AME ELITE CONSORTIUM BERHAD
201801030789 (1292815-W)

LAUNCHING A NEW ERA

ANNUAL REPORT 2022

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201801030789 (1292815-W)

LAUNCHING A NEW ERA

ANNUAL REPORT 2022

Having traversed the challenges of the COVID-19 pandemic, we are now launching into a new era, by fulfilling our commitment to further expansion for our customers and unlocking greater value for our shareholders. The time is now, and we are ready.

Scan the QR code
to view our website

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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 *(resigned w.e.f. 1 Mar 2022)*
Mr Chang Tian Kwang
Mr Wee Soon Chit

REMUNERATION COMMITTEE

Chairperson
Mr Wee Soon Chit

Members
YM Tengku Azrina Binti Raja Abdul Aziz *(resigned w.e.f. 1 Mar 2022)*
Ms Tan Lay Beng
Mr Chang Tian Kwang

NOMINATION COMMITTEE

Chairperson
Mr Chang Tian Kwang

Members
YM Tengku Azrina Binti Raja Abdul Aziz *(resigned w.e.f. 1 Mar 2022)*
Ms Tan Lay Beng
Mr Wee Soon Chit

COMPANY SECRETARIES

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

Ms Tai Yit Chan
(MAICSA 7009143)
(SSM PC No. 202008001023)

AUDITORS

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

SHARE REGISTRAR

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

HEAD/MANAGEMENT OFFICE

No. 2, Jalan I-Park SAC 1/1
Taman Perindustrian I-Park SAC
81400 Senai
Johor Darul Takzim
Tel : +607-5959 666
Fax : +607-5959 668
Website : www.ame-elite.com
Email : corporate@ame-elite.com

REGISTERED OFFICE

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

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Listing Date : 14 October 2019
Stock Name : AME
Stock Code : 5293

CORPORATE PROFILE

AME Elite Consortium Berhad ("**AME**" or the "**Group**") is an integrated industrial space solutions provider in Malaysia, specialising in the design and construction of large-scale manufacturing plants and the development of modern industrial parks.

OUR VISION

To be a **Leading Industrial Space Solutions Provider** in the region offering a complete suite of capabilities.

OUR MISSION

Customers
To anticipate future trends and reimagine industrial space to deliver innovative and excellent products and services on time

People
To identify and nurture our employees to achieve their potential for career and professional development

Suppliers
To maintain trustworthy and quality collaboration with suppliers towards achieving excellent products and services for our customers

Community
To contribute to economic, environmental and social progress through the creation of communities centred on high quality, sustainable industrial real estate developments

Shareholders
To create and deliver sustainable shareholders' returns

Our unparalleled commitment to excellence has led AME to gain recognition as an exemplary and forward-thinking developer from industry leaders.

Left to right

1. PropertyGuru Asia Property Awards Malaysia 2020
   Best Industrial Developer
   AME Development Sdn Bhd
2. ASEAN Property Awards 2018/2019
   Innovative Developer
   AME Development Sdn Bhd
3. Edge Property Building Sustainable Development Award 2018
   Malaysia's Responsible Developer
   AME Development Sdn Bhd
4. Starproperty.my Jewels of Johor Awards 2018
   The Best Choice Awards
   AME Development Sdn Bhd

INTEGRATED INDUSTRIAL PARK DEVELOPMENT

As a prominent developer and operator of integrated industrial parks, AME is committed to accelerating the growth of industrial players from Malaysia and across the globe.

Our prowess in master planning, innovative design and construction excellence gives our customers the vital edge to succeed with purpose-built and outstanding industrial space within a sustainable and green environment.

Our clients also benefit from our dedicated management services, from recreational spaces to provision of conducive workers' dormitories that promote a healthy and fulfilling lifestyle.

Completed Projects

1 **i-Park@SiLC**
12.3 acres
(Completed 2013)

2 **SME City**
40.0 acres
(Completed 2015)

3 **District 6**
7.6 acres
(Completed 2015)

4 **i-Park@Indahpura (Phase 1 and 2)**
104.8 acres
(Completed 2016)

1

2

3

4

Ongoing Projects

1 **i-Park@Indahpura (Phase 3)**
85.4 acres
(Launched 2013)

2 **i-Park@Senai Airport City**
195.0 acres
(Launched 2017)

3 **i-TechValley**
169.8 acres
(Launched 2022)

1

2

3

CORPORATE PROFILE

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

1 The Edge Malaysia – PAM Green Excellence Award 2021
Honorary Mention
i-Park@Senai Airport City

2 PropertyGuru Asia Property Awards Malaysia 2020
Best Industrial Developer
i-Park@Senai Airport City

3 PropertyGuru Asia Property Awards Malaysia 2020
Regional Winner for Best Industrial Estate Development (Asia)
i-Park@Senai Airport City

4 ASEAN Property Awards 2019
Best Industrial Development
i-Park@Senai Airport City

5 FIABCI World Prix d'Excellence Awards 2019
World Silver Winner for Industrial Category
i-Park@Indahpura

6 FIABCI-Malaysia Malaysia Property Award™ 2018
Winner for Industrial Category
i-Park@Indahpura

7 Starproperty.my 2018
The Business Estate Award (Best Industrial Park Development) "Excellence"
i-Park@Senai Airport City

8 Starproperty.my 2018
The Business Estate Award (Best Industrial Park Development) "Honours"
i-Park@Indahpura

9 The Iskandar Malaysia Accolades (TIMA) 2016/17
Platinum Winner for "Most Conducive Workplace"
i-Park@Indahpura

1

2

3

4

5

6

7

8

9

PROPERTY INVESTMENT AND MANAGEMENT SERVICES

As a vital value-add to our industrial park clients, we offer flexible leasing of industrial properties to fast track their expansion with significantly reduced start up time.

