builders Association Malaysia (MBAM)	Health, Safety and Environment
Effective Fund Raising, Valuations. For the New Normal and Post COVID-19	Malaysian Investor Relations Association (MIRA)	Finance
Internal ISO Awareness for QMS & QHSMs	In-house training by Group Quality System Manager	All departments
The Sustainability Accelerator Programme	Malaysian Investor Relations Association (MIRA)	Management, Finance

## SUSTAINABILITY STATEMENT

### 2.2 CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, we strive to bring value 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 FY2021, there were 37 internship roles granted to students and recent graduates with an aim to provide industry experience and support their professional development.

#### Selected CSR Activities in FY2021

Activity	Month/Year
Sponsorship for poor families in Senai	June 2020
Cash donation to Pusat Kebajikan Care Haven Bhd	March 2021
Cash donation to Persatuan Penjagaan Kanak-Kanak Terencat Akal Johor Bahru	March 2020
Cash donation to Southern University College Education Fund	October 2020
MYHAUS programme – house restoration programme for the poor	Early 2021
Donation of face masks and hand sanitisers to the Johor State Government	April 2020



AME donated face masks and hand sanitisers to the Johor State Government for the protection of healthcare frontliners and public officials battling the COVID-19 pandemic in the country



AME collaborated with Yayasan Budi Ihsan Malaysia (YBIM) and TV AlHijrah for the MYHAUS programme. The MYHAUS programme is a house restoration and improvement programme to improve the living standards of the poor and underprivileged

## SUSTAINABILITY STATEMENT

### 2.3 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 participated in 3.9 hours of training in health and safety-related workshops and/or training programmes in FY2021. 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 3,301,705 total manhours worked with zero Lost Time Injury in FY2021.

Additionally, in light of the COVID-19 pandemic, the Group has implemented disease prevention protocols such as temperature screening, 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.

Other disease prevention protocols for our dormitories include 3 times daily sanitising of common areas, requiring swab tests for our new tenants, issuing memo to remind customers to inform the dormitory management of any suspected cases or close contacts with positive cases. Our dormitory COVID-19 prevention rules allow only a fixed number of tenants from each unit to purchase groceries at designated supermarket and grocery stores within a strict time duration, any tenants who violate the rules are required to undergo the swab tests before entering the dormitory.

In addition, AME at our own initiative, have obtained the approval from the relevant authorities to set up and use our own isolation and quarantine facilities. All our tenants at the dormitories who are tested positive for the COVID-19 will be moved to our own quarantine facilities for isolation and quarantine purpose.

#### Occupational Health and Safety

Total Manhours Worked without Lost Time Injury

**3,031,705**

Lost Time Injury

**Nil**

Fatality

**Nil**

Property Damage

**Nil**

First Aid Case

**10**

Fire and Explosion

**Nil**

Environment / Spill

**Nil**



Health and Safety Training Session



## SECTION 3

## ENVIRONMENTAL

### 3.1 LOW CARBON INDUSTRIAL DEVELOPMENT

The issues of climate change and global warming are paid greater attention today than ever before, with both mandatory and voluntary efforts in reducing Greenhouse Gas ("GHG") emissions being observed in most countries around the world, including Malaysia. Contributing towards reducing carbon footprint, the planning, development, and management of i-Park are aligned to the sustainability principles. We strive to uphold the 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.

#### Green Design and Low Carbon Initiatives

#### 1. Green Building Index Compliant Buildings

The GBI is Malaysia's industry recognised green rating tool for buildings to promote sustainability in the built environment. A green building focuses on increasing the efficiency of resource use – energy, water, and materials – while reducing building impact on human health and the environment during the building's lifecycle, through better siting, design, construction, operation, maintenance, and removal. All standard factories, design and build factories in i-Park are certified GBI compliance.

#### 2. Large green areas

Our i-Park projects 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.

#### 3. Green Transportation

i-Park supports and encourages business operators and their employees to reduce their personal GHG emissions and make an effort to reduce their carbon footprint. i-Park's road and parking system prioritises green vehicles and dedicated

parking areas are provided for green vehicles so as to encourage their use in the development. Walking and cycling are also strongly recommended to get around the industrial park with dedicated cycling paths, bike sharing bays around the development and covered walkways connecting the dormitories.

#### 4. Beautification of Detention Pond

AME has taken the initiatives to beautify the detention pond as a solution to sustain the recreational park and contribute to greening the environment. The detention pond within the industrial area has been effectively turned into a recreational park that is opened to public. Assorted trees of various species have been planted along the well landscaped detention pond to provide natural shading. The eco-friendly wet pond is also home to a variety of freshwater fish species such as Koi, Guppy, Sultan fish, Tiger fish, Sepat and more.

#### 5. Landscape Nursery, Fruit Farms and Herbal Plants Area

i-Park has maintained a nursery which provides for the plants and greening of the landscape. Fruit trees bearing banana and papaya, various herbal plants are also featured in our fruit farms and gardens of i-Park projects.

#### 6. Environmental Management Plan

Environmental monitoring report is conducted regularly to liaise closely with the Department of Environment ("DOE") in order to ensure compliance of industrial emissions within i-Park. Air quality, water quality and noise control are among the items monitored frequently by i-Park.



*Beautification of detention pond*

### 3.2 ENERGY MANAGEMENT

Energy production, transportation and utilisation are major contributors to environmental deterioration and pollution. The consumption of non-renewable energy which comes from sources such as coal, oil and gas typically release large quantities of GHG and pollutants which may lead to climate change, air pollutions and health issues. Despite that, access to energy is essential and critical to support economic and social progresses as much of the activities in the modern society requires the use of energy.

The main source of energy consumption at AME is the electricity consumption at our offices and construction sites. Energy is also consumed in the form of diesel for the operation of our machineries and vehicles. AME recognises the importance of responsible use of energy and is committed to improving energy efficiency of our business operations and products to lower the company's carbon footprint.

#### Energy Saving Initiatives

##### 1. Improving Energy Efficiency Through Building Design

All industrial buildings in i-Park are planned and designed in a way to improve energy efficiency. The design promotes greater use of natural lighting and ventilation to reduce energy consumption from the lighting and cooling system. The energy saving features in our buildings include:

- Daylight incorporating translucent sheet that allows for natural lighting;
- Zincalume metal roof c/w 50mm thick fiberglass insulation;
- High ceiling and up-lift jack roof system for optimised natural lighting;
- Low window height design to minimise the overall thermal transfer into the building and maximise daylight harvesting;
- Reflective glaze and high solar reflectance roofing to minimise thermal transfer into the building;
- Sun Shading fixtures and devices that reduces direct sun glaze; and
- Building orientation which reduces sun glaze.



*Energy efficient building design*

##### 2. Industrialised Building System

IBS is a state-of-the-art process in the construction field whereby components such as precast concrete are used in favour over the traditional brick and mortar. The components are manufactured in a controlled environment and subsequently placed and assembled into the construction work. The use of IBS in our construction and engineering operations helps to reduce energy usage due to the high mechanisation.

##### 3. Solar Energy Solutions

AME has entered into a joint venture to provide solar energy solutions as part of our engineering service offering, which would aid our efforts in improving the energy efficiency of our industrial parks and clients.

##### 4. Energy Saving Practices

Various energy saving practices have been implemented at our offices and sites which includes:

- Turning off lights, air conditioning and equipment when not in use;
- Security personnel to ensure all lightings, air conditioning and equipments are switched off after working hours;
- Maintaining optimum room temperature to reduce energy usage;
- Use of solar powered lightings and spotlights around the recreational parks and construction sites;
- Ensuring equipment and machineries are well maintained to proper working condition; and
- Replacing and upgrading old equipment and machineries to improve energy efficiency.

## SUSTAINABILITY STATEMENT

### 3.3 WATER MANAGEMENT

Water, unlike most conventional thinking is not a truly unlimited resource. Everywhere in the world, drought can occur, and this fact alone make water as equally precious as metals for it can cause great interruptions to industry when there is a lack of water according to season, climatic aberrations, or natural disasters. In addition, water treatment is both expensive and creates carbon footprint. The purifying agents and processes used in treating water to make it suitable for consumption requires a lot of energy and fuel to be used up. Thus, to simply run water for anything other than maintaining life and health may be wasteful.

Water is used extensively in our business operations. In support to SDG 6: Clean Water and Sanitation, various water saving initiatives have been implemented to ensure that water is used responsibly and efficiently across our business operations.

#### Water Saving Initiatives

##### 1. Rainwater Harvesting System

Industrial buildings in i-Park are fitted with a rainwater harvesting system. The rainwater harvesting system takes full advantage of the high annual rainfall of Malaysia's climate by tapping into nature's free resource when there is rain, to be collected, filtered, stored, and recycled to be re-used for watering gardens, flushing of toilets and more.

##### 2. Low Water Consumption Fixtures

Industrial buildings in i-Park are fitted with low water consumption fixtures to reduce water consumption.

##### 3. Industrialised Building System

The use of IBS in our construction and engineering operations reduces water usage due to their high mechanisation.

### 4. Water Saving Practices

Our employees are encouraged to practice various water saving practices to reduce water consumption and wastage such as:

- a) Turning off water tap when not in use;
- b) Avoid repeated toilet flushing;
- c) Conduct regular check for water leakages;
- d) Reporting of any water leakages to facilities management team;
- e) Reuse non-potable water from wetland pond to irrigate landscapes; and
- f) Reuse and recycle the used water from testing and commissioning of pump flow systems.

### 3.4 MATERIALS AND WASTE MANAGEMENT

Waste is an inevitable by-product of our business operations. The common methods of waste disposal such as incineration and landfill may cause serious social and environmental consequences, including public health issues, land and water pollution, loss of biodiversity, and increase in greenhouse gas emission if handled inappropriately.

At AME, we have established a robust materials and waste management system to reduce the amount of natural resources consumed through the use of sustainable materials, reusing and recycling materials whenever possible, and to dispose our waste responsibly in order to minimise any potential negative social and environmental impact.



*Reusing non-potable water from wetland pond for irrigation*



## SUSTAINABILITY STATEMENT

### Materials and Waste Management Initiatives

#### 1. Using Materials with High Recycle Content

We select the use of high recycle content materials such as steel structure HTD bar, mineral wool insulation, plasterboard, aluminium louvers, glass, precast concrete, timber door and many more. Reusable and recyclable materials help to prevent waste of potentially useful materials and also reduces raw material and energy consumption thereby reducing GHG emissions.

#### 2. Using Environmentally Friendly Materials

Green label products and products containing eco-friendly ingredients and resources are preferred. For example, low volatile organic compound ("VOC") products are used as an important step to minimise the release of harmful substances from VOC product for better air quality and health benefit of the occupants. Environmentally friendly fertiliser, such as EM-1 or Effective Microorganism are used to nurture plants and pond-water living organisms.

#### 3. Using High life cycle Building Materials

Low maintenance and durable materials such as galvanised wire mesh fencing, thicker metal roof with a thicker 50mm fiberglass insulation, stainless steel handrails which are strong, durable, and easy to clean, precast walls which require less maintenance are selected. This maximises the use of raw materials and reduces usage of natural resources.

#### 4. Commitment to Reduce, Reuse and Recycle

- a) 3R bins are provided in every factory unit and in our dormitories;
- b) Our construction team reuses the formwork at least 5 times to minimise wastage of materials;
- c) We facilitate the reduction of waste generated during construction with proper management of waste. To facilitate the initiative, two large dump truck bins, one for recyclable waste and another for biodegradable waste are placed at the construction site; and
- d) Our landscape maintenance team utilises a special shredder machine to crush the trimmed branches and other natural waste to be reused as organic fertiliser for the landscape.



*Shredder machine to crush trimmed branches and natural waste to be reused as organic fertiliser for the landscape*

#### 5. Proper Waste Disposal

We engage qualified waste disposal companies to dispose our waste responsibly through regulated channel.

#### 6. Minimising Paper Waste

Our employees are encouraged to minimise the usage of paper through practices such as favouring double-sided printing instead of single-sided printing and, favouring the use of soft copies and print physical copies only when necessary. In addition, as an initiative to reduce paper waste, the FY2021 annual report will be distributed in soft copies. Physical copies of the annual report will only be provided upon request.

### 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 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 2021 ("**FY2021**") 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 (3<sup>rd</sup> 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 2017 ("**MCCG**") during FY2021 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 2021 ("**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](http://www.ame-elite.com).

Overall, the Board is of the view that the Group has, in all material aspects, complied with the principles and practices as set out in the MCCG throughout FY2021. 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
<b>Total</b>	<b>32</b>	<b>4</b>	<b>36</b>

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: <ul style="list-style-type: none"> <li>• including voting in absentia, and</li> <li>• remote shareholders' participation at General Meetings.</li> </ul>

The following disclosure statements provide a summary of the Group's application of the principles set out in the MCCG during FY2021.

## 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.

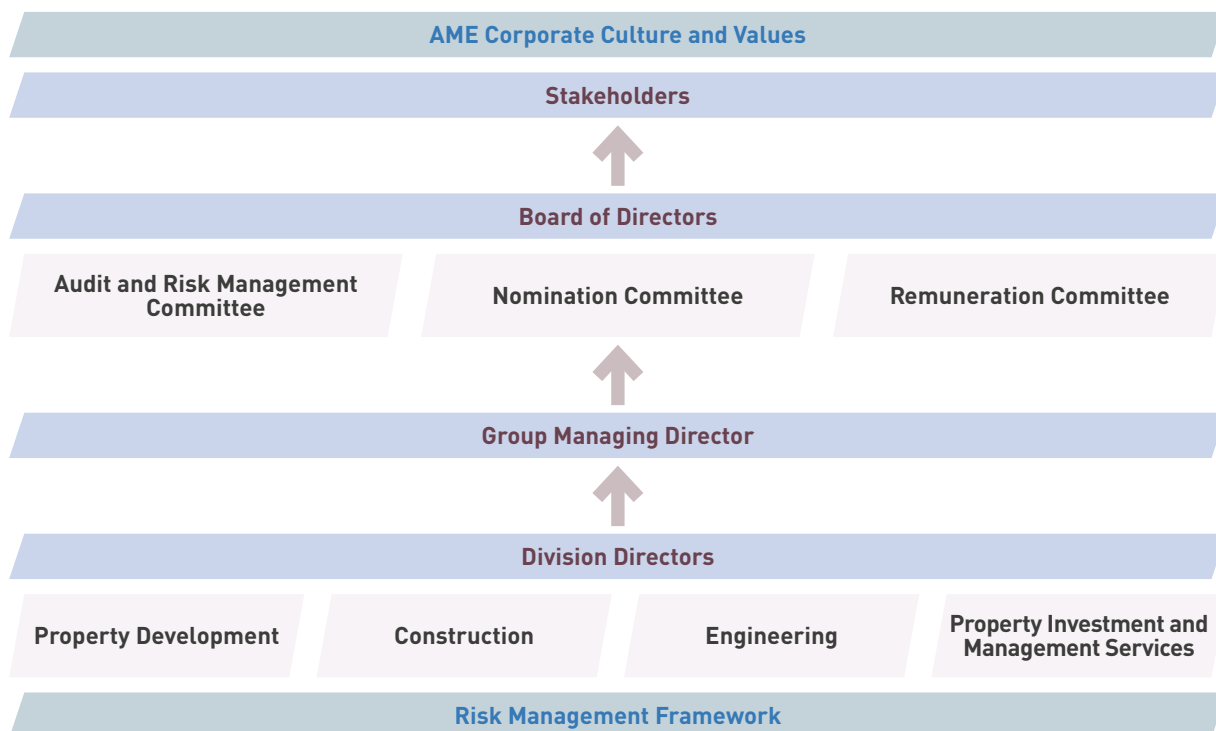
## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 the 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:

- Audit and Risk Management Committee ("**ARMC**");
- Nomination Committee ("**NC**"); and
- 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](http://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:

- Group and divisional strategies, plans and budgets;
- Major acquisitions, disposals and transactions;
- Appointment, re-appointment and removal of Directors, Group Managing Director and Company Secretary;
- Establishment of Board Committees and approval of their Terms of Reference; and
- 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 FY2021

Overall, during FY2021, 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 all corporate proposals and approved the proposed establishment and listing of an industrial real estate investment trust on the Main Market of Bursa Malaysia; and
- c) Reviewed proposals and approved development land's acquisitions;

###### Financial and Operational

- a) Reviewed and approved quarterly and year-end financial results;
- b) Reviewed any related party transaction and conflict of interest situation that may arise within the Group; and
- c) Reviewed and overseen capital expenditure, project budget, cash flow, sales target and utilisation of the proceeds raised from the Company's Initial Public Offering on the Main Market of Bursa Malaysia ("Listing");

###### Risk Management and Internal Control

- a) Reviewed the risk profile of the Group (including risk registers) and the risk management team's plans to mitigate business risks as identified from time to time;
- b) Reviewed major audit findings and management's response with management and external auditors, including the status of previous audit recommendations; and
- c) Reviewed internal audit reports and internal audit follow-up reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified;

###### 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 FY2020/21;

##### Corporate Governance

- a) Enhanced the overall corporate governance framework to ensure good practice in line with the MCCG, including review and adoption of the Corporate Disclosure Policy, the Board Induction Policy and the Board Training Needs Assessment Form; and
- b) Reviewed policies in place to ensure that the Group is in compliance with the Companies Act 2016 ("CA 2016") and Listing Requirements and other legislative and reporting requirements.

##### Sustainability

- a) Reviewed and approved the governance structure, steering committee and working group for sustainability;
- b) Reviewed quarterly sustainability updates from management to ensure sustainability progress is on track with the pre-determined strategies and plans; and
- c) Reviewed annual sustainability statement.

##### 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 FY2021 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 for 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.

### 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)

###### 1.4 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 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 CA 2016, Listing Requirements and the Capital Markets and Services Act 2007.

###### 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 meeting 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](http://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 conducts. 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](http://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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART I: BOARD RESPONSIBILITIES (cont'd)

#### 3.0 Good Business Conduct and Corporate Culture (cont'd)

##### 3.2 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 reprisals 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](http://www.ame-elite.com).

##### 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](http://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 ( <i>his alternate, Ms Lee Ling Sien</i> )	Group Managing Director
Mr Lim Yook Kim ( <i>his alternate, Ms Lim Pei Shi</i> )	Executive Director
Mr Kang Ah Chee ( <i>his alternate, Mr Kang Koh Wei</i> )	
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 20 to 25 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 MCGG 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.