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

i-Stay@Indahpura

i-Stay@Indahpura 2

i-Stay@Senai Airport City

Key Features

- 24 hours security
- biometric entry system
- lush greeneries
- canteen
- convenience store
- automated laundry
- cashless payment services

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
- industrialised building system (IBS) for steel structure and pre-cast concrete fabrication
- provision of solar power systems

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.

Manufacturing facility for corrugated paper packaging

Manufacturing facility for linear motion systems

Manufacturing facility for fast moving consumer goods products

Facility of electronics manufacturing services provider

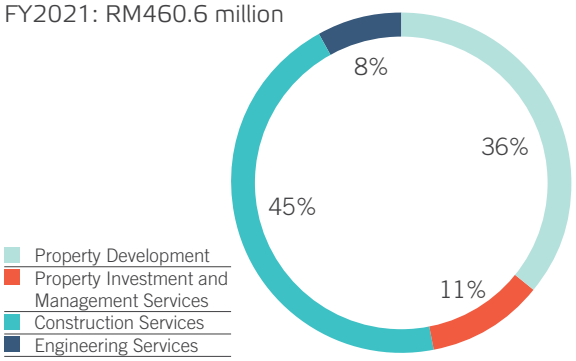
FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue

RM398.4 million

FY2021: RM460.6 million



PATMI

RM48.6 million

FY2021: RM53.5 million

Total Assets

RM1,512.5 million

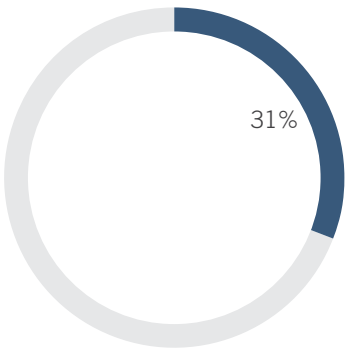
FY2021: RM1,191.8 million

Dividend Per Share

2.5 sen

Payout Ratio

31%



KEY PERFORMANCE INDICATORS

Property Development

New Sales

RM168.4 million

Unbilled Sales

RM90.4 million

Property Investment

i-Stay Average Occupancy

87%

Leased Units

39

Construction & Engineering

Orderbook

RM349.3 million

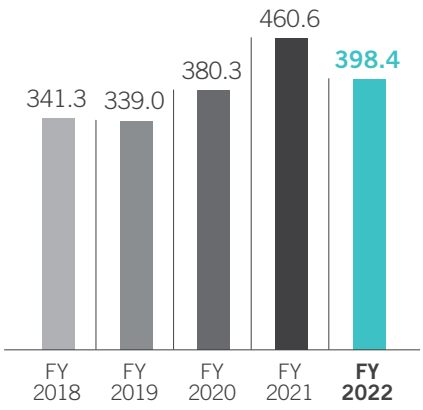
Largest Contract

RM359.0 million

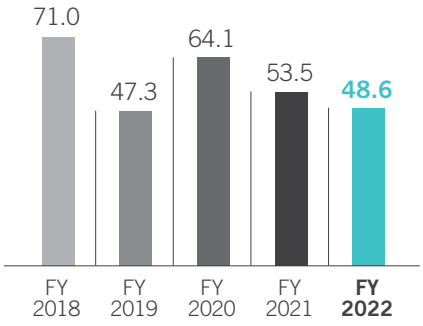
All data presented as at 31 March 2022

FINANCIAL HIGHLIGHTS

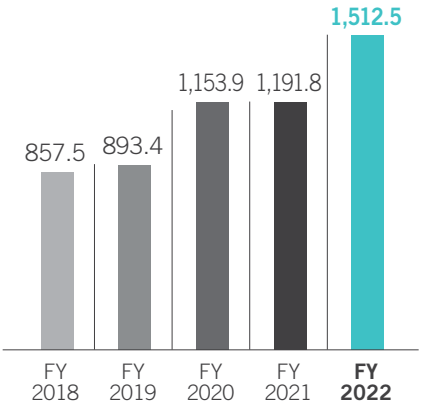
Revenue
(RM'mil)



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



Total Assets
(RM'mil)



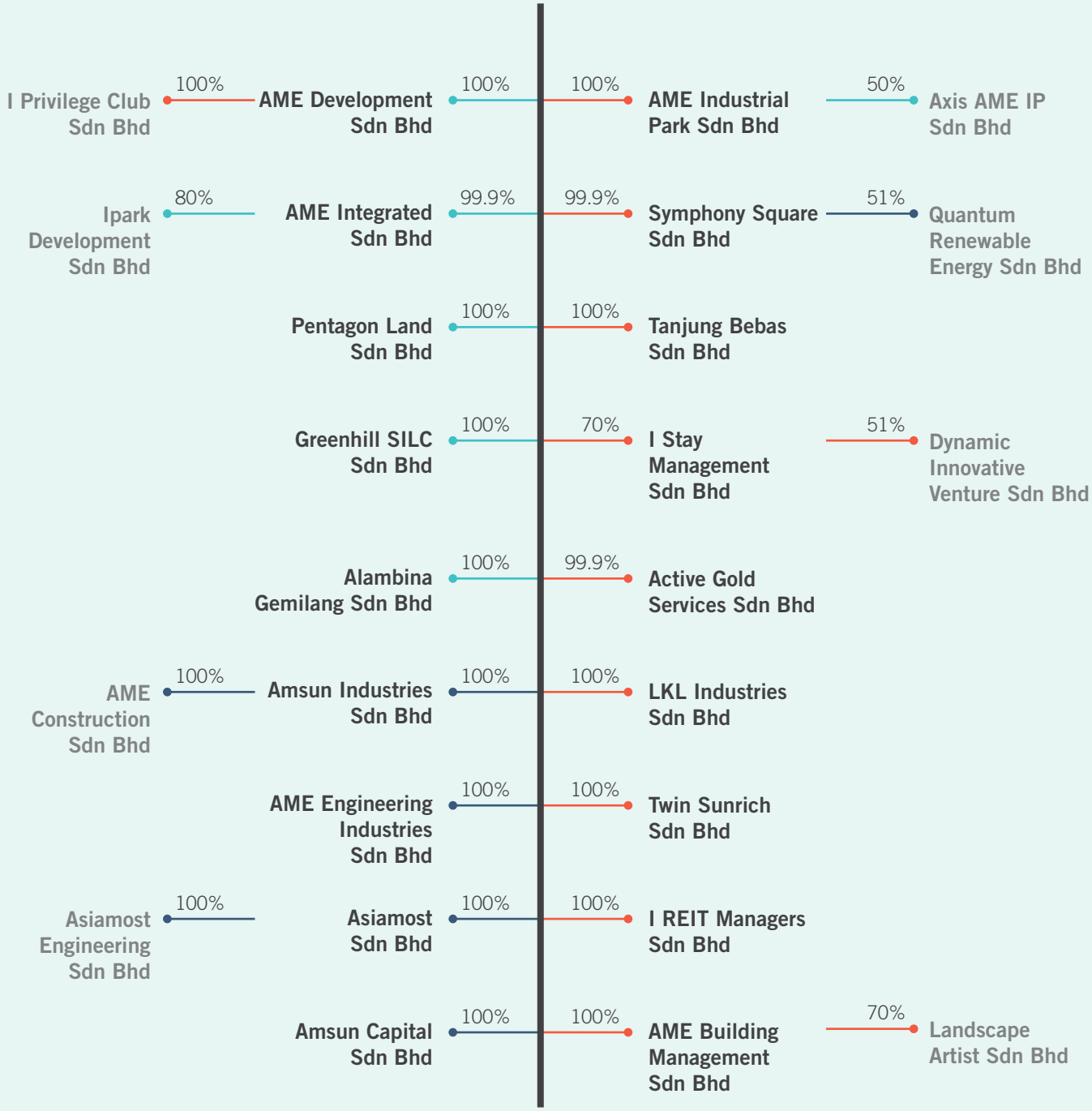
For the Financial Year Ended 31 March (RM'000)	2018	2019	2020	2021	**2022**
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME SUMMARY					
Revenue	341,320	339,013	380,346	460,605	398,387
Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA)	101,287	81,373	105,159	91,798	82,558
Earnings Before Interest and Tax (EBIT)	95,655	76,006	98,634	85,037	76,205
Profit Before Tax (PBT)	95,219	72,591	88,675	79,639	68,905
Net Profit Attributable to Owners of the Company (PATMI)	**70,971**	**47,347**	**64,141**	**53,477**	**48,560**
STATEMENTS OF FINANCIAL POSITION SUMMARY					
Property, Plant, and Equipment	77,347	95,380	100,579	131,597	147,046
Investment Properties	236,995	278,796	344,266	325,600	324,400
Inventories	240,274	242,759	366,424	320,120	658,558
Cash and Cash Equivalents	109,785	102,488	191,806	271,402	187,245
Other Assets	193,127	173,958	150,788	143,113	195,297
Total Assets	857,528	893,381	1,153,863	1,191,832	1,512,546
Equity Attributable to Owners of The Company	369,061	406,409	633,877	674,540	706,015
Loans and Borrowings	219,704	215,841	283,225	247,608	249,410
Non-Controlling Interests and Other Liabilities	268,763	271,131	236,761	269,684	557,121
Total Equity and Liabilities	857,528	893,381	1,153,863	1,191,832	1,512,546
FINANCIAL RATIOS					
Basic Earnings per Share (sen) [(i)]	13.85	9.24	11.21	8.35	7.58
Net Assets per Share (RM) [(i)]	0.72	0.79	0.99	1.05	1.10
Dividend per Share (sen) [(i)]	2.01	1.95	2.00	2.67	2.50
Net Gearing Ratio (times)	0.30	0.28	0.14	Net Cash	0.09
RETURNS					
Return on Shareholders' Equity (%)	19.2	11.7	10.1	7.9	6.9
Return on Total Assets (%)	8.3	5.3	5.6	4.5	3.2

[(i)] Adjusted for the bonus issue of 1 for every 2 existing ordinary shares which was completed on 22 September 2021.

CORPORATE STRUCTURE

AS AT 1 JULY 2022

AME ELITE CONSORTIUM BERHAD



Property Development Construction & Engineering Property Investment & Management Services

CHAIRPERSON'S STATEMENT

Dear esteemed shareholders,

On behalf of the Board of Directors of AME Elite Consortium Berhad ("**AME**" or "**the Group**"), it is my privilege to present to you our Annual Report and Audited Financial Statements for the financial year ended 31 March 2022 ("**FY2022**").

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

Our **best-in-class** integrated industrial space solutions led to AME recording **best-ever performance** in new sales and construction contract wins in our 27-year history.

Even as the 2021 global and domestic economy continued to be shaped by new COVID-19 variants which have prompted lockdown measures, disrupted supply chains, and caused resource shortages, I am pleased that AME Elite Consortium Berhad ("**AME**" or "**the Group**") deftly caught the silver lining in the clouds of adversity in swiftly capitalising on available opportunities.