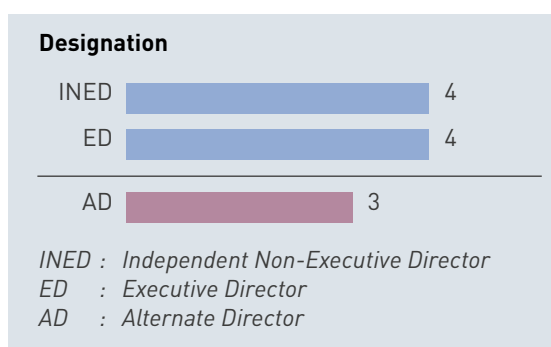
## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II: BOARD COMPOSITION (cont'd)

#### 4.0 Board Objectivity (cont'd)

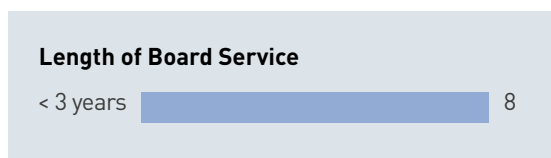
##### 4.1 Board Composition (cont'd)



##### 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 three (3) years on the Board.



##### 4.3 Diversity of Board and Senior Management

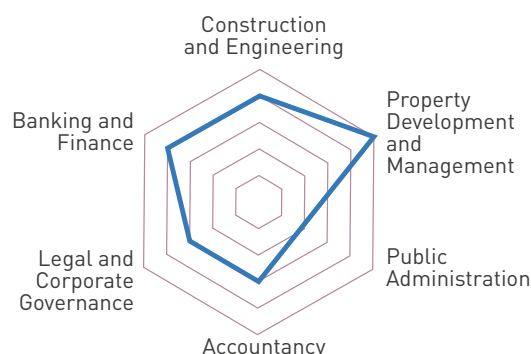
The Board sees a diverse Board and Senior Management as a vital contributing element to sustainable development and growth. It is committed to promoting a workplace that is diverse, inclusive and equitable.

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.

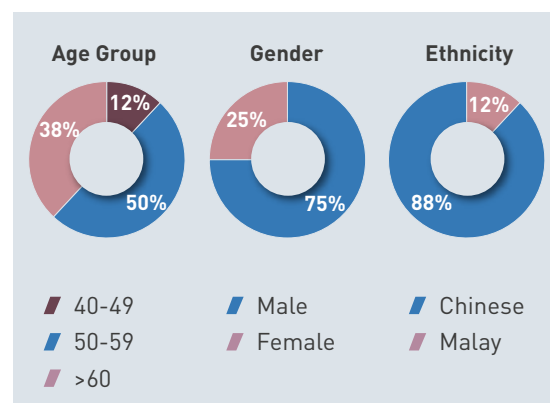
Through an annual assessment conducted by the NC on the Board as a whole, the Board has considered that its current composition is well-balanced with appropriate mix of skills, knowledge, experience and attributes in meeting its needs and objectives. The Board comprises suitably qualified and experienced 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
50 - 59	4 Female	2 Chinese
> 60	3	7

Details on the Board Assessment conducted by the NC are as set out in Section 5.1 of this Statement on page 54 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II: BOARD COMPOSITION (cont'd)

#### 4.0 Board Objectivity (cont'd)

##### 4.4 Gender Diversity (cont'd)

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 MCG 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 a 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.

#### 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](http://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 FY2021 and up to the date of this Statement, key activities undertaken by the NC are summarised as follows:

- Reviewed the evaluation forms for annual assessment of the Board, including training needs, to be in line with the Listing Requirements and the MCG prior to undertaking the evaluation process;
- Reviewed and recommended to the Board for approval on the adoption of the Board Induction Policy to ensure new Directors receive a proper orientation and induction programme upon their appointment to the Board;
- Reviewed the proposal to appoint Mr Kang Koh Wei as Alternate Director to the Executive Director, Mr Kang Ah Chee. The NC has subsequently recommended the appointment to the Board for approval;
- 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;
- 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;
- 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;
- Assessed the effectiveness of the ARMC, NC and RC;

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART II: BOARD COMPOSITION (cont'd)

##### 4.0 Board Objectivity (cont'd)

###### 4.6 Nomination Committee (cont'd)

- h) Assessed the training needs of each Director;
- i) 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
- j) 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 Lim Yook Kim, YM Tengku Azrina Binti Raja Abdul Aziz and Mr Wee Soon Chit 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"). 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 FY2021 was conducted in May 2021. 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.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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)

Details of trainings attended by the Directors during FY2021 are as follow:

Directors	Training Attended	Date
<b>Executive Directors</b>		
Mr Lee Chai	<ul style="list-style-type: none"> <li>Internal Training: Risk Management Workshop with Internal Auditors</li> <li>Forbes Asia Best Under A Billion Virtual Forum</li> <li>The Second Annual Malaysian REIT Forum 2020</li> <li>Internal Training: MACC Act Section 17A Corporate Liability Provision</li> <li>Crisis Management Readiness – Post Pandemic</li> </ul>	10 September 2020  23 November 2020 1 December 2020 12 March 2021  30 March 2021
Mr Lim Yook Kim	<ul style="list-style-type: none"> <li>Webinar on Malaysia Budget 2021 – Market and Sectoral Outlook</li> <li>Internal Training: Risk Management Workshop with Internal Auditors</li> </ul>	13 November 2020  12 March 2021
Mr Kang Ah Chee	<ul style="list-style-type: none"> <li>Webinar on Malaysia Budget 2021 – Market and Sectoral Outlook</li> <li>Internal Training: Risk Management Workshop with Internal Auditors</li> </ul>	13 November 2020  12 March 2021
Mr Lee Sai Boon	<ul style="list-style-type: none"> <li>Internal Training: Risk Management Workshop with Internal Auditors</li> <li>Forbes Asia Best Under A Billion Virtual Forum</li> <li>The Second Annual Malaysian REIT Forum 2020</li> <li>Internal Training: MACC Act Section 17A Corporate Liability Provision</li> <li>Crisis Management Readiness – Post Pandemic</li> </ul>	10 September 2020  23 November 2020 1 December 2020 12 March 2021  30 March 2021
<b>Independent Non-Executive Directors</b>		
YM Tengku Azrina Binti Raja Abdul Aziz	<ul style="list-style-type: none"> <li>Audit Committee Institute Virtual Roundtable 2020</li> <li>Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Act 2009</li> <li>Tax Measures for National Economic Recovery Plan (PENJANA)</li> <li>Data Privacy and Personal Freedoms in the COVID-19 Pandemic</li> <li>Peace of Mind Through Planning (Wills &amp; Intestacy, Sophisticated Planning/Structuring &amp; Thinking Beyond the Will)</li> <li>Restructuring Options &amp; Legal Updates</li> <li>Anti-Trust &amp; Competition Law</li> <li>Corporate Securities &amp; Investment: Corporate Compliance Challenges in the Midst of the Pandemic</li> <li>Malaysia Budget 2021</li> <li>Forbes Asia Best Under A Billion Virtual Forum</li> <li>Fraud Risk Management</li> <li>Humble Good Faith '3 x 4'</li> <li>Managing Human Rights: Why it is important for corporations</li> <li>Internal Training: MACC Act Section 17A Corporate Liability Provision</li> <li>Webinar Series: Audit Committee Conference 2021</li> </ul>	12 May 2020 1 June 2020  19 June 2020 9 July 2020 7 August 2020  23 September 2020 6 October 2020 8 October 2020  17 November 2020 23 November 2020 3 December 2020 2 March 2021 11 March 2021 12 March 2021  15 & 16 March 2021
Ms Tan Lay Beng	<ul style="list-style-type: none"> <li>Webinar: Tax audit &amp; Investigation</li> <li>CFO Conference</li> <li>Webinar: New Public Rulings in 2019 and 2020</li> <li>Taxation of Companies and Limited Liability Partnership</li> <li>Internal Training: MACC Act Section 17A Corporate Liability Provision</li> <li>Webinar Series: Audit Committee Conference 2021</li> </ul>	7 July 2020 20 & 21 July 2020 14 July 2020 2 October 2020 12 March 2021  15 & 16 March 2021

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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
<b>Independent Non-Executive Directors (cont'd)</b>		
Mr Chang Tian Kwang	• Audit Committee Institute Virtual Roundtable 2020	12 May 2020
	• Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Act 2009	1 June 2020
	• Macro and Market Outlook Recovery in 2021	12 November 2020
	• Rise of 5G: From Infrastructure to Consumer Devices	16 November 2020
	• An Overview of Immigration Law in Malaysia	20 November 2020
	• Fraud Risk Management Workshop	23 November 2020
	• Understanding the Impact of Beneficial Ownership (BO) Reporting Framework on Directors and Shareholders	11 March 2021
	• Internal Training: MACC Act Section 17A Corporate Liability Provision	12 March 2021
Mr Wee Soon Chit	• Webinar Series: Audit Committee Conference 2021	15 & 16 March 2021
	• Proposed Amendment of Strata Titles Act 1985 (ACT 318) by Private Sector: Part 1 – Application and Issuance of Strata Titles	23 July 2020
	• The Real Estate Market Post MCO	21 October 2020
	• Internal Training: MACC Act Section 17A Corporate Liability Provision	12 March 2021
Mr Kang Koh Wei (Appointed on 1 January 2021)	• Webinar Series: Audit Committee Conference 2021	15 & 16 March 2021
	• Internal Training: Risk Management Workshop with Internal Auditors	10 September 2020
	• Internal Training: Environmental Briefing Talk	21 November 2020
	• Forbes Asia Best Under A Billion Virtual Forum	23 November 2020
Ms Lim Pei Shi	• The Second Annual Malaysian REIT Forum 2020	1 December 2020
	• Internal Training: MACC Act Section 17A Corporate Liability Provision	12 March 2021
	• Internal Training: Risk Management Workshop with Internal Auditors	10 September 2020
	• Internal Training: Environmental Briefing Talk	21 November 2020
Ms Lee Ling Sien (Appointed on 12 May 2020)	• Forbes Asia Best Under A Billion Virtual Forum	23 November 2020
	• ESG Shariah-Compliant Screening for Securities: Industry Briefing	26 November 2020
	• Internal Training: MACC Act Section 17A Corporate Liability Provision	12 March 2021
	• Internal Training: Risk Management Workshop with Internal Auditors	10 September 2020
Mr Kang Koh Wei (Appointed on 1 January 2021)	• MIRA Webinar: Sustainability Journey of Sunway Group	16 October 2020
	• Digital Transformation in Sales & Marketing Conference 2020 – Boosting Sales in the New Digital Era	28 October 2020
	• MIDA Invest Series: Unfolding States' Business Potential	15 October 2020
	• Unleash your brand with Wechat Marketing	4 November 2020
Mr Kang Koh Wei (Appointed on 1 January 2021)	• Internal Training: Environmental Briefing Talk	21 November 2020
	• Forbes Asia Best Under A Billion Virtual Forum	23 November 2020
	• ESG Shariah-Compliant Screening for Securities: Industry Briefing	26 November 2020
	• Internal Training: MACC Act Section 17A Corporate Liability Provision	12 March 2021
Mr Kang Koh Wei (Appointed on 1 January 2021)	• Mandatory Accreditation Programme For Directors of Public Listed Companies	15 to 17 June 2020
	• Internal Training: MACC Act Section 17A Corporate Liability Provision	12 March 2021

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 their time.

During FY2021, all directors have recorded attendance exceeding 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 during FY2021 are shown below:

Directors	No. of Meetings Attended/Held			
	The Board	The ARMC	The NC	The RC
<b>Executive Directors</b>				
Mr Lee Chai	6/6	5/5 <sup>(i)</sup>	1/1 <sup>(i)</sup>	1/1 <sup>(i)</sup>
Mr Lim Yook Kim	6/6	5/5 <sup>(i)</sup>	–	–
Mr Kang Ah Chee	6/6	5/5 <sup>(i)</sup>	–	–
Mr Lee Sai Boon	6/6	5/5 <sup>(i)</sup>	1/1 <sup>(i)</sup>	1/1 <sup>(i)</sup>
<b>Independent Non-Executive Directors</b>				
YM Tengku Azrina Binti Raja Abdul Aziz	6/6	5/5	1/1	1/1
Ms Tan Lay Beng	6/6	5/5	1/1	1/1
Mr Chang Tian Kwang	6/6	5/5	1/1	1/1
Mr Wee Soon Chit	6/6	5/5	1/1	1/1
<b>Alternate Directors</b>				
Ms Lim Pei Shi	6/6	5/5 <sup>(i)</sup>	–	–
Ms Lee Ling Sien (Appointed on 12 May 2020)	6/6	5/5 <sup>(i)</sup>	–	–
Mr Kang Koh Wei (Appointed on 1 January 2021)	2/2	1/1 <sup>(i)</sup>	–	–
<b>Total number of meetings held</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>1</b>

**Note:**

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



### 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](http://www.ame-elite.com).

##### 6.2 Remuneration Committee

The RC assists the Board in developing and administering 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](http://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 FY2021 and up to the date of this Statement, key activities undertaken by the RC are summarised as follows:

- Reviewed and discussed the performance of each individual Director with reference to the Board Effectiveness Evaluation conducted by the NC in May 2021;
- Reviewed and recommended the Directors' Fees for FY2021;
- Reviewed and recommended the additional Directors' Benefits from 1 April 2020 until the conclusion of the 3<sup>rd</sup> AGM of the Company;
- Reviewed and recommended the Directors' Benefits from the conclusion of the 3<sup>rd</sup> AGM until the conclusion of the next AGM of the Company to be held in year 2022;
- Reviewed and assessed the Executive Directors' salaries, annual bonuses and other emoluments for FY2021; and
- Reviewed the Terms of Reference and the Statement of Activities of the RC.

#### 7.0 Remuneration of Directors and Senior Management

##### 7.1 Details of Directors' Remuneration

The Directors' remuneration for FY2021 was reviewed by the RC and considered appropriate with due regard made to the market competitiveness and conditions, financial performance of the Group and performance of the Directors. It was recommended to the Board for approval and was subsequently approved by the Board without participation of the 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 3<sup>rd</sup> AGM for the payment of Directors' fees for FY2021, the additional Directors' benefits from 1 April 2020 until the conclusion of the 3<sup>rd</sup> AGM of the Company as well as the Directors' Benefits from the conclusion of the 3<sup>rd</sup> AGM until the conclusion of the next AGM of the Company to be held in year 2022.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART III: REMUNERATION (cont'd)

#### 7.0 Remuneration of Directors and Senior Management (cont'd)

##### 7.1 Details of Directors' Remuneration (cont'd)

Details of the Directors' remuneration for FY2021 are as follows:

	Company <sup>(i)</sup>			Subsidiary Companies <sup>(ii)</sup>				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
<b>Executive Directors</b>								
Mr Lee Chai	72,000	4,000	76,000	2,958,000	368,008	20,708	3,346,716	3,422,716
Mr Lim Yook Kim	72,000	3,500	75,500	871,000	110,949	28,000	1,009,949	1,085,449
Mr Kang Ah Chee	72,000	3,500	75,500	871,000	110,949	28,000	1,009,949	1,085,449
Mr Lee Sai Boon	72,000	4,000	76,000	2,327,000	291,336	28,000	2,646,336	2,722,336
<b>Independent Non-Executive Directors</b>								
YM Tengku Azrina Binti Raja Abdul Aziz	108,000	4,000	112,000	–	–	–	–	112,000
Ms Tan Lay Beng	84,000	4,000	88,000	–	–	–	–	88,000
Mr Chang Tian Kwang	72,000	4,000	76,000	–	–	–	–	76,000
Mr Wee Soon Chit	72,000	4,000	76,000	–	–	–	–	76,000
<b>Alternate Directors</b>								
Ms Lim Pei Shi	–	–	–	484,000	59,004	23,950	566,954	566,954
Ms Lee Ling Sien (Appointed on 12 May 2020)	–	–	–	225,500	27,984	8,800	262,284	262,284
Mr Kang Koh Wei (Appointed on 1 January 2021)	–	–	–	528,000	64,284	23,950	616,234	616,234

**Note:**

- (i) Received and receivable from the Company.
- (ii) Received and receivable from subsidiary companies in respect of their executive role. For the avoidance of doubt, the remuneration of Ms Lee Ling Sien and Mr Kang Koh Wei for the period from 1 April 2020 until their respective dates of appointment as Alternate Director in the Company are included in the Directors' remuneration for FY2021, which are received and receivable in respect of their executive role in the subsidiary companies.

##### 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 FY2021 are disclosed in bands of RM50,000 as follows:

Range of Remuneration <sup>(i)</sup> (RM)	Number of Senior Management <sup>(ii)</sup>
350,000 – 400,000	1
400,000 – 450,000	1
500,000 – 550,000	1
600,000 – 650,000	1
750,000 – 800,000	1
<b>Total</b>	<b>5</b>

**Note:**

- (i) Received from subsidiary companies in respect of their executive role.
- (ii) The disclosure does not include Senior Management personnel 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 FY2021 was conducted in May 2021. 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 FY2021 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 FY2021 are set out in the Additional Compliance Information on page 68 of this Annual Report.

Accordingly, the re-appointment of Messrs KPMG as Auditors of the Company for FY2022 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 FY2021 are set out in the ARMC Report from pages 64 to 66 of this Annual Report.

###### 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 the Chartered Accountant 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 20, 22 and 23 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 FY2021 are set out on pages 55 and 56 of this Annual Report.



### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### 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 services 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 69 to 72 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 FY2021 are set out in the ARMC Report from pages 64 to 66 of this Annual Report.

##### 10.0 Effective Governance, Risk Management and Internal Control

###### 10.1 Effective and Independent Internal Audit Function

The internal audit function of the Group is outsourced to Sterling Business Alignment Sdn Bhd ("Internal Auditors"), an independent professional service company. 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.

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 FY2021, there were two (2) internal audit reports and three (3) internal audit follow-up reports presented to the ARMC, covering assessment of the key functional areas of the Group. 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 AR2021.

### 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, corporate proposals 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 Website

The Company maintains a regularly updated and informative corporate website at [www.ame-elite.com](http://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.

###### 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 investors roadshow, quarterly financial result 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](mailto: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](mailto:gregory.lui@amedev.com.my)

###### Ms Julia Pong

Investor Relations Officer  
Contact No.: +603-2711 1391  
Email: [ame-elite@investor.net.my](mailto: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.