DEMONSTRATING AGILITY IN ADVERSITY

Backed by our best-in-class integrated industrial space solutions, our entire workforce from sales to operations and customer service rallied together to secure new domestic and international clients, which led to AME recording its best-ever performance in new sales and construction contract wins in the Group's 27-year history.

Driven by our commitment to grow, we also took the next major step to expand our portfolio of industrial parks, following the success of i-Park@Indahpura and i-Park@Senai Airport City. In December 2021, we successfully obtained consent from the Economic Planning Unit ("**EPU**") to acquire 169.8-acre industrial lands in Southern Industrial Logistics Clusters ("**SiLC**") in Iskandar Puteri, Johor, which will house our i-TechValley industrial park to fulfil the greater demand for industrial properties on the back of supply chain diversifications into Southeast Asia.

CHAIRPERSON'S STATEMENT

These milestones mirrored Malaysia's encouraging economic indicators, with 3.1% Gross Domestic Product ("**GDP**") growth in 2021 compared to the contraction of 5.6% in 2020.[1] The firm pace of recovery continued in the first quarter of 2022 with 5.0% GDP expansion on increased business optimism, and robust external trade and foreign direct investments.[2]

CONTINUING TO CREATE SHAREHOLDER VALUE

While we have undeniably set off on a growth trajectory in our primary business, the Group is also keen to establish multiple prongs in order to create shareholder value.

To this end, AME undertook a corporate exercise to issue bonus shares and free warrants, on the basis of one bonus share for every two existing AME shares ("**1-for-2 bonus issue**"), one free 5-year warrant for every three existing AME shares held ("**1-for-3 free warrants**"), as well as an employees' share option scheme ("**ESOS**").

The 1-for-2 bonus issue entailing the issuance of 213.6 million new ordinary shares was completed on 22 September 2021. Following the exercise, the Group's enlarged share capital amounted to RM620.1 million comprising 640.7 million shares.

On 23 September 2021, the Group issued 142.4 million free warrants with a five-year tenure, at the exercise price of RM1.93 per warrant. Assuming their full exercise upon maturity on 22 September 2026, the exercise would raise up to RM274.8 million in proceeds for working capital, and increase AME's share capital to RM894.9 million comprising 783.0 million shares.

Meanwhile, AME implemented the proposed ESOS on 3 January 2022, which entails the issuance of up to 10% of the total number of issued shares of AME over a period of five years. Assuming full subscription of the ESOS, the Group's share base would increase to 861.3 million shares.

Furthermore, we are undertaking a listing exercise of AME Real Estate Investment Trust ("**AME REIT**") on the Main Market of Bursa Malaysia Securities Berhad, which would be the dedicated vehicle to unlock the value of the Group's leasing properties.

We are confident that the timely expansion of our landbank and industrial park portfolio will launch us into **a new era**.

Plot 14 factory at i-Park@Indaphura

[1] *Bank Negara Malaysia: Annual Report 2021*

[2] *Ministry of Finance Malaysia: First Quarter 2022 GDP Grew By 5 Per Cent: Malaysia's Economy Continued Its Recovery Momentum. Available at: <https://mof.gov.my/portal/en/news/press-release/first-quarter-2022-gdp-grew-by-5-per-cent-malaysia-s-economy-continued-its-recovery-momentum>*

Exterior view of i-Privilege Club at i-Park@Senai Airport City

LAUNCHING INTO A NEW ERA

The Russia-Ukraine war not only magnified the pre-existing pandemic-induced strains on global supply chains, but also led to a surge in commodity prices and inflationary pressures.

Still, the domestic economy is projected to expand between 5.3% and 6.3% in 2022, supported by higher private sector spending and stronger external demand.[2] In addition to the implementation of Budget 2022 projects, Malaysia's easing of COVID-19 restrictions and reopening of international borders are expected to rejuvenate international business travel, as fully vaccinated adults are allowed entry without COVID tests and quarantine from May 2022.

AME is optimistic of our outlook in the financial year ending 31 March 2023, supported by healthy sales and growing enquiries for our industrial properties. This positive momentum is expected to be bolstered by the growing prevalence of multinational companies diversifying their supply chains into Southeast Asia.

We are confident that the timely expansion of our landbank and industrial park portfolio will launch us into a new era. As always, we will take proactive measures to mitigate market challenges such as higher construction costs and labour availability.

APPLAUDING THE TEAM

We acknowledge that it would not have been possible to weather the present storm of economic and pandemic-induced headwinds without the remarkable agility and resilience demonstrated by the AME team.

Hence, I would like to extend my sincerest appreciation to the Board of Directors for their relentless commitment and guidance. I would also like to thank the management and employees of AME for their commendable and tireless dedication to the Group in addressing the many unprecedented challenges.

We are also thankful for the unwavering support of our shareholders, business partners and associates, clients, various regulatory bodies, government agencies, as well as financial institutions that contributed to the Group.

At AME, we are determined to deliver greater value to all stakeholders as we remain passionate in strengthening our value proposition as an integrated industrial space solution provider.

Sincerely,

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

25 July 2022

MANAGEMENT DISCUSSION & ANALYSIS

Dear valued shareholders,

Malaysia continued to face the adverse impacts of the pandemic for most of 2021, resulting in stringent Movement Control Order ("**MCO**") phases, strict compliance to Standard Operating Procedures ("**SOPs**") as well as travel restrictions in the name of public safety.

Nonetheless, our FY2022 performance evidently demonstrated our tenacity in riding through the pandemic and economic storms. Notably, we recorded highest new sales of industrial properties, strengthened our recurring income stream and posted strongest construction and engineering orderbook replenishment to-date. Not only that, amidst the sudden rise in key input costs, the Group's financial report card remained firmly in the black.