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### PART II: CONDUCT OF GENERAL MEETINGS

##### 12.0 Encourage Shareholders' 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.

The Company had disseminated its notice of the 2<sup>nd</sup> AGM held on 27 August 2020 with accompanying notes to shareholders more than twenty-eight (28) days before the AGM to encourage shareholders' participation. The additional time given allowed shareholders to make necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. It also empowered 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

All Directors, including all the Board Committee Chairpersons, as well as the Company's External Auditors attended the 2<sup>nd</sup> AGM held on 27 August 2020.

All proposed resolutions were explained in detail prior to the commencement of poll voting. The Chairperson of the AGM, who is the Board Chairperson, had invited all shareholders to raise questions so that shareholders could make an informed judgement and vote accordingly.

An independent scrutineer was appointed to monitor the process of poll voting and to validate the votes cast at the AGM. The outcome of the AGM was announced to Bursa Malaysia on the same meeting day and published on the Company's website.

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

After due regard made to the shareholders' structure, the 2<sup>nd</sup> AGM of the Company was held physically at i-Park@Senai Airport City Sales Gallery, No. 1, Jalan I-Park SAC 1, Taman Perindustrian I-Park SAC, 81400 Senai, Johor Darul Takzim. Shareholders who were unable to attend the 2<sup>nd</sup> AGM had been allowed to appoint their respective proxies to participate, speak and vote on their behalf at the AGM.

In view of the COVID-19 pandemic and as part of the Company's precautionary measures, the forthcoming 3<sup>rd</sup> AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting using remote participation and voting facilities.



# 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 2021 ("FY2021").

## 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 ARMC consists solely of Independent Non-Executive Directors, who are qualified individuals with required skills and expertise to discharge the ARMC's functions and duties.

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 Chartered Accountant of the Malaysian Institute of Accountants ("MIA"). She is presently the Regional Chairperson of Johor of the MIA. Mr. Chang Tian Kwang, another member of the ARMC is also a Chartered Accountant of the MIA.

The profiles of the members are set out on pages 20, 22 and 23 of this Annual Report.

## MEETING

The ARMC held five (5) meetings during FY2021. The attendance of the ARMC members are set out as follows:

Name	Number of Meetings Attended
Ms Tan Lay Beng	5/5
YM Tengku Azrina Binti Raja Abdul Aziz	5/5
Mr Chang Tian Kwang	5/5
Mr Wee Soon Chit	5/5

The ARMC meetings were conducted with sufficient quorum. The Company Secretary was appointed as the secretary of the ARMC. Minutes of each ARMC meeting were distributed electronically to the Board.

The representatives of the External Auditors and Internal Auditors, Executive Directors, Group Financial Controller and key management personnel, at the invitation of the ARMC, attended the ARMC meetings to present their reports and/or findings or explanations.

The Chairperson of the ARMC reported on key issues and matters discussed at each ARMC meeting to the Board in the Board meetings and where appropriate, made necessary recommendations to the Board.

## 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](http://www.ame-elite.com).

## SUMMARY OF ACTIVITIES

The activities carried out by the ARMC during FY2021 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 FY2021 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 FY2021, 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 FY2021.
- Discussed with the Management and the External Auditors the impact of the COVID-19 pandemic and the Movement Control Orders imposed by the Government of Malaysia on the operations as well as actions taken by the Management to mitigate the impact.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### SUMMARY OF ACTIVITIES (CONT'D)

- Discussed the accounting standards, interpretations and amendments of the Malaysia Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board but have not been adopted with the Management and the External Auditors.
- Discussed the implication of the adoption of new accounting standards, interpretations and amendments of the MFRS during FY2021 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 FY2021.

#### 2. External Audit

- Reviewed the Audit Plan and Strategy for FY2021 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 financial reporting standards.
- Reviewed the review findings of the Interim Financial Reports and audit findings of the Annual Financial Statements for FY2021, as well as year-end audit report and management letter with the Management's response for FY2021 prepared by the External Auditors.
- Reviewed and evaluated the suitability, objectivity and independence of External Auditors, the ARMC received confirmation from the External Auditors through their Audit Plan and Strategy for FY2021 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 the adequacy of scope, functions, competency and resources of the internal audit functions.
- Reviewed the internal audit programmes and plans for FY2021.
- 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.
- Reviewed the adoption of transfer pricing documentation.

#### 5. Risk Management

- Reviewed the adequacy of scope, functions, competency and resources of the risk management functions.
- Reviewed the adoption of risk management governance framework and the adequacy of risk awareness trainings.
- Reviewed the risk profile, including risk measurement, risk matrix as well as risk registers with key risk factors identified and risk control measures putting in place for corporate office and respective business divisions.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### SUMMARY OF ACTIVITIES (CONT'D)

#### 6. Others

- Reviewed the Corporate Disclosure Policy before it was presented to the Board for approval as recommended.
- 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 on 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 FY2021 in discharging their duties and responsibilities were to gauge the internal control environment of the Sales and Marketing and Sales Administration functions of subsidiaries of the Group, AME Development Sdn Bhd and Ipark Development Sdn Bhd, as well as the Pre-Contract Management, Production/Fabrication, Procurement functions of subsidiaries of the Group, AME Engineering Industries Sdn Bhd and Asiamost 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 FY2021 was RM68,000.

### EVALUATION

The Board, through the Nomination Committee, has evaluated the performance of the ARMC and its members. Based on the assessment conducted for FY2021, 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 ("**Bursa Securities**") on 14 October 2019 ("**Listing**"). 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 2021 ("**FY2021**"), the utilisation of the IPO Proceeds is as follows:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	Initial proposed utilisation RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Future industrial property development and investment projects including land acquisitions and joint ventures	Within 36 months	69,050	<sup>(i)</sup> 78,050	–	–
Working capital for our i-Park@Senai Airport City development project	Within 12 to 36 months	23,000	24,344	15,610	64
Complete the expansion of our precast concrete fabrication capacity	Within 12 months	9,000	<sup>(i)</sup> –	–	–
Estimated listing expenses	Within 6 months	10,000	8,656	<sup>(iii)</sup> 8,656	100
<b>Total</b>		<b>111,050</b>	<b>111,050</b>	<b>24,266</b>	

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) On 25 February 2021, the Board of AME has approved to vary the utilisation of the IPO Proceeds for the future industrial property development and investment projects including land acquisitions and joint ventures, and the expansion of precast concrete fabrication capacity.

Amidst the COVID-19 pandemic, the Group's precast concrete division has been facing decrease in demand for precast concrete products arising from economic and construction industry slowdowns, as well as decrease in profit margin due to the high overhead costs and tough competition among the industry players.

The Board is of the view that the Group's precast concrete business will remain challenging given the uncertain economic scenario posed by the COVID-19 pandemic. As such, the Board has decided not to proceed the Group's expansion plan for precast concrete fabrication capacity, and to vary the IPO Proceeds by reallocating the entire initial proposed utilisation of RM9.0 million for the expansion of precast concrete fabrication capacity to the future industrial property development and investment projects including land acquisitions and joint ventures.

The reallocated IPO Proceeds will be utilised to partially fund the proposed acquisition of seventy-two (72) plots of freehold industrial land within Phase 3, Southern Industrial & Logistics Clusters (SiLC) in Iskandar Puteri, Johor totalling approximately 169.75 acres from subsidiaries of UEM Sunrise Berhad which is expected to contribute positively to the future earnings of the Group as and when the benefits of the proposed acquisition are realised.

- (ii) 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.



## ADDITIONAL COMPLIANCE INFORMATION

### 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 FY2021 are as follows:

Type of fees	The Company RM	The Group RM
Audit fees	43,000	400,000
Non-audit fees	<sup>(i)</sup> 142,500	<sup>(ii)</sup> 234,100
<b>Total</b>	<b>185,500</b>	<b>634,100</b>

- (i) The non-audit fees of the Company were incurred mainly for the quarterly review of the Company's interim financial reports and advisory services in connection with the proposed establishment and listing of an industrial real estate investment trust on the Main Market of Bursa Securities.
- (ii) Save for the services as disclosed in item (i), the non-audit fees of the Group comprise mainly of corporate tax computation and submission services rendered to the Group by a firm affiliated to the external auditors.

### 3. MATERIAL 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 FY2021, 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 FY2021.

### 5. EMPLOYEES' SHARE OPTION SCHEME

The Company had on 27 May 2021 announced that AME proposes to undertake the establishment of an employees' share option scheme ("ESOS" or "Scheme") of up to 10% of the total number of issued shares of AME at any point in time during the duration of the Scheme ("Proposed ESOS"). The Board will seek shareholders' approval on the Proposed ESOS at the extraordinary general meeting of the Company to be held on 26 August 2021.

# 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 2021 ("**FY2021**"), 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

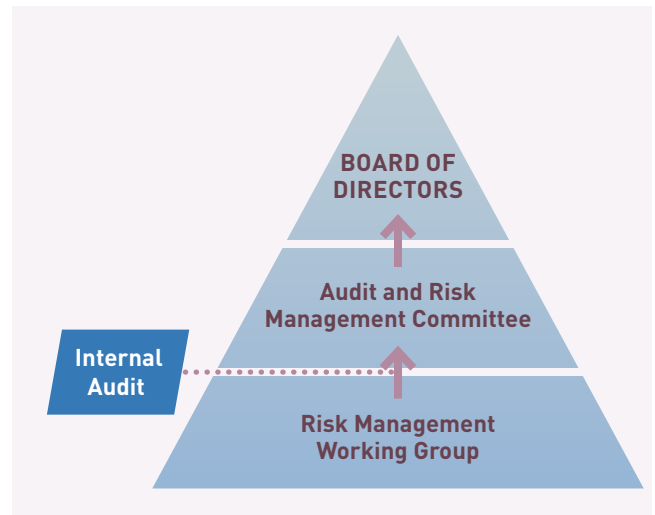
The Board acknowledges its overall responsibility for maintaining sound risk management and internal control systems ("**Systems**") to safeguard the shareholders' investments and the Company and its subsidiaries (collectively referred to as "**Group**")'s assets, and to discharge its stewardship responsibility 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.

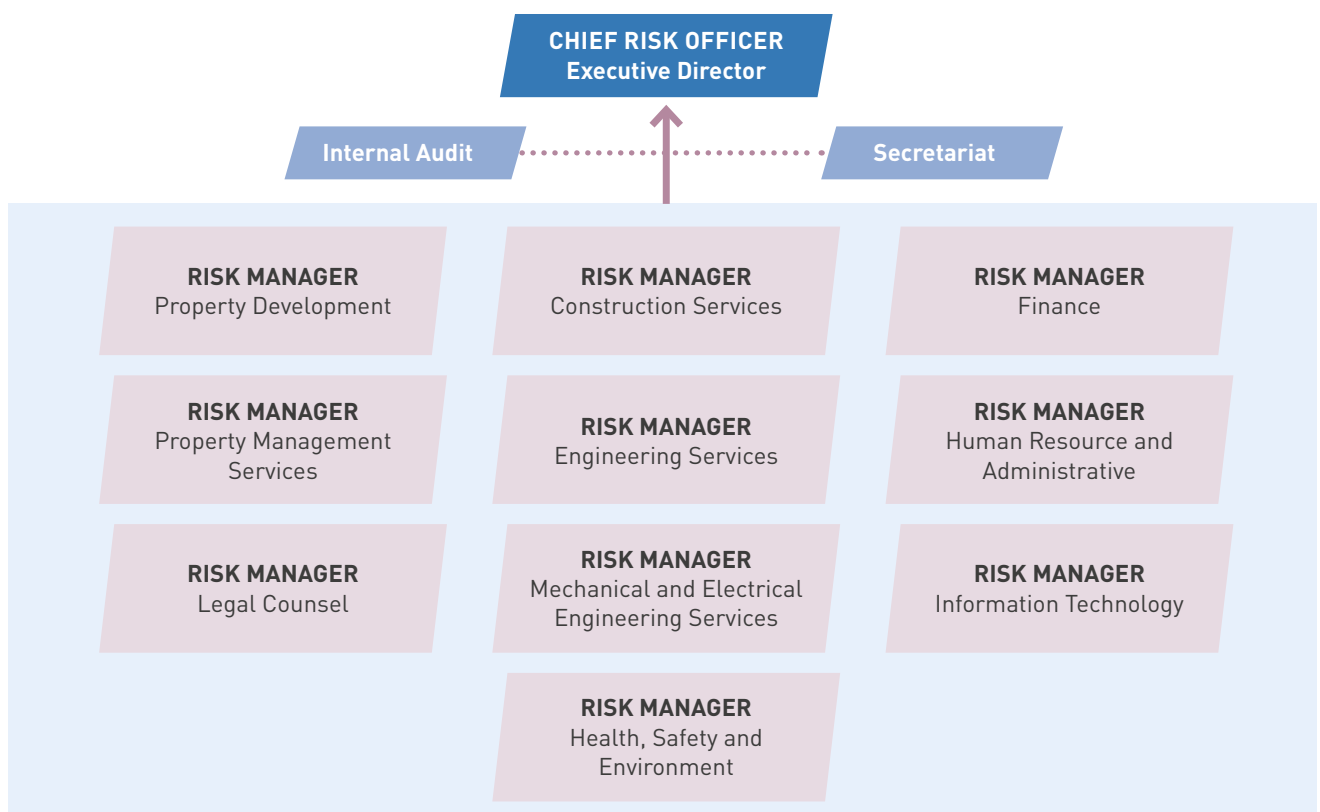
## RISK MANAGEMENT FRAMEWORK

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:



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### 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 roles and responsibilities of the RMWG include the following:

1. Implementation of the Framework as approved by the Board;
2. Assess, develop and implement the risk management process;
3. Ensure the risk management practices are aligned with the Group's strategies;
4. Periodic review of risk management methodologies applied and update of key risk registers; and
5. Update the ARMC on the changes to the key risk registers on a periodic basis.

The RMWG is also 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT FRAMEWORK (CONT'D)

During the FY2021, activities carried out by the RMWG include the following:

1. Adopted the Committee of Sponsoring Organizations ("COSO") Enterprise Risk Management ("ERM") 2017 as risk management governance framework;
2. Set up the ERM working groups for corporate office and respective business divisions;
3. Organised the risk awareness training and discussion forum;
4. Set up the risk measurement criteria (likelihood and Impact);
5. Reviewed the existing business strategies, functional areas, processes, people, resources from the risk management perspective;
6. Identified and analysed the key risk factors for divisions;
7. Reviewed the governed strategic, financial, operational and compliance risk activities; and
8. Assigned risk owners to manage, control and monitor the risk factors identified.

The monitoring of the risk management process by the Group is enhanced by the internal audits conducted by the outsourced internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal audit plans.

The Board will continually review and evaluate the existing Framework, risk profile and risk management practices to ensure the Framework, risk profile 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 66 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 regularly with the Executive Directors and Senior Management in attendance;
9. BOD meetings are carried out on a scheduled basis to review the business plan, business strategies and performance of the Group, from financial and operational perspectives.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### OTHER KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

10. 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;
11. Regular and comprehensive information provided to the Management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
12. Report by the Management to the Board on significant operational matters and other issues affecting the Group;
13. Regular visits to operating units and / or project sites by the Group Managing Director, Executive Directors and Senior Management;
14. Adequate insurance coverage on the Group's major assets, resources and against any mishap that may result in unexpected financial losses to the Group;
15. The Internal Audit Function carries out internal audit reviews to ascertain the adequacy and effectiveness of operational and financial procedures; and
16. 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 2021, 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 FY2021 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.

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# 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 2016 ("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 2021, 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.



<b>75</b>	Directors' Report
<b>79</b>	Statements of Financial Position
<b>80</b>	Statements of Profit or Loss and Other Comprehensive Income
<b>81</b>	Consolidated Statement of Changes in Equity
<b>82</b>	Statement of Changes in Equity
<b>83</b>	Statements of Cash Flows
<b>86</b>	Notes to the Financial Statements
<b>149</b>	Statement by Directors
<b>150</b>	Statutory Declaration
<b>151</b>	Independent Auditors' Report

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# FINANCIAL STATEMENTS

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 MARCH 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

### 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	53,476,600	19,663,965
Non-controlling interests	4,448,981	–
	57,925,581	19,663,965

### 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, the amount of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 31 March 2020:
  - an interim dividend of 3.0 sen per ordinary share totalling RM12,813,453 declared on 25 June 2020 and paid on 18 August 2020.
- ii) In respect of the financial year ended 31 March 2021:
  - an interim dividend of 4.0 sen per ordinary share totalling RM17,084,604 declared on 27 May 2021 and paid on 8 July 2021. 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 2022.

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

Mr. Lee Chai  
Mr. Lim Yook Kim  
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

#### Alternate

Ms. Lee Ling Sien (appointed on 12 May 2020)  
Ms. Lim Pei Shi  
Mr. Kang Koh Wei (appointed on 1 January 2021)

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' REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

## DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (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:

Name of Directors	At 1 April 2020/ date of appointment	Number of ordinary shares			At 31 March 2021
		Bought	Sold	Changed	
Company					
Direct interest					
Mr. Lee Chai	90,821,100	480,000	(7,000,000)	-	84,301,100
Mr. Lim Yook Kim	89,694,100	-	(4,500,000)	-	85,194,100
Mr. Kang Ah Chee	89,694,100	-	(6,000,000)	-	83,694,100
Mr. Lee Sai Boon	30,258,000	-	(2,500,000)	-	27,758,000
Ms. Lim Pei Shi	490,000	-	(200,000)	-	290,000
Ms. Lee Ling Sien	224,100	-	-	-	224,100
Mr. Kang Koh Wei	325,200	-	-	-	325,200
YM Tengku Azrina binti Raja Abdul Aziz	200,000	-	(100,000)	-	100,000
Ms. Tan Lay Beng	200,000	-	(170,000)	-	30,000
Mr. Chang Tian Kwang	200,000	-	(80,000)	-	120,000
Mr. Wee Soon Chit	200,000	-	(60,000)	-	140,000
Deemed interest					
Mr. Lee Chai	2,262,200	3,783,000	(2,000,000)	(224,100)#	3,821,100
Mr. Lim Yook Kim	2,769,300	3,783,000	(2,390,000)	-	4,162,300
Mr. Kang Ah Chee	2,663,300	3,783,000	(2,100,000)	(325,200)#	4,021,100
Mr. Lee Sai Boon	2,038,100	3,783,000	(2,000,000)	-	3,821,100
Mr. Lee Sai Boon's direct interest in:					
Subsidiaries					
- Active Gold Services Sdn. Bhd.	50,000	-	-	-	50,000
- AME Integrated Sdn. Bhd.	10	-	-	-	10
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
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.	300,090,000	-	-	-	300,090,000
- Ipark Development Sdn. Bhd.	4,000,000	-	-	-	4,000,000
- I Stay Management Sdn. Bhd.	70,000	-	-	-	70,000
- Quantum Renewable Energy Sdn. Bhd.	-	510,000	-	-	510,000

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

### DIRECTORS' INTERESTS IN SHARES (CONT'D)

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

# The 224,100 and 325,200 ordinary shares held by his daughter, Ms. Lee Ling Sien and his son, Mr. Kang Koh Wei respectively are excluded from the disclosure by Mr. Lee Chai and Mr. Kang Ah Chee respectively as Ms. Lee Ling Sien and Mr. Kang Koh Wei have become alternate director to Mr. Lee Chai and Mr. Kang Ah Chee during the financial year.