Artist's impression of i-TechValley aerial view

OUR FY2022 MILESTONES

Our comprehensive business model of property development, property investment, and construction and engineering segments produced commendable achievements in the challenging year under review.

Property development

The potent combination of our feature-rich i-Park industrial parks and innovative digital marketing initiatives proved effective in drawing out the intended returns, with AME reaching record-high new sales of RM168.4 million in FY2022. While the 20.0% rise from RM140.3 million a year ago was anchored by take-ups in our i-Parks in Senai Airport City and Indahpura, we also received first fruits from our new i-TechValley in SiLC, Johor.

i-TechValley, with a gross development value potential of RM1.5 billion, has already welcomed its first key customer, Nasdaq-listed medical device giant Insulet Corporation, where we will build its first Southeast Asia manufacturing facility to complement existing plants in the United States ("**US**") and China. The new facility is expected to be operational in mid-2024.

Together with previously-secured sales, the Group's property development segment accumulated RM90.4 million unbilled sales as at 31 March 2022, of which the majority would be recognised in the next 12 months.

Property investment and management services

As an integral component to our industrial parks, our property investment and management services segment encompassing i-Stay workers' dormitories and leased assets remained the Group's recurring income source.

AME increased the number of leased industrial properties to 39 in FY2022 compared to 37 units a year ago. Of the 39 leased units, 50% comprised leases of less than 5 years, while the balance constituted leases of 5 years and above.

Our i-Stay dormitories at Indahpura and Senai Airport City maintained high occupancy rates of 96% and 76% respectively as at 31 March 2022.

While the **20.0% rise** in new sales was anchored by take-ups in our i-Parks in Senai Airport City and Indahpura, we also received first fruits from our new i-TechValley in SiLC, Johor.

i-TechValley

169.8 acres

RM1.5 billion GDV

Groundbreaking of Insulet Corporation facility in i-TechValley

MANAGEMENT DISCUSSION & ANALYSIS

Factory building at i-Park@Senai Airport City

Construction and engineering

Again, the challenges in construction industry did not deter AME from remaining competitive particularly in the industrial development segment.

In October 2021, AME bagged its single largest construction contract to-date of RM359.0 million, to construct a new integrated production facility, logistics warehouse and office building with a total built-up area of approximately 2.6 million square feet in Tanjung Langsat Industrial Area, Johor.

With this, AME's construction and engineering orderbook hit RM349.3 million as at 31 March 2022, firmly rebounding 136.7% from RM147.6 million in the previous year.

OUR FINANCIAL PERFORMANCE

The tumultuous operating environment, particularly the sector-wide MCO, did have an adverse impact on our topline, in addition to incurring higher compliance costs for SOPs. Nevertheless, we were determined to stay on course, while aligning our interests with that of stakeholders to uphold value for the long term.

Statements of Profit or Loss and Other Comprehensive Income

The Group's FY2022 revenue reduced by 13.5% to RM398.4 million (FY2021: RM460.6 million), as the lower contribution from the property development and construction and engineering services segments was partially mitigated by the property investment and management services segment.

FY2022 Snapshot

Revenue

RM398.4 million

Profit Before Tax

RM68.9 million

Normalised PATMI

RM50.9 million

The property development segment noted RM143.3 million revenue in FY2022 (FY2021: RM197.2 million) on stages of work completed and timing of income recognition. The segment's profit before tax ("**PBT**") decreased 52.4% to RM16.6 million (FY2021: RM34.9 million).

Similarly, the combined revenue from the construction and engineering services segment stood at RM212.0 million in FY2022 (FY2021: RM227.1 million), corresponding with the progress of projects. In line with the decreased revenue, segment PBT reduced 18.8% to RM17.3 million (FY2021: RM21.3 million).

Our recurring income stream from the property investment and management services segment climbed 18.1% to RM43.0 million in FY2022 (FY2021: RM36.4 million). Due to fair value losses on investment properties, the segment's PBT declined 12.7% to RM39.7 million (FY2021: RM45.5 million).

This resulted in group PBT of RM68.9 million FY2022 (FY2021: RM79.6 million), after accounting for fair value losses on investment properties of RM3.3 million.

FY2022 net profit attributable to shareholders ("**PATMI**") stood at RM48.6 million (FY2021: RM53.5 million), while normalised PATMI[1] amounted to RM50.9 million in FY2022 (FY2021: RM61.2 million).

Statement of Financial Position

Nonetheless, we are pleased to report that AME maintained strong financial position, which renders us capable of capturing and executing our expansion plans.

The acquisition of the SiLC land for i-TechValley increased the Group's inventories, which was the primary driver of total assets growth of 27.0% to RM1.5 billion as at 31 March 2022 (end-FY2021: RM1.2 billion), as well as the corresponding rise in total liabilities to RM765.9 million (end-FY2021: RM479.6 million) mainly due to higher trade and other payables. Loans and borrowings inched up to RM249.4 million (end-FY2021: RM247.6 million).

The Group's higher retained earnings boosted shareholders' equity to RM706.0 million on 31 March 2022 (end-FY2021: RM674.5 million). Altogether, AME had marginally higher net gearing of 0.09x (end-FY2021: net cash), primarily due to its land acquisition to generate future returns.

[1] *After adjusting for fair value losses on investment properties (FY2022: RM2.3 million), net of tax and share of non-controlling interest*

MANAGEMENT DISCUSSION & ANALYSIS

AME HQ at i-Park@Senai Airport City

SHAREHOLDERS' REWARDS THROUGH DIVIDENDS

Since becoming a listed entity in 2019, AME has upheld its dividend policy to distribute at least 20% of annual PATMI, less fair value gain on investment properties.

In keeping with its responsibility, the Group declared an interim dividend of 2.5 sen per share in respect of FY2022, with total dividend payout of RM16.0 million representing 31% of PATMI, adjusted for fair value change of investment properties. This dividend was paid to shareholders on 7 July 2022, and we take this opportunity to express our deepest appreciation to our shareholders for your belief and loyalty.

GAINING INDUSTRY RECOGNITION

While pursuing excellence in customer service, AME is equally committed to best practices in investor relations ("**IR**") by providing timely and reliable disclosures of our financial performance and corporate developments.

Hence, it was an honour for AME to score a hattrick at the Malaysian IR Association (MIRA) Awards 2021, bringing home Best Company for IR (Small Cap), Best Chief Financial Officer for IR (Small Cap) and Best IR Professional (Small Cap).

These awards and accolades are a solid testament to the Group's unrelenting endeavour for excellence in investor engagements and communications while pursuing growth in our business operations.

FY2022 Dividend Snapshot

Dividend Per Share

2.5 sen

Dividend Payout

RM16.0 million

Dividend Payout Ratio

31%

OUR FUTURE STRATEGIES

In spite of the ongoing pandemic, AME continues to make great strides in our growth journey. We view adversities as opportunities and are confident of our ability to rise to the challenges during unprecedented times.

Our long-term strategies involve maximising the potential of our unique business model as an integrated industrial space solutions provider with the following key focus areas:

Attracting growth-oriented Foreign Direct Investment ("FDI") and Domestic Direct Investment ("DDI")

Malaysia remained an attractive investment hub in Southeast Asia and recorded its highest approved investments of RM306.5 billion in 2021[2] as well as RM42.8 billion in the first quarter of 2022.[3] Notably, Johor was ranked as one of the top five states with the highest number of total FDI and DDI projects approved in the first quarter of 2022.[3]

The growth prospects of the nation's FDI and DDI are promising, supported by the Government's initiatives to maintain open international borders and improve the nation's infrastructure. These factors are crucial impetus for multinational and domestic companies to continue investing in Malaysia for the long term.

The launch of i-TechValley is certainly timely in allowing us to better capture the growing FDI and DDI opportunities.

Expanding beyond Johor

The Group aspires to replicate the successes of our industrial parks beyond Johor into other high potential areas in the central and northern regions of Peninsular Malaysia. Hence, we are actively seeking out opportunities to acquire new land in suitable locations.

We are confident that our expansion beyond Johor will allow the Group to fulfil the needs of a larger customer base.

> Johor was ranked as one of the **top five states** with the highest number of total FDI and DDI projects approved in the first quarter of 2022.

Indoor gym facilities at i-Privilege Club

[2] *MIDA: Malaysia Records Highest Approved Investments Of RM306.5 Billion In 2021. Available at: <https://www.mida.gov.my/malaysia-records-highest-approved-investments-of-rm306-5-billion-in-2021/>*

[3] *MIDA: Malaysia Records RM42.8 billion Approved Investments For The First Quarter 2022. Available at: <https://www.mida.gov.my/media-release/malaysia-records-rm42-8-billion-approved-investments-for-the-first-quarter-2022/>*

MANAGEMENT DISCUSSION & ANALYSIS

The synergetic relationship between AME and AME REIT is expected to drive growth… by **unlocking the value** of our assets.

Unlocking value in leasing properties with REIT

On 11 May 2022, AME shareholders approved at the Extraordinary General Meeting ("**EGM**") to dispose of 31 industrial properties and 3 industrial-related properties to AME REIT for a total consideration of RM557.0 million, to be satisfied via the proposed issuance of 520.0 million units in AME REIT and cash consideration of RM37.0 million.

AME shareholders also voted in favour of a proposed offering of 254.8 million units, representing 49.0% of total 520.0 million units in AME REIT. AME shareholders would be offered up to 156.6 million Restricted Offer For Sale (ROFS) units on the basis of 1 ROFS unit for every 5 ordinary AME shares on the entitlement date, while 7.8 million units would be made available to eligible employees and directors of AME and subsidiaries, and 10.4 million units to the Malaysian public.

The remaining 80.0 million units will be offered to Malaysian institutional investors and selected investors, including Bumiputera investors approved by Ministry of Trade and Industry.

With AME REIT established on 23 May 2022 upon registration with the Securities Commission, followed by the approval received from Bursa Securities on 2 June 2022 for the proposed listing, AME REIT is expected to be listed in the third quarter of 2022.

Upon its debut on the Main Market, AME REIT will be the main vehicle representing the property investment activities of the Group.

The synergetic relationship between AME and AME REIT is expected to drive growth for the Group, by unlocking the value of our assets. Meanwhile, AME REIT will stand to secure a strong portfolio of industrial and industrial-related properties from our pipeline of projects that fits its investment criteria, in addition to sourcing other suitable assets externally to be added into its portfolio.

MITIGATING RISK

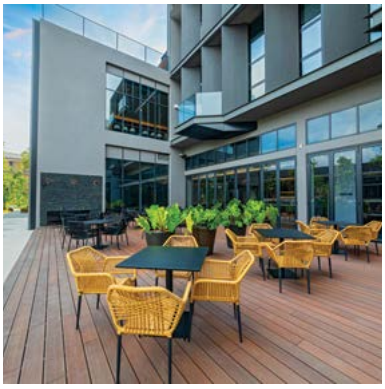
Supply chain disruption

Our business operations in the property development, construction and engineering segments are subjected to the availability and price fluctuation of raw materials such as steel and concrete, as well as construction equipment and machineries. The Group had mitigated part of the adverse impacts of the supply chain disruptions by purchasing raw materials in bulk and leveraging on good working relationships with our suppliers.