Mr. Lee Chai's and Mr. Lee Sai Boon's deemed interests represent shares held by companies in which they have substantial financial interest. Mr. Lim Yook Kim's deemed interest represents shares held by his son and by companies in which he has substantial financial interest. Mr. Kang Ah Chee's deemed interest represents shares held by his son, his daughter and by companies in which he has substantial financial interest.

Mr. Lim Yook Kim's deemed interest does not include shares held by his daughter, Ms Lim Pei Shi as she is an alternate director to Mr. Lim Yook Kim.

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 year, 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 30 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

There were no 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 RM20,855.

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 of 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 of 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) except as disclosed in Note 25 to the financial statements, no 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 2021 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 21 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

Date: 23 July 2021

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MARCH 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>Assets</b>					
Property, plant and equipment	3	131,597,185	100,579,465	483,333	683,333
Inventories	4	8,661,560	8,661,560	-	-
Investment properties	5	325,600,000	344,266,191	-	-
Investments in subsidiaries	6	-	-	512,837,125	511,837,125
Investment in a joint venture	7	18,194,338	20,768,833	-	-
Deferred tax assets	8	6,030,480	7,148,105	-	-
<b>Total non-current assets</b>		<b>490,083,563</b>	<b>481,424,154</b>	<b>513,320,458</b>	<b>512,520,458</b>
Inventories	4	311,458,745	357,762,724	-	-
Contract costs	9	6,742,211	5,819,641	-	-
Contract assets	10	16,495,440	30,156,977	-	-
Trade and other receivables	11	94,331,734	86,233,959	536,379	47,087
Due from subsidiaries	12	-	-	42,437,611	27,094,742
Current tax assets		1,318,652	659,408	-	-
Cash and cash equivalents	13	271,401,962	191,806,343	87,319,492	99,894,056
<b>Total current assets</b>		<b>701,748,744</b>	<b>672,439,052</b>	<b>130,293,482</b>	<b>127,035,885</b>
<b>Total assets</b>		<b>1,191,832,307</b>	<b>1,153,863,206</b>	<b>643,613,940</b>	<b>639,556,343</b>
<b>Equity</b>					
Share capital		620,139,959	620,139,959	620,139,959	620,139,959
Reserves		54,399,715	13,736,568	20,907,938	14,057,426
<b>Equity attributable to owners of the Company</b>	14	<b>674,539,674</b>	<b>633,876,527</b>	<b>641,047,897</b>	<b>634,197,385</b>
<b>Non-controlling interests</b>	6	<b>37,708,394</b>	<b>33,769,413</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>712,248,068</b>	<b>667,645,940</b>	<b>641,047,897</b>	<b>634,197,385</b>
<b>Liabilities</b>					
Loans and borrowings	15	226,132,695	260,783,528	-	-
Due to a minority shareholder	16	10,000,000	10,000,000	-	-
Deferred tax liabilities	8	14,961,051	16,893,820	-	-
<b>Total non-current liabilities</b>		<b>251,093,746</b>	<b>287,677,348</b>	<b>-</b>	<b>-</b>
Loans and borrowings	15	21,474,805	22,441,871	-	-
Trade and other payables	17	147,178,912	144,642,559	1,413,736	830,246
Contract liabilities	10	51,258,425	23,707,034	-	-
Due to subsidiaries	12	-	-	1,000,000	4,318,948
Due to a minority shareholder	16	2,234,287	1,962,579	-	-
Current tax liabilities		6,344,064	5,785,875	152,307	209,764
<b>Total current liabilities</b>		<b>228,490,493</b>	<b>198,539,918</b>	<b>2,566,043</b>	<b>5,358,958</b>
<b>Total liabilities</b>		<b>479,584,239</b>	<b>486,217,266</b>	<b>2,566,043</b>	<b>5,358,958</b>
<b>Total equity and liabilities</b>		<b>1,191,832,307</b>	<b>1,153,863,206</b>	<b>643,613,940</b>	<b>639,556,343</b>

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 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	18	<b>460,605,168</b>	380,345,692	<b>20,250,746</b>	20,629,007
Cost of sales		<b>(351,403,794)</b>	(260,021,416)	<b>(451,634)</b>	(841,828)
<b>Gross profit</b>		<b>109,201,374</b>	120,324,276	<b>19,799,112</b>	19,787,179
Other income		<b>10,456,735</b>	15,836,610	<b>132</b>	375
Distribution expenses		<b>(3,719,123)</b>	(4,719,984)	<b>-</b>	-
Administrative expenses		<b>(33,116,570)</b>	(37,564,575)	<b>(1,856,442)</b>	(3,978,710)
Other expenses		<b>(1,295,118)</b>	(482,005)	<b>-</b>	-
<b>Results from operating activities</b>		<b>81,527,298</b>	93,394,322	<b>17,942,802</b>	15,808,844
Finance income	19	<b>4,439,485</b>	4,021,787	<b>2,074,012</b>	1,446,350
Finance costs	19	<b>(9,838,198)</b>	(13,980,252)	<b>-</b>	-
<b>Net finance (costs)/income</b>		<b>(5,398,713)</b>	(9,958,465)	<b>2,074,012</b>	1,446,350
Share of profit of an equity-accounted joint venture, net of tax		<b>3,510,111</b>	5,239,270	<b>-</b>	-
<b>Profit before tax</b>		<b>79,638,696</b>	88,675,127	<b>20,016,814</b>	17,255,194
Tax expense	20	<b>(21,713,115)</b>	(20,031,071)	<b>(352,849)</b>	(299,969)
<b>Profit for the year/Total comprehensive income for the year</b>	21	<b>57,925,581</b>	68,644,056	<b>19,663,965</b>	16,955,225
<b>Profit attributable to:</b>					
Owners of the Company		<b>53,476,600</b>	64,140,775	<b>19,663,965</b>	16,955,225
Non-controlling interests		<b>4,448,981</b>	4,503,281	<b>-</b>	-
<b>Profit for the year/Total comprehensive income for the year</b>		<b>57,925,581</b>	68,644,056	<b>19,663,965</b>	16,955,225
Basic and diluted earnings per ordinary share (sen)	22	<b>12.52</b>	16.82		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

Group	Note	Attributable to owners of the Company					
		Share capital RM	Non-distributable Invested equity RM	Merger reserve RM	Distributable Retained earnings RM	Total RM	Non-controlling interests RM
<b>At 1 April 2019</b>		1,001	4,500,760	-	401,906,886	406,408,647	30,266,132
Profit and total comprehensive income for the year		-	-	-	64,140,775	64,140,775	4,503,281
<i>Contributions by and distributions to owners of the Company</i>							
New shares issued by the Company as consideration for the acquisition of subsidiaries	31.1	456,811,853	-	(456,811,853)	-	-	-
Subscription of shares in subsidiaries	31.2	-	800,100	(800,100)	-	-	-
Reversal of issued and paid-up share capital		-	(5,300,860)	5,300,860	-	-	-
Capitalisation of amounts due to Directors		55,724,797	-	-	-	55,724,797	-
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)	-
<b>Total transactions with owners of the Company</b>		620,138,958	(4,500,760)	(452,311,093)	-	163,327,105	-
Dividends to non-controlling interests in a subsidiary		-	-	-	-	-	(1,000,000)
<b>At 31 March 2020/1 April 2020</b>		620,139,959	-	(452,311,093)	466,047,661	633,876,527	33,769,413
Profit and total comprehensive income for the year		-	-	-	53,476,600	53,476,600	4,448,981
<i>Contributions by and distributions to owners of the Company</i>							
Dividends to owners of the Company/							
<b>Total transactions with owners of the Company</b>	23	-	-	-	(12,813,453)	(12,813,453)	-
Subscription of shares by non-controlling interests		-	-	-	-	-	490,000
Dividends to non-controlling interests in a subsidiary		-	-	-	-	-	(1,000,000)
<b>At 31 March 2021</b>		620,139,959	-	(452,311,093)	506,710,808	674,539,674	37,708,394
							<b>712,248,068</b>

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

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 MARCH 2021

		Attributable to owners of the Company		
			Non-distributable (Accumulated losses)/	
	Note	Non-distributable Share capital RM	Distributable Retained earnings RM	Total equity RM
<b>Company</b>				
<b>At 1 April 2019</b>		1,001	(2,897,799)	(2,896,798)
Profit and total comprehensive income for the year		–	16,955,225	16,955,225
<i>Contributions by and distributions to owners of the Company</i>				
Capitalisation of amounts due to Directors		55,724,797	–	55,724,797
New shares issued by the Company as consideration for the acquisition of subsidiaries	31.1	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)
<b>Total transactions with owners of the Company</b>		620,138,958	–	620,138,958
<b>At 31 March 2020/1 April 2020</b>		620,139,959	14,057,426	634,197,385
Profit and total comprehensive income for the year		–	19,663,965	19,663,965
<i>Contributions by and distributions to owners of the Company</i>				
Dividends to owners of the Company/				
<b>Total transactions with owners of the Company</b>	23	–	(12,813,453)	(12,813,453)
<b>At 31 March 2021</b>		<b>620,139,959</b>	<b>20,907,938</b>	<b>641,047,897</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash flows from operating activities</b>				
Profit before tax	<b>79,638,696</b>	88,675,127	<b>20,016,814</b>	17,255,194
Adjustments for:				
Impairment loss/(Reversal of impairment loss) on trade receivables	<b>172,489</b>	(4,907)	-	-
Depreciation of property, plant and equipment	<b>6,760,134</b>	6,525,471	<b>200,000</b>	200,000
(Gain)/Loss on disposal of:				
- property, plant and equipment	<b>(139,327)</b>	55,372	-	-
- investment properties	<b>450,923</b>	108,821	-	-
Share of profit of equity-accounted joint venture, net of tax	<b>(3,510,111)</b>	(5,239,270)	-	-
Finance costs	<b>9,838,198</b>	13,980,252	-	-
Finance income	<b>(4,439,485)</b>	(4,021,787)	<b>(2,074,012)</b>	(1,446,350)
Unrealised foreign exchange loss/(gain)	<b>79,746</b>	(145,515)	-	-
Dividend income	-	-	<b>(19,996,004)</b>	(19,993,007)
Change in fair value of investment properties	<b>(6,920,332)</b>	(13,467,150)	-	-
<b>Operating profit/(loss) before changes in working capital</b>	<b>81,930,931</b>	86,466,414	<b>(1,853,202)</b>	(3,984,163)
Change in inventories	<b>42,256,987</b>	(123,992,820)	-	-
Change in trade and others receivables	<b>(9,265,404)</b>	8,204,440	<b>(489,292)</b>	601,391
Change in trade and other payables	<b>2,536,353</b>	6,410,923	<b>583,490</b>	(3,610,725)
Change in contract assets/(liabilities)	<b>41,212,928</b>	343,820	-	-
Change in contract costs	<b>(922,570)</b>	5,917,742	-	-
<b>Cash generated from/(used in) operations</b>	<b>157,749,225</b>	(16,649,481)	<b>(1,759,004)</b>	(6,993,497)
Interest received	<b>4,439,485</b>	4,021,787	<b>2,074,012</b>	1,446,350
Interest paid	<b>(9,459,154)</b>	(13,069,762)	-	-
Tax paid	<b>(22,629,314)</b>	(14,392,403)	<b>(410,306)</b>	(90,565)
<b>Net cash from/(used in) operating activities</b>	<b>130,100,242</b>	(40,089,859)	<b>(95,298)</b>	(5,637,712)

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



# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>Cash flows from investing activities</b>					
Acquisition of:					
- property, plant and equipment	24	(23,097,566)	(11,086,440)	-	-
- investment properties		(19,590,880)	(66,003,264)	-	-
Proceeds from disposal of:					
- property, plant and equipment		183,434	176,990	-	-
- investment properties		34,649,077	13,891,179	-	-
Dividend received from a joint venture		7,000,000	17,000,000	-	-
Dividend received from subsidiaries		-	-	19,993,007	-
Change in pledged deposits		1,466,418	2,340,423	-	-
Investments in subsidiaries		-	-	(1,000,000)	(800,100)
Loan to a subsidiary		-	-	(12,334,071)	-
Due from/(to) subsidiaries		-	-	(10,100,100)	-
<b>Net cash from/(used in) investing activities</b>		<b>610,483</b>	<b>(43,681,112)</b>	<b>(3,441,164)</b>	<b>(800,100)</b>
<b>Cash flows from financing activities</b>					
Repayment of hire purchase liabilities		(1,263,630)	(2,083,529)	-	-
Repayment of term loans		(52,352,087)	(79,484,001)	-	-
Drawdown of term loans		19,103,063	151,159,769	-	-
Proceeds from issue of shares		-	111,049,900	-	111,049,900
Subscription of shares by non-controlling interests		490,000	-	-	-
Payment of share issuance expenses		-	(3,447,592)	-	(3,447,592)
Interest paid		(107,336)	(185,727)	-	-
Due from/(to) subsidiaries		-	-	3,775,351	(2,782,787)
Dividends paid to:					
- owners of the Company		(12,813,453)	-	(12,813,453)	-
- non-controlling interests		(1,000,000)	-	-	-
Due to Directors		-	1,500,000	-	1,500,000
<b>Net cash (used in)/from financing activities</b>		<b>(47,943,443)</b>	<b>178,508,820</b>	<b>(9,038,102)</b>	<b>106,319,521</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>82,767,282</b>	<b>94,737,849</b>	<b>(12,574,564)</b>	<b>99,881,709</b>
<b>Cash and cash equivalents as at 1 April</b>		<b>173,174,031</b>	<b>78,436,182</b>	<b>99,894,056</b>	<b>12,347</b>
<b>Cash and cash equivalents as at 31 March</b>	13	<b>255,941,313</b>	<b>173,174,031</b>	<b>87,319,492</b>	<b>99,894,056</b>
<b>Cash outflows for leases as a lessee</b>					
<b>Included in net cash from/(used in) operating activities</b>					
Payment relating to short-term leases/					
<b>Total cash outflows for leases</b>	21	<b>10,073,679</b>	<b>10,252,971</b>	<b>209,959</b>	<b>524,194</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2021

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

Group	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/ 1 April 2020 RM	Net changes from financing cash flows RM	Net changes from investing cash flows RM	Drawdown of term loan/ Acquisition of new hire purchase RM	At 31 March 2021 RM
Term loans	206,140,160	(79,484,001)	-	151,159,769	277,815,928	(52,352,087)	-	19,103,063	244,566,904
Hire purchase liabilities	4,161,822	(2,083,529)	-	871,000	2,949,293	(1,263,630)	-	600,000	2,285,663
Due to Directors	54,225,169	1,500,000	(55,725,169)	-	-	-	-	-	-
Due to a minority shareholder	10,000,000	-	-	-	10,000,000	-	-	-	10,000,000
<b>Total liabilities from financing activities</b>	<b>274,527,151</b>	<b>(80,067,530)</b>	<b>(55,725,169)</b>	<b>152,030,769</b>	<b>290,765,221</b>	<b>(53,615,717)</b>	<b>-</b>	<b>19,703,063</b>	<b>256,852,567</b>
<b>Company</b>									
Due to Directors	-	1,500,000	(1,500,000)	-	-	-	-	-	-
Due from/(to) subsidiaries - non-trade	-	(2,782,787)	-	-	(2,782,787)	3,775,351	(10,100,100)	-	9,107,536
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>(1,282,787)</b>	<b>(1,500,000)</b>	<b>-</b>	<b>(2,782,787)</b>	<b>3,775,351</b>	<b>(10,100,100)</b>	<b>-</b>	<b>9,107,536</b>

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 2021 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 2021 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 23 July 2021.

## 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 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***

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

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

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

***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 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)*

## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION (continued)

#### (a) Statement of compliance (continued)

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

***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 18 – 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.

#### (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.

##### (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.

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## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Basis of consolidation (continued)

##### (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.

#### (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.

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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)(ii)).

###### *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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Financial instruments (continued)

##### (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.



## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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 (continued)

#### (e) Leases

##### (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 (continued)

#### (e) Leases (continued)

##### (ii) Recognition and initial measurement (continued)

###### (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".

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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.

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.

##### (iii) 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.



## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Inventories (continued)

##### (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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Impairment (continued)

##### (iii) 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.

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## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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.



### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Revenue and other income (continued)

##### (i) Revenue from contract with customers (continued)

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.

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.

##### (v) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

#### (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.

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## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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.