Furthermore, the Group is not shielded from the industry-wide shortage of foreign labour, and have submitted applications to the Government for new foreign labour intake at the earliest possible date.

The ongoing trade war between US and China, growing **supply chain diversification** to include Southeast Asia, and integrated industrial parks are key decision factors for clients to establish their presence in our industrial parks.

Open collaborative spaces at AME HQ



NEW CORPORATE HEADQUARTERS AND SALES GALLERY

Signifying our persistent growth, AME relocated to our new purpose-built corporate headquarters at i-Park@Senai Airport City in end-2021.

The new 53,820 sq ft headquarters amalgamates modern aesthetic designs with the lush greenery of nature, as we mindfully create indoor and outdoor spaces that foster a culture of collaboration, community and creativity toward achieving collective excellence.

The headquarters is connected to the i-Privilege Club, providing a host of fitness facilities and a stunning pool view amid beautifully-curated landscape. With this, we advocate holistic wellness even as we journey ahead.

Economic fluctuation

While prospects of full recovery from the pandemic remain uncertain, the Group is at risk of future international borders closure whereby our foreign clients will not be permitted to enter the nation for site visits, possibly impacting the demand of our industrial properties.

However, for FY2022, the Group had successfully mitigated the risk with greater adoption of digital communication and marketing efforts to continuously secure new customers amid the challenging business landscape. In fact, we have seen our efforts come to fruition when we recorded best-ever sales of industrial properties in FY2022.

Besides that, our new clients have attributed the ongoing trade war between US and China, growing supply chain diversification to include Southeast Asia, and our integrated industrial parks as key decision factors to establish their presence in our industrial parks. With our commitment to improvement and expansion, we believe that the demand of our industrial parks will continue to grow in the future.

APPRECIATION AS WE LAUNCH INTO THE NEW ERA

My sincere gratitude goes to our dedicated management team and all employees of AME for their invaluable contributions amid a challenging year. I would also like to thank our clients, suppliers, business associates and our valued shareholders, as our commendable performance during the year would not have been possible without their unwavering support.

As the Group launches into a new era, we will strive to emerge stronger from adversities to achieve even greater milestones in years to come.

SUSTAINABILITY STATEMENT

AME Elite Consortium Berhad ("**AME**" or the "**Group**") is pleased to present our Sustainability Statement for the financial year ended 31 March 2022 ("**FY2022**"), which outlines the framework set in place to instil sustainable principles across our operations.

SUSTAINABILITY AT AME

AME strives to deliver services that are crucial to the growth of our local economy and contribute to the nation building efforts via catalysing the modern industrial park space and through sustained activities in construction, engineering, solar energy solution and by providing dormitory services. As we are on a journey to ingrain sustainability into the Group, this Sustainability Statement focuses on laying the foundations to improve our sustainability performance through setting up systems and enhancing the monitoring and tracking of key disclosures. We also have ambitions to progress our sustainability efforts strategically and have begun the process of engaging with an external consultant to assess our economic, environmental, and social ("**EES**") risks and opportunities, and develop a guiding framework. This will enhance our ability to make a meaningful impact through our initiatives and efforts, and to create sustainable value for shared success.

Reporting Approach

AME Elite Consortium Berhad ("**AME**" or the "**Group**") Sustainability Statement 2022 ("**Statement**") focuses on the Group's management and current performance of its EES risks and opportunities. This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements ("**Bursa Malaysia**") related to Sustainability Statements in Annual Reports and is guided by the Global Reporting Initiative ("**GRI**") Standards and the United Nations Sustainable Development Goals ("**SDGs**"). We have also started to enhance our climate-related disclosure transparency by aligning with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). The Statement has been reviewed internally by the management and approved by the Board of AME for accuracy and credibility.

Scope and Boundary

The Statement encompasses all business operations of AME and its subsidiaries within the geographic scope of Malaysia. The divisions covered are Property Development, Property Investment and Management Services, Construction and Engineering, unless otherwise stated.

Reporting Period

The Statement covers the financial year period from 1 April 2021 to 31 March 2022 ("**FY2022**"), unless otherwise stated.

STAKEHOLDER ENGAGEMENT

At AME, we aim to maintain our stakeholder's interests as our highest priority. Our effort to generate sustainable revenue is implemented through the quality projects we deliver whilst creating opportunities for rewarding and meaningful employment. Some of our approaches to creating value for our businesses and stakeholders are working with local suppliers, contractors and vendors, providing financial aid along with volunteering to support communities.

Engagement with key stakeholders plays a vital role in our sustainability journey. We believe that stakeholder engagement is crucial in identifying room for improvement and setting our sustainability expectations. We continue to form, strengthen and maintain valuable connections with stakeholders through various engagement channels. Our engagement mechanisms for each stakeholder group are summarised in the table below.