#### (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.

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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

Group	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	Construction -in-progress RM	Total RM
<b>At cost</b>								
At 1 April 2019	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 2020/1 April 2020	66,677,829	25,127,304	1,677,748	18,567,410	14,373,829	8,356,636	-	134,780,756
Additions	6,882,984	-	-	94,253	909,955	1,912,812	13,897,562	23,697,566
Transfer from inventories (Note 4)	14,124,395	-	-	-	-	-	-	14,124,395
Disposals/Written off	-	-	-	(64,747)	(1,059,459)	(320,627)	-	(1,444,833)
At 31 March 2021	<b>87,685,208</b>	<b>25,127,304</b>	<b>1,677,748</b>	<b>18,596,916</b>	<b>14,224,325</b>	<b>9,948,821</b>	<b>13,897,562</b>	<b>171,157,884</b>
<b>Accumulated depreciation</b>								
At 1 April 2019	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 2020/1 April 2020	3,359,947	3,063,880	762,892	11,542,192	11,036,991	4,435,389	-	34,201,291
Depreciation charge	1,150,264	418,788	249,352	1,693,524	1,520,702	1,727,504	-	6,760,134
Disposals/Written off	-	-	-	(48,083)	(1,059,457)	(293,186)	-	(1,400,726)
At 31 March 2021	<b>4,510,211</b>	<b>3,482,668</b>	<b>1,012,244</b>	<b>13,187,633</b>	<b>11,498,236</b>	<b>5,869,707</b>	<b>-</b>	<b>39,560,699</b>
<b>Carrying amounts</b>								
At 1 April 2019	58,258,943	22,436,341	1,103,313	7,174,489	3,835,757	2,571,015	-	95,379,858
At 31 March 2020/1 April 2020	63,317,882	22,063,424	914,856	7,025,218	3,336,838	3,921,247	-	100,579,465
At 31 March 2021	<b>83,174,997</b>	<b>21,644,636</b>	<b>665,504</b>	<b>5,409,283</b>	<b>2,726,089</b>	<b>4,079,114</b>	<b>13,897,562</b>	<b>131,597,185</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Building improvement/ Total RM
<b>Company</b>	
<b>At cost</b>	
At 1 April 2019/31 March 2020	1,000,000
At 1 April 2020/31 March 2021	<b>1,000,000</b>
<b>Accumulated depreciation</b>	
At 1 April 2019	116,667
Depreciation charge	200,000
At 31 March 2020/1 April 2020	316,667
Depreciation charge	200,000
At 31 March 2021	<b>516,667</b>
<b>Carrying amounts</b>	
At 1 April 2019	883,333
At 31 March 2020/1 April 2020	683,333
At 31 March 2021	<b>483,333</b>

#### 3.1 Carrying amount of land and buildings

	Group 2021 RM	2020 RM
Land	<b>33,591,340</b>	12,600,892
Buildings	<b>49,583,657</b>	50,716,990
	<b>83,174,997</b>	63,317,882

#### 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 2021 RM	2020 RM
Land and buildings	<b>74,713,587</b>	59,659,081
Right-of-use assets	<b>21,644,636</b>	22,063,424
Plant, machinery, tools and equipment	<b>1,369,483</b>	–



## NOTES TO THE FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

#### 3.3 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 charge	(275,325)	(143,281)	(418,606)
At 31 March 2020/1 April 2020	14,575,575	7,487,849	22,063,424
Depreciation charge	(275,743)	(143,045)	(418,788)
At 31 March 2021	<b>14,299,832</b>	<b>7,344,804</b>	<b>21,644,636</b>

The Group leases land and buildings for 60 years.

#### 3.4 Others

Motor vehicles with carrying amount of RM190,560 (2020: RM365,658) are registered in the name of certain Directors held in trust for the Group.

### 4. INVENTORIES

	2021 RM	Group 2020 RM
<b>Non-current</b>		
Land held for future development	<b>8,661,560</b>	8,661,560
<b>Current</b>		
Raw materials	<b>384,357</b>	921,100
Consumables	<b>316,932</b>	345,662
Completed properties held for sale	<b>117,563,196</b>	92,866,563
Properties under development	<b>193,194,260</b>	263,629,399
	<b>311,458,745</b>	357,762,724
	<b>320,120,305</b>	366,424,284
Recognised in profit or loss:		
- Inventories recognised as cost of sales	<b>173,488,952</b>	91,692,969

#### 4.1 Completed properties held for sale

Included in completed properties held for sale are properties of RM57,279,525 (2020: RM84,465,637) charged as security of banking facilities granted to the Group (Note 15).

## NOTES TO THE FINANCIAL STATEMENTS

### 4. INVENTORIES (continued)

#### 4.2 Properties under development

	2021 RM	Group 2020 RM
At 1 April		
Freehold land	236,706,032	120,556,140
Development costs	26,923,367	26,929,621
	<b>263,629,399</b>	147,485,761
Add: Costs incurred during the year		
- Freehold land	19,816,061	145,286,432
- Development costs	29,298,522	15,170,740
	<b>49,114,583</b>	160,457,172
Add: Costs transferred from investment properties (Note 5)		
- Freehold land	9,600,000	-
- Development costs	477,403	-
	<b>10,077,403</b>	-
Less: Costs transferred to contract fulfilment costs (Note 9)		
- Freehold land	(78,553,676)	(25,122,378)
- Development costs	(2,616,702)	(8,670,200)
	<b>(81,170,378)</b>	(33,792,578)
Less: Costs transferred to completed properties held for sale		
- Freehold land	(10,808,009)	(4,014,162)
- Development costs	(23,524,343)	(6,506,794)
	<b>(34,332,352)</b>	(10,520,956)
Less: Costs transferred to property, plant and equipment (Note 3)		
- Freehold land	(12,101,315)	-
- Development costs	(2,023,080)	-
	<b>(14,124,395)</b>	-
At 31 March		
Freehold land	164,659,093	236,706,032
Development costs	28,535,167	26,923,367
	<b>193,194,260</b>	263,629,399

##### 4.2.1 Security

Included in properties under development is RM151,072,808 (2020: RM230,046,503) 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 NIL (2020: RM1,071,488) (Note 19).

## NOTES TO THE FINANCIAL STATEMENTS

### 5. INVESTMENT PROPERTIES

	2021 RM	Group 2020 RM
At 1 April	344,266,191	278,795,777
Additions	19,590,880	66,003,264
Disposals	(35,100,000)	(14,000,000)
Transfer to inventories (Note 4)	(10,077,403)	–
Gains and losses recognised in profit or loss		
Change in fair value – Other income – Unrealised	6,920,332	13,467,150
At 31 March	325,600,000	344,266,191
Included in the above are:		
<b>At fair value</b>		
Freehold land	179,100,000	199,500,000
Factory buildings	142,700,000	141,500,000
	321,800,000	341,000,000
<b>At cost</b>		
Buildings under construction	3,800,000	3,266,191
	325,600,000	344,266,191

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 at the end of the financial year. Each of the lease contains an initial non-cancellable period of a range between 3 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 RM308,490,000 (2020: RM320,766,191) 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 RM358,865 (2020: RM838,654) (Note 19).

#### 5.3 Others

The following are recognised in profit or loss:

	2021 RM	Group 2020 RM
Lease income	17,358,088	20,064,164
Direct operating expenses		
– Income generating investment properties	1,569,727	2,185,542
– Non-income generating investment properties	1,138,720	34,350

## NOTES TO THE FINANCIAL STATEMENTS

### 5. INVESTMENT PROPERTIES (continued)

#### 5.3 Others (continued)

The operating lease payments to be received are as follows:

	2021 RM	Group 2020 RM
Less than one year	19,030,718	18,635,086
One to two years	17,026,040	18,603,676
Two to three years	12,895,097	14,592,805
Three to four years	11,092,297	10,992,946
Four to five years	8,735,663	8,984,265
More than five years	25,302,549	31,536,801
Total undiscounted lease payments	94,082,364	103,345,579

#### 5.4 Fair value information

Fair value of investment properties are categorised as follows:

	2021 RM	Group Level 3 2020 RM
Freehold land	179,100,000	199,500,000
Factory buildings	142,700,000	141,500,000
	321,800,000	341,000,000

##### Level 3 fair value

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.

As at 31 March 2021, the property valuer has relied on the sales comparison approach and income approach (2020: cost approach and sales comparison approach). To be more reflective of current market condition, income approach is used for those investment properties generating rental income currently while sales comparison approach is used for non-income generating properties.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. INVESTMENT PROPERTIES (continued)

#### 5.4 Fair value information (continued)

##### Level 3 fair value (continued)

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.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>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.</p>	<p>Price per square foot of comparable properties:</p> <ul style="list-style-type: none"> <li>Land: RM76 – RM81 (2020: RM56 – RM76)</li> <li>Land and building: RM335 (2020: RM251 – RM460)</li> </ul>	<p>The estimated fair value would increase (decrease) if the price per square foot is higher (lower).</p>
<p>Cost approach: The valuation method considers:</p> <ul style="list-style-type: none"> <li>(i) cost of construction, taking into account of percentage of completion; and</li> <li>(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.</li> </ul>	<ul style="list-style-type: none"> <li>Construction cost per square foot: NIL (2020: RM135)</li> <li>Estimated percentage of completion</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>Construction cost is higher (lower); or</li> <li>Estimated percentage of completion is higher (lower); or</li> <li>Depreciation is lower (higher).</li> </ul>
<p>Income approach: The approach involved capitalisation of the net annual income by deducting the annual outgoings from the gross annual income with allowance for voids by using a suitable rate of return consistent with the type and quality of investment to arrive at the market value.</p>	<ul style="list-style-type: none"> <li>Allowance for void of 5%.</li> <li>Term yield rates ranging from 5.75% – 6.00%.</li> <li>Reversionary yield rate of 6.25%.</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>Allowance for void is lower (higher); or</li> <li>Term yield rate is lower (higher); or</li> <li>Reversionary yield rate is lower (higher).</li> </ul>



## NOTES TO THE FINANCIAL STATEMENTS

### 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Cost of investment	512,837,125	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	
		2021 %	2020 %
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
Pentagon Land Sdn. Bhd.	Property development, investment holding and management of real estate	100.0	–
Greenhill SILC Sdn. Bhd.	Property development, investment holding and management of real estate	100.0	–
<b>Subsidiary of AME Integrated Sdn. Bhd.</b>			
Ipark Development Sdn. Bhd.	Property development and investment holding	80.0	80.0
<b>Subsidiary of Asiamost Sdn. Bhd.</b>			
Asiamost Engineering Sdn. Bhd.	Provision of servicing, maintenance and installation of firefighting system	100.0	100.0

## NOTES TO THE FINANCIAL STATEMENTS

### 6. INVESTMENTS IN SUBSIDIARIES (continued)

Name of entity	Principal activities	Effective ownership interest and voting interest	
		2021	2020
		%	%
<b><i>Subsidiary of Amsun Industries Sdn. Bhd.</i></b>			
AME Construction Sdn. Bhd.	Fabrication works, building contractors and property letting activities	<b>100.0</b>	100.0
<b><i>Subsidiary of Symphony Square Sdn. Bhd.</i></b>			
Quantum Renewable Energy Sdn. Bhd.	One-stop solution and service provider for solar energy systems, engineering, procurement, construction and commissioning of renewable energy projects and development, investment, management, operation and maintenance of solar energy systems	<b>51.0</b>	–

#### 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.	Quantum Renewable Energy Sdn. Bhd.	Total
<b>2021</b>				
NCI percentage of ownership interest	30%	20%	49%	
	RM	RM	RM	RM
Carrying amount of NCI	(557,997)	37,886,767	379,624	37,708,394
(Loss)/Profit allocated to NCI	(111,903)	4,671,260	(110,376)	4,448,981
<b>Summarised financial information before intra-group elimination</b>				
<b>As at 31 March</b>				
Non-current assets	11,542,121	181,389,911	63,597	
Current assets	2,261,216	345,084,937	740,670	
Non-current liabilities	(4,072,400)	(196,344,878)	–	
Current liabilities	(9,930,827)	(140,696,231)	(29,524)	
Net (liabilities)/assets	(199,890)	189,433,739	774,743	
<b>Year ended 31 March</b>				
Revenue	12,045,701	179,975,041	–	
(Loss)/Profit for the year/Total comprehensive (expense)/income	(373,010)	23,356,203	(225,257)	
Cash flows from/(used in) operating activities	7,404,999	72,128,862	(205,828)	
Cash flows (used in)/from investing activities	(1,477,404)	5,008,594	(66,794)	
Cash flows (used in)/from financing activities	(5,925,722)	(39,268,409)	999,900	
Net increase in cash and cash equivalents	1,873	37,869,047	727,278	
Dividends attributable to NCI	–	1,000,000	–	

## NOTES TO THE FINANCIAL STATEMENTS

### 6. INVESTMENTS IN SUBSIDIARIES (continued)

#### 6.1 Non-controlling interests in subsidiaries (continued)

	I Stay Management Sdn. Bhd.	Ipark Development Sdn. Bhd.	Total
<b>2020</b>			
NCI percentage of ownership interest	30%	20%	
	<b>RM</b>	<b>RM</b>	<b>RM</b>
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
<b>Summarised financial information before intra-group elimination</b>			
<b>As at 31 March</b>			
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	
<b>Year ended 31 March</b>			
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	

### 7. INVESTMENT IN A JOINT VENTURE

	2021 RM	Group 2020 RM
Investment in shares	500,000	500,000
Share of post-acquisition reserves	24,694,338	37,268,833
	25,194,338	37,768,833
Less: Distribution by a joint venture	(7,000,000)	(17,000,000)
	18,194,338	20,768,833

## NOTES TO THE FINANCIAL STATEMENTS

### 7. INVESTMENT IN A JOINT VENTURE (continued)

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.

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	
	2021	2020
	RM	RM
Percentage of ownership interest/voting interest	50%	50%
<b>Summarised financial information</b>		
<b>As at 31 March</b>		
Non-current assets	152,675	13,684,682
Current assets (excluding cash and cash equivalents)	49,429,016	47,192,202
Cash and cash equivalents	9,711,785	20,034,681
Non-current liabilities	–	(447,289)
Current liabilities (excluding trade and other payables)	(2,444,642)	(16,016,883)
Trade and other payables	(18,952,667)	(19,571,447)
<b>Year ended 31 March</b>		
Profit from continuing operations	7,020,221	10,478,540
<b>Included in the total comprehensive income are:</b>		
Revenue	55,355,633	61,954,328
Depreciation	(2,407)	(2,815)
Change in fair value of investment property	–	657,154
Finance income	282,336	374,139
Finance costs	(89,878)	(235,700)
Income tax expense	(1,883,685)	(3,224,328)
<b>Reconciliation of net assets to carrying amount as at 31 March</b>		
Unquoted shares, at cost	500,000	500,000
Group's share of net assets	18,448,084	21,937,973
Elimination of unrealised profit, net of tax	(753,746)	(1,669,140)
Carrying amount in the statement of financial position	18,194,338	20,768,833
<b>Group's share of results for the year ended 31 March</b>		
Group's share of profit from continuing operation	3,510,111	5,239,270
Elimination of unrealised profit	915,394	137,578
	4,425,505	5,376,848
<b>Other information</b>		
Dividend received by the Group	7,000,000	17,000,000

## 8. DEFERRED TAX ASSETS/(LIABILITIES)

### Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
<b>Group</b>						
Unabsorbed capital allowances	487,000	954,000	-	-	487,000	954,000
Unutilised tax losses	382,000	-	-	-	382,000	-
Inventories	4,183,480	6,194,105	-	-	4,183,480	6,194,105
Investment properties						
- Fair value gain	-	-	(8,035,095)	(9,003,353)	(8,035,095)	(9,003,353)
- Others	-	-	(3,567,000)	(3,367,000)	(3,567,000)	(3,367,000)
Property, plant and equipment	-	-	(3,358,956)	(3,478,496)	(3,358,956)	(3,478,496)
Provisions	978,000	-	-	(1,044,971)	978,000	(1,044,971)
<b>Tax assets/(liabilities)</b>	<b>6,030,480</b>	<b>7,148,105</b>	<b>(14,961,051)</b>	<b>(16,893,820)</b>	<b>(8,930,571)</b>	<b>(9,745,715)</b>

### Movement in temporary differences during the year

	Recognised in profit or loss		At		Recognised in profit or loss		At	
	1.4.2019 RM	(Note 20) RM	31.3.2020/ 1.4.2020 RM	(Note 20) RM	31.3.2021 RM	(Note 20) RM	31.3.2021 RM	(Note 20) RM
Trade receivables	41,000	(41,000)	-	-	-	-	-	-
Unabsorbed capital allowances	151,000	803,000	954,000	(467,000)	487,000	(467,000)	487,000	(467,000)
Unutilised tax losses	-	-	-	382,000	382,000	382,000	382,000	382,000
Inventories	2,855,521	3,338,584	6,194,105	(2,010,625)	4,183,480	(2,010,625)	4,183,480	(2,010,625)
Investment properties	(1,934,000)	(1,433,000)	(3,367,000)	(200,000)	(3,567,000)	(200,000)	(3,567,000)	(200,000)
Fair value gain of investment properties	(7,976,176)	(1,027,177)	(9,003,353)	968,258	(8,035,095)	968,258	(8,035,095)	968,258
Property, plant and equipment	(4,087,764)	609,268	(3,478,496)	119,540	(3,358,956)	119,540	(3,358,956)	119,540
Provisions	(18,000)	(1,026,971)	(1,044,971)	2,022,971	978,000	2,022,971	978,000	2,022,971
	(10,968,419)	1,222,704	(9,745,715)	815,144	(8,930,571)	815,144	(8,930,571)	815,144



## NOTES TO THE FINANCIAL STATEMENTS

### 9. CONTRACT COSTS

	2021 RM	Group 2020 RM
Cost to obtain a contract	492,049	1,885,099
Contract fulfilment costs	6,250,162	3,934,542
	<b>6,742,211</b>	<b>5,819,641</b>

#### 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

	2021 RM	Group 2020 RM
At 1 April		
Freehold land	3,080,947	11,032,358
Development costs	853,595	705,025
	<b>3,934,542</b>	<b>11,737,383</b>
Add: (Adjustment)/Costs incurred during the year		
- Freehold land	(789,760)	(96,699)
- Development costs	53,569,554	19,472,720
	<b>52,779,794</b>	<b>19,376,021</b>
Add: Costs transferred from inventories during the year (Note 4)		
- Freehold land	78,553,676	25,122,378
- Development costs	2,616,702	8,670,200
	<b>81,170,378</b>	<b>33,792,578</b>
Less: Costs recognised as expenses in profit or loss		
- Freehold land	(75,074,999)	(32,977,090)
- Development costs	(56,559,553)	(27,994,350)
	<b>(131,634,552)</b>	<b>(60,971,440)</b>
At 31 March		
Freehold land	5,769,864	3,080,947
Development costs	480,298	853,595
	<b>6,250,162</b>	<b>3,934,542</b>

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)

	2021 RM	Group 2020 RM
Contract assets	16,495,440	30,156,977
Contract liabilities	(51,258,425)	(23,707,034)

## NOTES TO THE FINANCIAL STATEMENTS

### 10. CONTRACT ASSETS/(LIABILITIES) (continued)

#### 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 2021 RM	2020 RM
<i>Amount due from/(to) a joint venture</i>		
- Contract assets	1,345,536	801,236
- Contract liabilities	(944,630)	[948]
	<b>400,906</b>	800,288

### 11. TRADE AND OTHER RECEIVABLES

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>Trade</b>				
Trade receivables	53,734,607	58,994,730	-	-
Retention sum	24,697,370	19,289,404	-	-
	<b>78,431,977</b>	78,284,134	-	-
<b>Non-trade</b>				
Other receivables, deposits and prepayments				
Other receivables	2,730,649	2,085,816	479,650	-
Goods and service tax recoverable	373,441	956,118	-	-
Deposits and other costs	10,707,909	3,103,278	9,500	-
Prepayments	2,087,758	1,804,613	47,229	47,087
	<b>15,899,757</b>	7,949,825	536,379	47,087
	<b>94,331,734</b>	86,233,959	536,379	47,087

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 refundable deposits paid for the purchase of freehold development land of RM8,685,773 (2020: NIL) (Note 32.1).

## NOTES TO THE FINANCIAL STATEMENTS

### 11. TRADE AND OTHER RECEIVABLES (continued)

Trade and other receivables include the following:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Amount due from a joint venture</b>				
Trade receivables	2,506,111	4,798,239	–	–
Retention sum	2,160,752	3,707,871	–	–
Other receivables	6,336	6,760	–	–
Deposits	2,000	12,166	–	–
	<b>4,675,199</b>	<b>8,525,036</b>	<b>–</b>	<b>–</b>

### 12. DUE FROM/(TO) SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Due from subsidiaries		
- non-trade	10,107,536	7,101,735
- dividend receivables	19,996,004	19,993,007
- loan to a subsidiary	12,334,071	–
	<b>42,437,611</b>	<b>27,094,742</b>
Due to subsidiaries – non-trade	<b>(1,000,000)</b>	<b>(4,318,948)</b>

The amounts due from/(to) subsidiaries are non-trade in nature, interest free, unsecured and repayable on demand.

The loan to a subsidiary is unsecured and bears interest at 0.5% (2020: NIL) per annum above six months Kuala Lumpur Interbank Offered Rate and is repayable within the next twelve months.

### 13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	72,092,989	30,227,231	729,250	525,790
Fixed deposits with licensed banks	199,308,973	161,579,112	86,590,242	99,368,266
<b>Cash and cash equivalents in the statements of financial position</b>	<b>271,401,962</b>	<b>191,806,343</b>	<b>87,319,492</b>	<b>99,894,056</b>
Less: Bank overdrafts	(754,933)	(2,460,178)	–	–
Pledged deposits	(14,705,716)	(16,172,134)	–	–
<b>Cash and cash equivalents in the statements of cash flows</b>	<b>255,941,313</b>	<b>173,174,031</b>	<b>87,319,492</b>	<b>99,894,056</b>

Included in fixed deposits with licensed banks of the Group is RM14,705,716 (2020: RM16,172,134) pledged to banks as securities for banking facilities granted to the Group (Note 15).

Fixed deposits with licensed banks of the Group amounting to RM2,488,325 (2020: RM2,445,767) are registered in the name of certain Directors held in trust for the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. CAPITAL AND RESERVES

#### Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2021 RM	2020 RM	2021	2020
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	620,139,959	1,001	427,115,101	1,001
Issued for acquisition of subsidiaries (Note 31.1)	-	456,811,853	-	304,541,235
Issued by capitalisation of amount owing by the subsidiaries to certain Directors	-	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	620,139,959	427,115,101	427,115,101

#### Reserves

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Distributable</b>				
Retained earnings	506,710,808	466,047,661	20,907,938	14,057,426
<b>Non-distributable</b>				
Merger reserve	(452,311,093)	(452,311,093)	-	-
	54,399,715	13,736,568	20,907,938	14,057,426

#### 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. LOANS AND BORROWINGS

	Group	
	2021 RM	2020 RM
<b>Secured</b>		
<b>Non-current</b>		
Hire purchase liabilities	1,194,108	1,505,022
Term loans	224,938,587	259,278,506
	<b>226,132,695</b>	<b>260,783,528</b>
<b>Current</b>		
Bank overdrafts	754,933	2,460,178
Hire purchase liabilities	1,091,555	1,444,271
Term loans	19,628,317	18,537,422
	<b>21,474,805</b>	<b>22,441,871</b>
	<b>247,607,500</b>	<b>283,225,399</b>

The Group's loans and borrowings are secured by way of:

- legal charge over fixed deposits of the Group;
- fixed charge over certain investment properties, inventories, property, plant and equipment of the Group;
- joint and several guarantee of the Directors of the Group; and
- corporate guarantee by the Company.

#### Significant covenants

Certain loans and borrowings of the subsidiaries are subject to specific covenants on that subsidiary as follows:

##### ***Ipark Development Sdn. Bhd.***

- gearing ratio of the subsidiary shall not exceed 2 times;
- gearing ratio of the subsidiary shall remain below 2 times after declaration of dividend; and
- declaration of dividend in excess of 50% of profit for the year may only be made if all payment obligation of the subsidiary is current.

##### ***AME Development Sdn. Bhd.***

- gearing ratio of the subsidiary shall not exceed 1 time;
- minimum shareholders' fund shall maintain not less than RM101,000,000; and
- declaration of dividend requires prior written consent from bank if (i) and (ii) are unable to fulfil.

##### ***AME Engineering Industries Sdn. Bhd.***

- gearing ratio of the subsidiary shall not exceed 1.75 times; and
- declaration of dividend shall not exceed 50% of profit after tax unless prior consent from bank is obtained.



## NOTES TO THE FINANCIAL STATEMENTS

### 16. 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 months 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 (2020: RM1,000,000) 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.

### 17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables	38,778,925	43,417,352	-	-
Retention sum				
- Completed projects	5,920,293	7,349,463	-	-
	44,699,218	50,766,815	-	-
Other payables and accrued expenses				
- Other payables	3,276,861	1,455,192	386,603	143,446
- Other payables for land acquisition	5,328,261	9,579,375	-	-
- Advance payment from project customers	1,386,289	943,161	-	-
- Retention sum				
- ongoing projects	24,621,425	16,985,200	-	-
- Accruals	7,569,889	5,978,374	1,027,133	686,800
- Accrued sub-contractor costs	33,407,204	32,271,751	-	-
- Deposits received	16,085,795	17,701,067	-	-
- Deposits received for property development project	10,803,970	8,961,624	-	-
	102,479,694	93,875,744	1,413,736	830,246
	147,178,912	144,642,559	1,413,736	830,246

## NOTES TO THE FINANCIAL STATEMENTS

### 18. REVENUE

#### 18.1 Disaggregation of revenue

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Revenue from contracts with customers</b>				
Construction contract				
- over time	227,085,645	253,367,852	-	-
Sales of properties under development				
- over time	94,717,545	49,232,165	-	-
Sales of completed properties				
- at a point in time	13,169,600	14,160,600	-	-
Sales of land				
- at a point in time	89,270,741	28,953,787	-	-
	424,243,531	345,714,404	-	-
<b>Other revenue</b>				
Rental income	36,361,637	34,631,288	254,742	636,000
Dividend income	-	-	19,996,004	19,993,007
<b>Total revenue</b>	<b>460,605,168</b>	<b>380,345,692</b>	<b>20,250,746</b>	<b>20,629,007</b>

#### 18.2 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	Obligation for returns and refunds	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	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	Not applicable	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	Not applicable	Defect liability period of 0 – 12 months is given to the customer

## NOTES TO THE FINANCIAL STATEMENTS

### 18. REVENUE (continued)

#### 18.3 Transaction price allocated to the remaining performance obligations:

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

Group	2021 RM
Construction contract	155,672,531
Sales of properties under development	38,586,107
	<b>194,258,638</b>

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 amounts presented above.

#### 18.4 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 for which revenue is 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.

### 19. FINANCE INCOME AND COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Finance income</b>				
Interest income:				
- Deposits with licensed banks	4,439,485	4,021,787	2,067,091	1,446,350
- Loan to a subsidiary	-	-	6,921	-
	<b>4,439,485</b>	4,021,787	<b>2,074,012</b>	1,446,350
<b>Finance costs</b>				
Interest expenses	10,197,063	15,890,394	-	-
Less: Amount capitalised in inventories (Note 4)	-	(1,071,488)	-	-
Less: Amount capitalised in investment properties (Note 5)	(358,865)	(838,654)	-	-
	<b>9,838,198</b>	13,980,252	-	-

The capitalisation rates used to capitalise finance costs on qualifying assets range from 2.56% to 3.58% (2020: 3.42% to 5.19%).

## NOTES TO THE FINANCIAL STATEMENTS

### 20. TAX EXPENSE

#### Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Current tax expense</b>				
- Current year	21,414,048	20,565,087	477,719	301,929
- Prior years	1,114,211	688,688	(124,870)	(1,960)
	22,528,259	21,253,775	352,849	299,969
<b>Deferred tax income</b>				
- Origination and reversal of temporary differences	(436,144)	(284,704)	-	-
- Over provision in prior years	(379,000)	(938,000)	-	-
	(815,144)	(1,222,704)	-	-
	21,713,115	20,031,071	352,849	299,969
Share of tax in a joint venture	941,843	1,612,164	-	-
Total income tax expense	22,654,958	21,643,235	352,849	299,969
	RM'000	RM'000	RM'000	RM'000
<b>Reconciliation of tax expense</b>				
Profit for the year	57,926	68,644	19,664	16,955
Total income tax expense	22,655	21,643	353	300
Profit excluding tax	80,581	90,287	20,017	17,255
Income tax calculated using Malaysian tax rates	19,339	21,669	4,804	4,099
Non-deductible expenses	3,689	3,768	473	1,001
Non-taxable income	(2,092)	(3,232)	-	-
Non-business income	(467)	(54)	-	-
Tax exempt income	-	-	(4,799)	(4,798)
Tax incentive	-	(259)	-	-
Real property gains tax provision	1,451	-	-	-
	21,920	21,892	478	302
Under/(Over) provision in prior years	735	(249)	(125)	(2)
	22,655	21,643	353	300

## NOTES TO THE FINANCIAL STATEMENTS

### 21. PROFIT FOR THE YEAR

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>Profit for the year is arrived at after charging/(crediting):</b>					
Audit fees					
- KPMG PLT		400,000	385,000	43,000	40,000
Non-audit fees					
- KPMG PLT		234,100	665,600	142,500	600,000
Depreciation of property, plant and equipment		6,760,134	6,525,471	200,000	200,000
Expenses relating to short-term leases	a	10,073,679	10,252,971	209,959	524,194
Personnel expenses (including key management personnel):					
- Contributions to state plans		4,464,111	4,422,933	-	-
- Wages, salaries and others		40,082,250	41,222,373	31,000	12,000
(Gain)/Loss on disposal of:					
- Property, plant and equipment		(139,327)	55,372	-	-
- Investment properties		450,923	108,821	-	-
Net foreign exchange loss/(gain)		144,254	(102,764)	-	-
Change in fair value of investment properties		(6,920,332)	(13,467,150)	-	-
Impairment loss/(Reversal of impairment loss) on trade receivables		172,489	(4,907)	-	-
Late payment interest income from purchasers		(24,798)	(185,098)	-	-
Forfeiture income		(99,394)	-	-	-
Wages subsidy from government		(1,027,800)	-	-	-

#### 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.

### 22. EARNINGS PER ORDINARY SHARE

#### Basic and diluted earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2021 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	Group 2021 RM'000	2020 RM'000
Profit for the year attributable to ordinary shareholders	53,477	64,141



## NOTES TO THE FINANCIAL STATEMENTS

### 22. EARNINGS PER ORDINARY SHARE (continued)

#### Basic and diluted earnings per ordinary share (continued)

Weighted average number of ordinary shares are determined as follows:

	Group 2021 '000	2020 '000
Weighted average number of ordinary shares at 31 March	427,115	381,369 <sup>(i)</sup>
Basic/Diluted earnings per ordinary share (sen)	12.52	16.82

- (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.

There is no outstanding dilutive potential ordinary share.

### 23. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
<b>2021</b>			
Interim dividend 2020	3.0	12,813,453	18 August 2020

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 2021	4.0	17,084,604	8 July 2021

### 24. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Current year's addition of property, plant and equipment	23,697,566	11,957,440	-	-
Less: Amount financed by hire purchase	(600,000)	(871,000)	-	-
	23,097,566	11,086,440	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 25. CONTINGENT LIABILITIES

#### Group

#### a. Contingent liabilities not considered remote

##### Claim

The Inland Revenue Board conducted a tax audit on a subsidiary and had raised an assessment together with penalty totalling approximately RM7,162,000 on 30 June 2021. The Directors believe it has a good reasonable ground to defend its position and is currently appealing against the assessment.

In the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

#### b. Unsecured performance guarantee

	2021 RM	2020 RM
- Performance guarantee given to a customer of a subsidiary in respect of performance of contract	-	20,187,836

#### Company

	2021 RM	2020 RM
<b>Unsecured corporate guarantees</b>		
- Corporate guarantees given to financial institutions in respect of outstanding banking facilities to certain subsidiaries	235,413,207	-

### 26. CAPITAL COMMITMENTS

	2021 RM	Group 2020 RM
<b>Contracted but not provided for:</b>		
- Property, plant and equipment	20,562,642	-

### 27. 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.

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## NOTES TO THE FINANCIAL STATEMENTS

### 27. OPERATING SEGMENTS (continued)

#### 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 (2020: two) major customers with respective revenue equals or more than 10% of the Group's total revenue and contributed, in aggregate, 37.4% (2020: 27.6%) to the Group's total revenue.

## 27. OPERATING SEGMENTS (continued)

2021	Construction RM	Property development RM	Engineering RM	Investment holding/ Property investment and management RM	Total RM	Elimination RM	Total RM
<b>Group</b>							
<b>Segment profit</b>							
Profit before tax	19,925,405	34,906,576	1,367,893	45,518,088	101,717,962	(22,079,266)	79,638,696
<i>Included in the measure of segment profit are:</i>							
- Revenue from external customers	182,742,707	197,157,886	44,342,938	36,361,637	460,605,168	-	460,605,168
- Inter-segment revenue	86,893,201	18,996,327	72,730,599	8,779,162	187,399,289	(187,399,289)	-
- Depreciation	(1,466,313)	(394,048)	(1,949,108)	(1,543,013)	(5,352,482)	(1,407,652)	(6,760,134)
- Change in fair value of investment properties	-	-	(100,000)	22,045,768	21,945,768	(15,025,436)	6,920,332
- Finance income	780,618	625,260	391,292	3,990,944	5,788,114	(1,348,629)	4,439,485
- Finance costs	(80,206)	(5,510,672)	(249,374)	(5,428,550)	(11,268,802)	1,430,604	(9,838,198)
- Share of profit of a joint venture	-	3,510,111	-	-	3,510,111	-	3,510,111
<b>Segment assets</b>							
Total assets	228,160,889	464,528,533	100,210,374	642,068,565	1,434,968,361	(243,136,054)	1,191,832,307
<i>Addition of non-current assets</i>							
Property, plant and equipment	869,154	311,646	382,287	1,495,940	3,059,027	20,638,539	23,697,566
Investment properties	-	-	-	48,398,642	48,398,642	(28,807,762)	19,590,880
	869,154	311,646	382,287	49,894,582	51,457,669		43,288,446
<b>Segment liabilities</b>							
Total liabilities	121,327,847	291,126,864	53,853,477	211,099,003	677,407,191	(197,822,952)	479,584,239

## 27. OPERATING SEGMENTS (continued)

2020	Construction RM	Property development RM	Engineering RM	Investment holding/ Property investment and management RM	Total RM	Elimination RM	Total RM
<b>Group</b>							
<b>Segment profit</b>							
Profit before tax	34,757,612	13,854,379	5,466,835	41,089,050	95,167,876	(6,492,749)	88,675,127
<i>Included in the measure of segment profit are:</i>							
- 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
<b>Segment assets</b>							
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
<i>Addition of non-current assets</i>							
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
<b>Segment liabilities</b>							
Total liabilities	104,388,837	256,516,366	54,123,804	322,929,438	737,958,445	(251,741,179)	486,217,266



## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS

#### 28.1 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).

#### 28.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Net gains/(losses) on:				
Financial assets at amortised cost	4,246,934	4,314,556	2,074,012	1,446,350
Financial liabilities at amortised cost	(9,838,198)	(13,980,252)	-	-
	(5,591,264)	(9,665,696)	2,074,012	1,446,350

#### 28.3 Financial risk management

The Group and the Company have exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 28.4 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.

##### 28.4.1 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.1 Trade receivables and contract assets (continued)

*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 (2020: three) major customers, representing 56% (2020: 64%) 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
<b>Group</b>				
<b>2021</b>				
Trade receivables	44,195,110	9,015,175	666,578	53,876,863
Less: Loss allowance	(140,310)	–	(1,946)	(142,256)
	44,054,800	9,015,175	664,632	53,734,607
Retention sum (a)	24,729,549	–	–	24,729,549
Less: Loss allowance	(32,179)	–	–	(32,179)
	24,697,370	–	–	24,697,370
Contract assets (b)	6,621,180	9,874,260	–	16,495,440
	75,373,350	18,889,435	664,632	94,927,417
<b>2020</b>				
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

(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.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.1 Trade receivables and contract assets (continued)

###### *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
<b>2021</b>			
Current (not past due)	10,879,804	-	10,879,804
1 – 30 days past due	2,273,678	-	2,273,678
31 – 60 days past due	2,811,007	-	2,811,007
61 – 90 days past due	1,543,708	-	1,543,708
Retention sum	24,729,549	32,179	24,697,370
Contract assets	6,621,180	-	6,621,180
	<b>48,858,926</b>	<b>32,179</b>	<b>48,826,747</b>
<b>Credit impaired</b>			
More than 90 days past due	26,546,603	-	26,546,603
Individually impaired	140,310	140,310	-
	<b>75,545,839</b>	<b>172,489</b>	<b>75,373,350</b>

The Group has trade receivables amounting to RM24,700,143 that are more than 90 days past due at the reporting date but are not impaired and are not secured by any collateral or credit enhancements. The Directors have filed a Writ of Summons and Statement of Claim against the debtor and is confident that the balance of receivables that are past due but not impaired are recoverable as all construction works have been completed in accordance with the contract that were agreed between both parties.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.1 Trade receivables and contract assets (continued)

*Recognition and measurement of impairment losses (continued)*

##### (a) Construction and engineering segment (continued)

**Expected credit loss ("ECLs") assessment for construction and engineering activities (continued)**

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
<b>2020</b>			
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
<b>Credit impaired</b>			
More than 90 days past due	2,584,597	–	2,584,597
	98,731,123	–	98,731,123

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:

Group	Credit impaired	
	2021 RM	2020 RM
<b>Balance at 1 April</b>	–	219,589
Net remeasurement of loss allowance (Note 21)	<b>172,489</b>	(4,907)
Amount written off	–	(214,682)
Balance at 31 March	<b>172,489</b>	–

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.1 Trade receivables and contract assets (continued)

*Recognition and measurement of impairment losses (continued)*

##### (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
<b>2021</b>			
Current (not past due)	7,622,276	7,727	7,630,003
1 – 30 days past due	–	162	162
31 – 60 days past due	1,385,000	10	1,385,010
61 – 90 days past due	–	–	–
Contract assets	7,312,482	2,561,778	9,874,260
	<b>16,319,758</b>	<b>2,569,677</b>	<b>18,889,435</b>
<b>Credit impaired</b>			
More than 90 days past due	–	–	–
	<b>16,319,758</b>	<b>2,569,677</b>	<b>18,889,435</b>
<b>2020</b>			
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
	<b>7,438,332</b>	<b>1,217,340</b>	<b>8,655,672</b>
<b>Credit impaired</b>			
More than 90 days past due	–	1,000	1,000
	<b>7,438,332</b>	<b>1,218,340</b>	<b>8,656,672</b>

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.



## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.1 Trade receivables and contract assets (continued)

*Recognition and measurement of impairment losses (continued)*

##### (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
<b>2021</b>			
Current (not past due)	470,658	–	470,658
1 – 30 days past due	131,067	–	131,067
31 – 60 days past due	2,951	–	2,951
61 – 90 days past due	5,940	–	5,940
	610,616	–	610,616
<b>Credit impaired</b>			
More than 90 days past due	54,016	–	54,016
Individually impaired	1,946	1,946	–
	666,578	1,946	664,632
<b>2020</b>			
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
<b>Credit impaired</b>			
More than 90 days past due	5,410	–	5,410
Individually impaired	1,946	1,946	–
	1,055,262	1,946	1,053,316

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.1 Trade receivables and contract assets (continued)

*Recognition and measurement of impairment losses (continued)*

##### (c) Property investment segment (continued)

##### **Expected credit loss ("ECLs") assessment of property investment activities (continued)**

The movement in the allowance for impairment in respect of trade receivables for property investment segment during the year is shown below:

	Credit impaired	
	2021 RM	2020 RM
Group		
Balance at 1 April/31 March	1,946	1,946

##### 28.4.2 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.

##### 28.4.3 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.

##### 28.4.4 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 the amounts due to the Company in full; or
- The subsidiaries are continuously loss making and are having deficit shareholders' funds.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.4 Inter-companies balances (continued)

###### *Recognition and measurement of impairment loss (continued)*

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	
	2021 RM	2020 RM
<b>Company</b>		
Low credit risk	42,437,611	27,094,742

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

##### 28.4.5 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 subsidiaries to supply the goods and services to the customer on an individual basis.

The Company provides secured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

###### *Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk for the Group amounts to NIL (2020: 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.

The maximum exposure to credit risk for the Company amounts to RM235,413,207 (2020: NIL) representing the outstanding banking facilities of certain subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.4 Credit risk (continued)

##### 28.4.5 Financial guarantees (continued)

###### *Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

##### 28.5 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.

## 28. FINANCIAL INSTRUMENTS (continued)

### 28.5 Liquidity risk (continued)

#### 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
<b>2021</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	147,178,912	-	147,178,912	147,178,912	-	-	-
Hire purchase liabilities	2,285,663	2.12 – 5.80	2,433,071	1,170,724	573,808	688,539	-
Secured term loans	244,566,904	3.17 – 4.95	284,322,929	28,026,325	31,633,720	133,882,167	90,780,717
Bank overdrafts	754,933	5.77	754,933	754,933	-	-	-
Due to a minority shareholder	10,000,000	2.56	10,000,000	-	-	-	10,000,000
Due to a minority shareholder	2,234,287	-	2,234,287	2,234,287	-	-	-
	<b>407,020,699</b>		<b>446,924,132</b>	<b>179,365,181</b>	<b>32,207,528</b>	<b>134,570,706</b>	<b>100,780,717</b>
<b>2020</b>							
<i>Non-derivative financial liabilities</i>							
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	-	-	-
	<b>439,830,537</b>		<b>514,851,365</b>	<b>201,180,838</b>	<b>54,204,380</b>	<b>157,813,329</b>	<b>101,652,818</b>

\* represents the amount outstanding as disclosed in Note 25.



## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.5 Liquidity risk (continued)

##### Maturity analysis (continued)

Company	Carrying amount RM	Contractual interest rate/ coupon %	Contractual cash flows RM	Under 1 year RM
<b>2021</b>				
<i>Non-derivative financial liabilities</i>				
Other payables	1,413,736	-	1,413,736	1,413,736
Due to subsidiaries	1,000,000	-	1,000,000	1,000,000
Financial guarantees	-	-	235,413,207*	235,413,207
	<b>2,413,736</b>		<b>237,826,943</b>	<b>237,826,943</b>
<b>2020</b>				
<i>Non-derivative financial liabilities</i>				
Other payables	830,246	-	830,246	830,246
Due to subsidiaries	4,318,948	-	4,318,948	4,318,948
	<b>5,149,194</b>		<b>5,149,194</b>	<b>5,149,194</b>

\* represents the amount outstanding as disclosed in Note 25.

#### 28.6 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 and the Company's financial position or cash flows.

##### 28.6.1 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
<b>2021</b>		
Cash and cash equivalents	2,947,730	91,594
Hire purchase liabilities	-	(261,122)
Trade receivables	-	4,589,086
	<b>2,947,730</b>	<b>4,419,558</b>
<b>2020</b>		
Cash and cash equivalents	2,822,412	81,946
Hire purchase liabilities	-	(335,315)
Trade receivables	-	8,594,893
	<b>2,822,412</b>	<b>8,341,524</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.6 Market risk (continued)

##### 28.6.1 Currency risk (continued)

###### *Currency risk sensitivity analysis*

A 10% (2020: 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	
	2021 RM	2020 RM
<b>Group</b>		
USD	(224,027)	(214,503)
SGD	(335,886)	(633,956)

##### 28.6.2 Interest rate risk

The Group's and the Company'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, the Group and the Company endeavour to keep to exposure at acceptable level.

###### *Exposure to interest rate risk*

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Fixed rate instruments</b>				
Financial assets	199,308,973	161,579,112	86,590,242	99,368,266
Financial liabilities	(2,285,663)	(2,949,293)	–	–
	<b>197,023,310</b>	158,629,819	<b>86,590,242</b>	99,368,266
<b>Floating rate instruments</b>				
Financial assets	–	–	12,334,071	–
Financial liabilities	(255,321,837)	(290,276,106)	–	–
	<b>(255,321,837)</b>	(290,276,106)	<b>12,334,071</b>	–

###### *Interest rate risk sensitivity analysis*

###### *(a) Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group and the Company do 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. FINANCIAL INSTRUMENTS (continued)

#### 28.6 Market risk (continued)

##### 28.6.2 Interest rate risk (continued)

##### *Interest rate risk sensitivity analysis (continued)*

##### *(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 and the Company's post-tax profit or loss by RM1,940,446 (2020: RM2,206,098) and RM93,739 (2020: NIL) respectively. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

#### 28.7 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
<b>Group</b>			
<b>2021</b>			
<b>Financial liabilities</b>			
Hire purchase liabilities	(2,297,784)	(2,297,784)	(2,285,663)
<b>2020</b>			
<b>Financial liabilities</b>			
Hire purchase liabilities	(2,968,777)	(2,968,777)	(2,949,293)

##### 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
Hire purchase liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the Group at the reporting dates.

## NOTES TO THE FINANCIAL STATEMENTS

### 29. 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 2021, the Group's strategy, which was unchanged from 2020, was to maintain the debt-to-equity ratio at below 2.00 multiples. The debt-to-equity ratios at 31 March 2021 and 31 March 2020 were as follows:

	Group	
	2021 RM'000	2020 RM'000
Loans and borrowings (Note 15)	247,608	283,225
Less: Cash and cash equivalents (Note 13)	(271,402)	(191,806)
Net debt	(23,794)	91,419
Total equity	712,248	667,646
Debt-to-equity-ratios	–	0.14

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.

### 30. 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, a company and a firm in which certain Directors have financial interest, a minority shareholder of a subsidiary and key management personnel.

## NOTES TO THE FINANCIAL STATEMENTS

### 30. RELATED PARTIES (continued)

#### 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 and 17.

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>A. Subsidiaries</b>				
Expenses relating to short-term leases	-	-	(209,959)	(524,194)
Lease income	-	-	245,129	612,000
Loan to a subsidiary	-	-	(12,334,071)	-
<b>B. Joint venture</b>				
Contract income	15,938,726	17,038,063	-	-
Lease income	82,901	89,530	9,613	24,000
<b>C. Minority shareholder of a subsidiary</b>				
Interest expenses	(271,708)	(397,224)	-	-
<b>D. Company in which certain Directors have financial interest</b>				
Progress billings on sale of a commercial shoplot	223,056	1,263,984	-	-
<b>E. Firm in which a Director has financial interest</b>				
Professional fees	(134,426)	(257,418)	-	-
<b>F. Key management personnel compensation</b>				
<b>Directors:</b>				
- Fees	624,000	624,000	624,000	624,000
- Remunerations	8,130,710	7,608,000	31,000	12,000
- Contributions to state plans	1,011,950	1,104,446	-	-
	9,766,660	9,336,446	655,000	636,000
<b>Other Director of a subsidiary:</b>				
- Short term employee benefits	289,500	-	-	-
- Contributions to state plans	35,664	-	-	-
	325,164	-	-	-
<b>Other key management personnel:</b>				
- Short term employee benefits	2,874,019	3,046,400	-	-
- Contributions to state plans	352,663	384,972	-	-
	3,226,682	3,431,372	-	-
	13,318,506	12,767,818	655,000	636,000

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, other Director of a subsidiary and other key management personnel of the Group is RM142,432 (2020: RM124,950), RM6,500 (2020: NIL) and RM93,466 (2020: RM107,523) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 31. 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:

#### 31.1 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.



## NOTES TO THE FINANCIAL STATEMENTS

### 31. ACQUISITION OF SUBSIDIARIES (continued)

#### 31.2 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.

The following summarises the recognised amounts of assets acquired and liabilities assumed at 1 April 2018.

	Group 2019 RM
<b>Identifiable assets acquired and liabilities assumed</b>	
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)
<b>Total identifiable net assets</b>	<b>395,684,394</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 31. ACQUISITION OF SUBSIDIARIES (continued)

#### 31.2 Subscription of shares in respect of the subsidiaries of the Company ("Subscription") (continued)

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	456,811,853
Subscription of shares in subsidiaries	800,100
Reversal of issued and paid-up share capital of these subsidiaries	(5,300,860)
Merger reserve	452,311,093

### 32. SIGNIFICANT EVENTS

- 32.1 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.

On 9 October 2020, the subsidiaries of the Company, Pentagon Land Sdn. Bhd. and Greenhill SILC Sdn. Bhd. entered into two separate Heads of Agreement ("HOAs") with UEM Land Berhad and Nusajaya Heights Sdn. Bhd., both being the subsidiaries of UEM Sunrise Berhad.

The signed HOA is in relation to the acquisition of seventy-two (72) plots of freehold industrial land in Phase 3, Southern Industrial & Logistic Clusters in Iskandar Puteri, Johor measuring a total acreage of approximately 169.75 acres by the subsidiaries for a total purchase consideration of RM434,288,637 of which the subsidiaries have made deposit payment of RM8,685,773 upon executing the sales and purchase agreements (Note 11).

- 32.2 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 company, Quantum Renewable Energy Sdn. Bhd. ("Quantum") 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. Quantum was incorporated on 1 July 2020.

Quantum is 51% owned by Symphony Square Sdn. Bhd. and 49% owned by Baozhou New Energy Technology Sdn. Bhd.. The initial share capital of Quantum is RM1 million of which Symphony Square Sdn. Bhd. and Baozhou New Energy Technology Sdn. Bhd. subscribed for 510,000 and 490,000 ordinary shares respectively.

### 33. SUBSEQUENT EVENTS

33.1 On 19 April 2021, a new subsidiary, I REIT Managers Sdn. Bhd. was incorporated with initial share capital of RM100. The principal activity of the subsidiary is to be engaged as the manager of real estate investment trust.

33.2 On 27 May 2021, the Company announced on the following:

- (i) Proposed bonus issue of up to 213,557,550 new ordinary shares each in the Company ("AME Shares") on the basis of one (1) bonus share for every two (2) existing AME Shares held on an entitlement date to be determined later ("Entitlement Date");
- (ii) Proposed free warrants issue of up to 142,371,700 in the Company on the basis of one (1) free warrant for every three (3) AME Shares held on the Entitlement Date; and
- (iii) Proposed establishment of an Employees' Share Option Scheme ("Proposed ESOS") of up to ten percent (10%) of the total number of issued shares of the Company at any point during the duration of the Proposed ESOS.

(collectively the "Proposals")

Barring any unforeseen circumstances and subject to receipt of all required approvals, the Proposals (saved for the Proposed ESOS) are expected to be completed by 4th quarter of calendar year 2021. The Proposed ESOS is expected to be implemented by 4th quarter of calendar year 2021.

33.3 On 31 May 2021, a new subsidiary, AME Building Management Sdn. Bhd. was incorporated with initial share capital of RM100. The principal activity of the subsidiary consists of those relating to provision of property management and maintenance services.

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# 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 79 to 148 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2021 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

Date: 23 July 2021

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# 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 79 to 148 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 23 July 2021.

**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 statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 148.

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 2021, and of their financial performance and 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 of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and 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 18 – Revenue	
The key audit matter	How the matter was addressed in our audit
<p>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:</p> <ul style="list-style-type: none"><li>• Probability of collection of consideration from purchasers, especially cash purchasers.</li><li>• Measurement of progress towards satisfaction of performance obligations using cost incurred method, in particular, relating to the estimation of the total cost required to complete the work used in the calculation of stage of completion.</li></ul>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li><li>• 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.</li><li>• 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.</li></ul>



**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF AME ELITE CONSORTIUM BERHAD**  
 REGISTRATION NUMBER: 201801030789 (1292815-W)  
 (INCORPORATED IN MALAYSIA)

**Key Audit Matters** (continued)

<b>Revenue and cost of sales from property development activities</b> (continued)	
Refer to Note 2(n)(i) – Significant accounting policy: Revenue from contract with customers and Note 18 – Revenue (continued)	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
	<ul style="list-style-type: none"> <li>• 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.</li> <li>• We assessed the adequacy of disclosures as required by MFRS 15.</li> </ul>

<b>Revenue and cost of sales from property construction contracts</b>	
Refer to Note 2(n)(i) – Significant accounting policy: Revenue from contract with customers and Note 18 – Revenue	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>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:</p> <ul style="list-style-type: none"> <li>• Significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages (“LAD”).</li> <li>• The progress towards complete satisfaction of performance obligations is measured using the output method by reference to the survey of work performed.</li> </ul>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We inspected documents supporting the estimated total contract sum and correspondences from contract customers in relation to variations and claims.</li> <li>• We inspected documents certified by quantity surveyor supporting the contract work performed by the Group to-date.</li> <li>• 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.</li> <li>• We tested samples of costs incurred to date to supporting documentation such as contractors’ claim certificates or suppliers’ invoices.</li> <li>• 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.</li> <li>• We assessed the adequacy of disclosures as required by MFRS 15.</li> </ul>

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF AME ELITE CONSORTIUM BERHAD**  
 REGISTRATION NUMBER: 201801030789 (1292815-W)  
 (INCORPORATED IN MALAYSIA)

**Key Audit Matters** (continued)

<b>Valuation of investment properties</b>	
Refer to Note 2(f)(i) – Significant accounting policy: Investment properties and Note 5 – Investment properties	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>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.</p> <p>These investment properties are stated at fair values based on independent external valuations, using the market comparison and income approach.</p> <p>The valuations are sensitive to the choice of valuation methodology and key assumptions applied; where a change in the assumptions can have a significant impact to the valuation.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We evaluated and challenged the key assumptions applied by the external valuers by comparing with internal and external sources.</li> <li>• We considered the adequacy of the disclosures in the financial statements, in describing the key assumptions in the estimates.</li> </ul>

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

**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 Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

**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 of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the 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.

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF AME ELITE CONSORTIUM BERHAD**  
REGISTRATION NUMBER: 201801030789 (1292815-W)  
(INCORPORATED IN MALAYSIA)

**Auditors' Responsibilities for the Audit of the Financial Statements** (continued)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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: 23 July 2021

# LIST OF MATERIAL PROPERTIES

## AS AT 31 MARCH 2021

Location	Land area / Built-up area	Description and existing use	Tenure	Age of Building (Approx- imately; years)	Net Book Value as at 31 March 2021 (RM'000)	Date of Last Revaluation
<b>Title identification:</b> HSD 76888, Lot no. PTD 112829, Mukim of Senai, District of Kulai, Johor.  <b>Postal address:</b> (Plots 18 & 19) No. 22, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	164,096 / 111,807	A 1½ storey detached factory currently leased for the manufacturing of technology components and its related activities and office.	Freehold	2	47,000	18 May 2021
<b>Title identification:</b> HSD 569755, Lot no. PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor.  <b>Postal address:</b> No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor.	212,910 / 129,039	A single storey detached warehouse with single storey office building and ancillary buildings currently tenanted/ leased for: <ul style="list-style-type: none"> <li>• Plot A – None</li> <li>• Plot B – Warehousing and related activities</li> <li>• Plot C – Distribution and packaging of professional and consumer audio products.</li> </ul>	Freehold	1	38,000	18 May 2021
<b>Title identification:</b> HSD 75887, Lot no. PTD 112778, Mukim of Senai, District of Kulai, Johor.  <b>Postal address:</b> No. 91, Jalan SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	128,579 / 226,379	5 blocks of 5-storey walk-up workers' dormitories, a 2-storey shop and other ancillary buildings currently tenanted by third parties.	Freehold	2	33,789	(1a)
<b>Title identification:</b> GRN 580210, Lot no. PTD 98837, Mukim of Kulai, District of Kulai, Johor.  <b>Postal address:</b> (Plot 17) Fasa 1A, Jalan Pekeliling Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	134,129 / 240,251	5 blocks of 5-storey walk-up workers' dormitories, a 2-storey shop and other ancillary buildings currently tenanted by third parties.	Freehold	6 to 7	24,076	(1b)

## LIST OF MATERIAL PROPERTIES

AS AT 31 MARCH 2021

Location	Land area / Built-up area	Description and existing use	Tenure	Age of Building (Approximately; years)	Net Book Value as at 31 March 2021 (RM'000)	Date of Last Revaluation
<b>Title identification:</b> HSD 77659, Lot no. PTD 112781, Mukim of Senai, District of Kulai, Johor.  <b>Postal address:</b> [Plot 32] No. 48, Jalan I-Park SAC 7, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	137,218 / 70,862	A 1½ storey detached factory currently leased for carrying out electronics manufacturing service its related activities and office.	Freehold	Less than 1	21,000	18 May 2021
<b>Title identification:</b> HSD 580785, Lot no. PTD 196170, Mukim of Tebrau, District of Johor Bahru, Johor.	164,619 / 66,244	A 3-storey detached office building, a single storey detached clubhouse building and other ancillary buildings currently under construction.	Freehold	N/A (Construction-in-progress)	20,692	–
<b>Title identification:</b> HSD 596298, Lot no. PTD 203569 <sup>[2]</sup> (previously formed part of HSD 580802, Lot no. PTD 196193), Mukim of Tebrau, District of Johor Bahru, Johor.  <b>Postal address:</b> [Plot 1A1] <sup>[2]</sup> (previously known as Plot 1A1b) No. 68, Jalan I-Park SAC 8, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	112,566 / 67,516	A 1½ storey detached factory currently leased for process, distribution center of office suppliers and workplace products and its related activities and office.	Freehold	2	17,000	18 May 2021
<b>Title identification:</b> HSD 63619, Lot no. PTD 107694, Mukim of Kulai, District of Kulai, Johor.  <b>Postal address:</b> [Plot 66] No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	101,665 / 61,241	A single storey detached factory with mezzanine office and other ancillary buildings currently leased for manufacturing and its related activities and office.	Freehold	6	17,000	18 May 2021

## LIST OF MATERIAL PROPERTIES

AS AT 31 MARCH 2021

Location	Land area / Built-up area	Description and existing use	Tenure	Age of Building (Approximately; years)	Net Book Value as at 31 March 2021 (RM'000)	Date of Last Revaluation
<b>Title identification:</b> HSD 577103, Lot no. PTD 195950, Mukim of Tebrau, District of Johor Bahru, Johor.  <b>Postal address:</b> (Plot 1B1) No. 69, Jalan I-Park SAC 8, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	97,639 / 56,706	A 1½ storey detached factory currently leased for courier services and its related activities and office.	Freehold	2	17,000	18 May 2021
<b>Title identification:</b> HSD 75867, Lot no. PTD 112754, Mukim of Senai, District of Kulai, Johor.  <b>Postal address:</b> (Plot 20) No. 34, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	85,003 / 55,021	A 1½ storey detached factory currently leased for the manufacturing of parts and accessories for motor vehicles and its related activities and office.	Freehold	3	14,000	18 May 2021

**Note:**

- Self-constructed, and completed in the following years:
  - Year 2019
  - Year 2013 (Phase 1); Year 2015 (Phase 2)
- The new title identification for Plot 1A1 (previously known as Plot 1A1b), following the completion of the subdivision of the original parcel of land into two (2) individual lands.



# ANALYSIS OF SHAREHOLDINGS

## AS AT 1 JULY 2021

<b>Issued Share Capital</b>	:	427,115,101 ordinary shares
<b>Class of Shares</b>	:	Ordinary shares
<b>Voting Rights</b>	:	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	7	68	0.00
100 to 1,000 shares	163	89,000	0.02
1,001 to 10,000 shares	263	1,155,800	0.27
10,001 to 100,000 shares	121	4,906,700	1.15
100,001 to less than 5% of issued shares	122	168,881,233	39.54
5% and above of issued shares	3	252,082,300	59.02
<b>Total</b>	<b>679</b>	<b>427,115,101</b>	<b>100.00</b>

### 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:

Name of Substantial Shareholders	Direct	No. of Shares Held		%
		%	Indirect	
1. Lee Chai	84,301,100	19.74	<sup>(i)</sup> 3,821,100	0.89
2. Lim Yook Kim	85,194,100	19.95	<sup>(ii)</sup> 4,162,300	0.97
3. Kang Ah Chee	83,694,100	19.60	<sup>(iii)</sup> 4,021,100	0.94
4. Lee Sai Boon	27,758,000	6.50	<sup>(i)</sup> 3,821,100	0.89

#### Notes:

<sup>(i)</sup> 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.

<sup>(ii)</sup> Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act and shares held by his son, Mr Lim Khai Wen, pursuant to Section 59(11)(c) of the Act.

<sup>(iii)</sup> Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act and shares held by his son, Mr Kang Chai Poh, and daughter, Ms Kang Miay Hong, pursuant to Section 59(11)(c) of the Act.

### DIRECTORS' INTEREST IN ORDINARY SHARES OF THE COMPANY

Name of Directors	Direct	No. of Shares Held		%
		%	Indirect	
1. Lee Chai	84,301,100	19.74	<sup>(i)</sup> 3,821,100	0.89
2. Lim Yook Kim	85,194,100	19.95	<sup>(ii)</sup> 4,162,300	0.97
3. Kang Ah Chee	83,694,100	19.60	<sup>(iii)</sup> 4,021,100	0.94
4. Lee Sai Boon	27,758,000	6.50	<sup>(i)</sup> 3,821,100	0.89
5. Tengku Azrina Binti Raja Abdul Aziz	100,000	0.02	–	–
6. Tan Lay Beng	30,000	0.01	–	–
7. Chang Tian Kwang	120,000	0.03	–	–
8. Wee Soon Chit	140,000	0.03	–	–
9. Lim Pei Shi	290,000	0.07	–	–
10. Lee Ling Sien	224,100	0.05	–	–
11. Kang Koh Wei	325,200	0.08	–	–

#### Notes:

<sup>(i)</sup> Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.

<sup>(ii)</sup> Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act and shares held by his son, Mr Lim Khai Wen, pursuant to Section 59(11)(c) of the Act.

<sup>(iii)</sup> Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 and shares held by his son, Mr Kang Chai Poh, and daughter, Ms Kang Miay Hong, pursuant to Section 59(11)(c) of the Act.

## ANALYSIS OF SHAREHOLDINGS

AS AT 1 JULY 2021

### THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

Name of holders	No. of Shares	%
1. Lim Yook Kim	85,194,100	19.95
2. Kang Ah Chee	83,694,100	19.60
3. Lee Chai	83,194,100	19.48
4. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	15,677,600	3.67
5. Lee Sai Boon	15,398,000	3.61
6. Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Lee Sai Boon (PB)	12,360,000	2.89
7. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Leef)	7,163,800	1.68
8. Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	6,900,000	1.61
9. UOA Development Bhd	6,828,000	1.60
10. Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	6,262,600	1.47
11. Amanahraya Trustees Berhad Public Islamic Opportunities Fund	4,561,400	1.07
12. Lotus Ideal Sdn Bhd	3,671,100	0.86
13. Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund (IFM Affinhwang) (410195)	3,122,200	0.73
14. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Progress Fund (4082)	2,983,700	0.70
15. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Nomura)	2,976,900	0.70
16. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LPF)	2,797,300	0.65
17. CIMB Commerce Trustee Berhad Public Focus Select Fund	2,789,400	0.65
18. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment AL-Fauzan (5170)	2,715,600	0.63
19. CIMB Group Nominees (Asing) Sdn Bhd Exempt An For DBS Bank LTD (SFS)	2,550,000	0.60
20. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yee Hui	2,500,000	0.58
21. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (NIAM EQ)	2,453,600	0.57
22. Maybank Nominees (Tempatan) Sdn Bhd Mtrustee Berhad For Tenaga Nasional Berhad Retirement Benefit Trust Fund (RB-TNB-Aham)(420317)	2,437,700	0.57
23. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LGF)	2,339,300	0.55
24. Amanahraya Trustees Berhad PMB Shariah Growth Fund	2,280,000	0.53
25. Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd	1,954,800	0.46

## ANALYSIS OF SHAREHOLDINGS

AS AT 1 JULY 2021

### THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same person)

Name of holders	No. of Shares	%
26. Maybank Nominees (Tempatan) Sdn Bhd Medical Fund (IFM Nomura)(410223)	1,936,900	0.45
27. Amanahraya Trustees Berhad PB Islamic SmallCap Fund	1,782,400	0.42
28. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Affin Hwang Asset Management Berhad for Malaysian Timber Council (Operating Fund)	1,771,100	0.41
29. Maybank Nominees (Tempatan) Sdn Bhd Medical Fund (IFM Affinhwang)(410222)	1,698,100	0.40
30. Citigroup Nominees (Tempatan) Sdn Bhd Manulife Insurance Berhad (OL Par)	1,527,300	0.36
<b>Total</b>	<b>373,521,100</b>	<b>87.45</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Third Annual General Meeting (“**3<sup>rd</sup> AGM**”) of AME Elite Consortium Berhad (“**AME**” or the “**Company**”) will be conducted on a fully virtual basis for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in this Notice:

Day and Date	:	Thursday, 26 August 2021
Time	:	10:00 a.m.
Meeting Platform	:	<b><a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a></b> (Domain Registration No. with MYNIC-D6A357657)
Mode of Communication:	1)	Typed text in the Meeting Platform
	2)	Shareholders may submit questions in relation to the agenda items prior to the 3 <sup>rd</sup> AGM by logging in to the Boardroom Smart Investor Portal at <b><a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></b> , by selecting “Corporate Meeting” from main menu and select “AME Elite Consortium Berhad 3 <sup>rd</sup> Annual General Meeting” and click “Submit Questions” latest by Monday, 23 August 2021 at 10:00 a.m.

## AGENDA

### AS ORDINARY BUSINESS

- |    |                                                                                                                                                                                                            |                                  |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon.                                                    | <b>Please refer to Note 11.1</b> |
| 2. | To approve the payment of Directors’ fees for the financial year ended 31 March 2021.                                                                                                                      | <b>Ordinary Resolution 1</b>     |
| 3. | To approve the payment of additional Directors’ benefits for the period from 1 April 2020 up to 26 August 2021.                                                                                            | <b>Ordinary Resolution 2</b>     |
| 4. | To approve the benefits payable to the Directors of the Company for the period from 27 August 2021 until the conclusion of next AGM of the Company to be held in year 2022.                                | <b>Ordinary Resolution 3</b>     |
| 5. | 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 Lim Yook Kim;                                                                                                                                                                                       | <b>Ordinary Resolution 4</b>     |
|    | (ii) YM Tengku Azrina Binti Raja Abdul Aziz; and                                                                                                                                                           | <b>Ordinary Resolution 5</b>     |
|    | (iii) Mr Wee Soon Chit.                                                                                                                                                                                    | <b>Ordinary Resolution 6</b>     |
| 6. | To re-appoint Messrs KPMG PLT (“ <b>KPMG</b> ”) as Auditors of the Company for the financial year ending 31 March 2022 and to authorise the Directors to fix their remuneration.                           | <b>Ordinary Resolution 7</b>     |

## NOTICE OF ANNUAL GENERAL MEETING

### AS SPECIAL BUSINESS

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

7. Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("**CA 2016**")

"**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."

8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

### Ordinary Resolution 8

### BY ORDER OF THE BOARD

**LEONG SIEW FOONG** (MAICSA 7007572) (SSM PC NO. 202008001117)  
**SANTHI A/P SAMINATHAN** (MAICSA 7069709) (SSM PC NO. 201908002933)  
Company Secretaries

Johor Bahru  
28 July 2021

## NOTICE OF ANNUAL GENERAL MEETING

### Notes:

1. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the 3<sup>rd</sup> AGM of the Company will be conducted on a fully virtual basis where shareholders are only allowed to participate remotely through live streaming and online remote voting using Remote Participation and Electronic Voting ("**RPEV**") facilities via online meeting platform available at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657). Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate, speak and vote remotely via RPEV facilities.
2. The conduct of a fully virtual AGM is in line with the Guidance Note and Frequently Asked Questions ("**the Revised Guidance Note and FAQ**") by the Securities Commission of Malaysia on 16 July 2021.
3. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), and exempt authorised nominees which holds ordinary shares in the Company for multiple owners in one securities account ("**omnibus account**"), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to participate, speak and vote instead of him/her at the AGM, and that such proxy need not be a member.
4. Where a member appoints more than 1 proxy (subject always to a maximum of 2 proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in an 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. Where a member is an authorised nominee as defined under SICDA, it may appoint 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its officer or attorney.
7. The instrument appointing the proxy may be made in a hard copy form or by electronic means, not less than 48 hours before the time appointed for holding the AGM, as follows:

#### 7.1 In hard copy form

The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd situated at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Khim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

#### 7.2 By electronic means

The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). Please follow the procedures provided in the Administrative Guide for the AGM in order to deposit the Form of Proxy electronically.

8. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the electronic AGM by yourself, please write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy(ies) at least 48 hours before this meeting.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote on a poll.
10. Only a depositor whose name appears in the Record of Depositors as at 18 August 2021 shall be entitled to participate, speak and vote at this meeting or appoints a proxy or proxies to participate, speak and vote on his/her behalf.
11. Explanatory Notes on Ordinary Business

#### 11.1 To receive Audited Financial Statements

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.

#### 11.2 Ordinary Resolutions 1, 2 and 3 – 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 for the financial year ended 31 March 2021, additional Directors' benefits of RM15,000 for the period from 1 April 2020 up to 26 August 2021 ("**Relevant Period**") and Directors' benefits payable up to RM67,000 from 27 August 2021 until the conclusion of next AGM of the Company to be held in year 2022. The additional benefits payable of RM15,000 to Directors from 1 April 2020 up to 26 August 2021 are due to additional Board meetings held during the Relevant Period.

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.



## NOTICE OF ANNUAL GENERAL MEETING

### 11.3 Ordinary Resolutions 4, 5 and 6 – 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 Lim Yook Kim, YM Tengku Azrina Binti Raja Abdul Aziz and Mr Wee Soon Chit, 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 3<sup>rd</sup> 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 Directors standing for re-election are set out in the Board of Directors' Profile in the Annual Report 2021.

### 11.4 Ordinary Resolution 7 – 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.

## 12. Explanatory Notes on Special Business

### 12.1 Ordinary Resolution 8 – 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 8, if passed, will give the Directors of the Company, from the date of the 3<sup>rd</sup> 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 8 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 POLICY

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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# 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 Third Annual General Meeting except for the following Directors standing for re-election as follows:**

- |       |                                        |   |                       |
|-------|----------------------------------------|---|-----------------------|
| (i)   | Mr Lim Yook Kim                        | – | ORDINARY RESOLUTION 4 |
| (ii)  | YM Tengku Azrina Binti Raja Abdul Aziz | – | ORDINARY RESOLUTION 5 |
| (iii) | Mr Wee Soon Chit                       | – | ORDINARY RESOLUTION 6 |

The profile of the Directors standing for re-election are set out in the Board of Directors' Profile in the Annual Report 2021.

The shareholdings in the Company and its subsidiaries of the Directors standing for re-election are set out in the Directors' Report in the Annual Report 2021.

**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 and 76 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.

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# FORM OF PROXY

# AME

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 Third Annual General Meeting ("**3<sup>rd</sup> AGM**") of AME Elite Consortium Berhad ("**AME**" or the "**Company**") will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("**RPEV**") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on Thursday, 26 August 2021 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 for FYE 31 March 2021				
Ordinary Resolution 2	Approval of additional Directors' benefits for the period from 1 April 2020 up to 26 August 2021				
Ordinary Resolution 3	Approval of benefits payable to the Directors of the Company for the period from 27 August 2021 until the conclusion of next AGM to be held in year 2022				
Ordinary Resolution 4	Re-election of retiring director, Mr Lim Yook Kim				
Ordinary Resolution 5	Re-election of retiring director, YM Tengku Azrina Binti Raja Abdul Aziz				
Ordinary Resolution 6	Re-election of retiring director, Mr Wee Soon Chit				
Ordinary Resolution 7	Re-appointment of Messrs KPMG PLT as Auditors for the financial year ending 31 March 2022 and authorise the Directors to fix their remuneration				
	SPECIAL BUSINESS				
Ordinary Resolution 8	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 \_\_\_\_\_, 2021

Signature of Shareholder

Common Seal is to be affixed here if Shareholder is a Corporation

*\* Strike out whichever is not applicable.*

## Notes:

- As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the 3<sup>rd</sup> AGM of the Company will be conducted on a fully virtual basis where shareholders are only allowed to participate remotely through live streaming and online remote voting using Remote Participation and Electronic Voting ("**RPEV**") facilities via online meeting platform available at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657). Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate, speak and vote remotely via RPEV facilities.
- The conduct of a fully virtual AGM is in line with the Guidance Note and Frequently Asked Questions ("**the Revised Guidance Note and FAQ**") by the Securities Commission of Malaysia on 16 July 2021.
- Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), and exempt authorised nominees which holds ordinary shares in the Company for multiple owners in one securities account ("**omnibus account**"), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to participate, speak and vote instead of him/her at the AGM, and that such proxy need not be a member.
- Where a member appoints more than 1 proxy (subject always to a maximum of 2 proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in an 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. Where a member is an authorised nominee as defined under SICDA, it may appoint 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its officer or attorney.
- The instrument appointing the proxy may be made in a hard copy form or by electronic means, not less than 48 hours before the time appointed for holding the AGM, as follows:
  - In hard copy form  
The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd situated at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Khim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - By electronic means  
The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). Please follow the procedures provided in the Administrative Guide for the AGM in order to deposit the Form of Proxy electronically.
- If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the electronic AGM by yourself, please write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy(ies) at least 48 hours before this meeting.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote on a poll.
- Only a depositor whose name appears in the Record of Depositors as at 18 August 2021 shall be entitled to participate, speak and vote at this meeting or appoints a proxy or proxies to participate, speak and vote on his/her behalf.

## PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data policy terms set out in the Notice of 3rd AGM dated 28 July 2021.

Fold this flap for sealing

Then fold here

AFFIX  
STAMP  
HERE

**The Share Registrar**  
**AME ELITE CONSORTIUM BERHAD**  
(Registration No. 201801030789 (1292815-W))  
**c/o Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Khim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

1st fold here







**AME ELITE CONSORTIUM BERHAD**  
201801030789 (1292615-W)

*Business Address*

No. 5, Jalan I-Park SAC 2  
Taman Perindustrian I-Park SAC  
81400 Senai  
Johor Darul Takzim  
Malaysia

*Registered Address*

Suite 9D, Level 9  
Menara Ansar  
65, Jalan Trus  
80000 Johor Bahru  
Johor Darul Takzim, Malaysia

T +607-5959 666  
F +607-5959 668  
E [corporate@ame-elite.com](mailto:corporate@ame-elite.com)  
W [www.ame-elite.com](http://www.ame-elite.com)

Bursa MY / Main Market  
AME: 5293