Stakeholder	Engagement	Frequency of Engagement	Key Topics Raised/Areas of Interest/ Expectations in FY2022
Employees	• Training programmes	Monthly/As needed	• Career development • Equal opportunity • Occupational health and safety • Fair and competitive remuneration benefit • Employee wellbeing and conducive work environment • Employee engagement • Knowledge and skill enhancement • Job security
	• Educational programmes	Monthly/As needed	
	• Safety inspections	Monthly/As needed	
	• Performance reviews	Annual	
	• Surveys • Code of ethics • Community development programmes • Conferences/Seminars/ Workshops • Interviews • Face-to-face meetings • Newsletters	As needed	

SUSTAINABILITY STATEMENT

Stakeholder	Engagement	Frequency of Engagement	Key Topics Raised/Areas of Interest/ Expectations in FY2022
Customers	• Customer satisfaction survey	Quarterly/As needed	• Pricing • Quality products and services • Timely project delivery • Customer service and experience • Health, safety and environment (HSE) practices • Green and sustainable products • Property design • Defect rectification
	• Suggestion box • Social media • Newsletters	As needed	
Vendors/Suppliers	• Supplier assessment • Surveys • Face-to-face meetings • Conferences	As needed	• Supply chain management • HSE practices • Legal compliance and contractual commitments • Product and service quality and delivery • Cost effectiveness • Payment schedule • Fair and transparent procurement process
Regulators/ Certification Bodies	• Audit	Quarterly	• Corporate governance • Regulatory compliance • Certifications • Environmental management and compliance
	• Presentations • Site visit	As needed	
Local Communities	• Community charity events • Internships • Press releases • Social media	As needed	• Community investment and community engagement • Job creation and internship opportunities • Local welfare
Shareholders	• Annual report	Annual	• Corporate developments • Financial performance • Growth plans • ESG practices • Risk management • Corporate governance • Transparent disclosure
	• Annual General Meeting	Annual	
	• Fund/analyst briefing	Quarterly/As needed	
	• Investor relations website • Press releases • Face-to-face meetings • Site visits • Surveys	As needed	
Media	• Interviews • Press releases • Advertising	As needed	• Brand image • Reputation • Corporate news • Industry outlook

MATERIALITY

The materiality assessment is utilised as a key component in enhancing sustainability at AME. In order to gain a deeper understanding of the various interests of stakeholders as well as internal and external factors that affect our businesses, we have conducted an in-depth materiality assessment exercise in FY2021. Our materiality assessment process is set out in four steps below:

Our Materiality Assessment Process

Step 1

SSC discussed and identified a pre-defined list of sustainability matters relevant to AME's business operation.

Identification

Step 2

Conducted surveys with internal and external stakeholders to gauge the significance of the pre-defined list of sustainability matters to AME and its stakeholders.

Engagement

Step 3

Collated and analysed information and response from the surveys provide insight on the level of importance of each material matters to AME and its stakeholders.

Prioritisation

Step 4

Final results of the materiality assessment are reviewed and validated by the SSC and management of AME.

Validation

The global health crisis brought upon by COVID-19 has impacted businesses in every aspect even as business resilience remains central to the agenda for business continuity during this challenging time. Despite this, the material topics identified through FY2021's materiality assessment continue to be in practice throughout FY2022 as they are still reflective of our business operations even during this challenging time. Moving forward, we aim to conduct a refreshed materiality assessment in FY2023.

Our Materiality Matrix

SUSTAINABILITY STATEMENT

Key Material Topics at AME

Material Matters	Description	SDG
Economic Performance	Value creation, financial performance and growth	
Risk Management	Management of business risks, minimising downside risks and capturing opportunities facing the company	
Customer Satisfaction	Ensuring customer satisfaction, quality product and services, and timely delivery of products/services	
Anti-Bribery and Anti-Corruption	Conducting business dealings with integrity, avoiding practices of bribery and corruption of all forms in the daily operations of the business	
Supply Chain Management	Robust procurement capabilities and reliable supply chain, contribution to the development of the local economy (local procurement)	
Employee Development	Training, education and career development	
Occupational Health and Safety	Health, safety and environmental management	
Energy Management	Efficient use and consumption of energy	
Water Management	Efficient use of and consumption of water	
Emissions	Managing Greenhouse Gases (GHG) emissions	

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations' Sustainable Development Goals ("**UN SDGs**") call for action on sustainable development by encouraging businesses to take meaningful actions for positive contributions to the protection of the planet and peace of the people by 2030. Along with world leaders across the globe, Malaysia adopted this global commitment in September 2015. In FY2022, AME has strengthened our reporting against the UN SDGs by identifying key contributions in line with the specific targets of the SDGs relevant to the nature of our businesses and supports those goals as outlined below:

SDG	Targets	Our Contributions in FY2022
	Target 3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	More than RM10,000 invested in COVID-19 survival boxes for communities affected 2,913,114 man hours worked without lost time injury
	Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Average 4.03 training hours per employee RM67,368 invested in general and specialised training courses In FY2022, a total of 31 interns were trained under the guidance of experienced employees at AME
	Target 8.8: Protect labour rights and promote safe and secure working environments for all workers	Providing employment to 126 new recruits 508 hours of EHS-related training including risk and hazard identification Achieved zero fatalities across all divisions
	Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix	Expected to generate an estimated 346,000 kWh from the solar panels installed at our corporate office HQ, which will be equivalent to approximately savings of RM 156,800
	Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being	We are working towards the Green Building Index (GBI) Certification for our corporate office HQ and i-Park Experience Centre
	Target 11.1: Ensure access to adequate, safe and affordable housing and basic services	Our i-Stay workers dormitories uphold high living standards for the workers' better quality of living, and health and safety
	Target 16.5: Substantially reduce corruption and bribery in all forms	100% of our employees were trained/briefed on our Anti-Bribery and Anti-Corruption Policy with zero cases of non-compliance

MEMBERSHIP ASSOCIATIONS

Division	Membership Associations
Corporate	• Malaysian Investor Relations Association (MIRA)
Property Development	• Real Estate & Housing Developers' Association Malaysia • Federation of Malaysian Manufacturers • Johor Bahru Chinese Chamber of Commerce and Industry • Singapore Precision Engineering and Technology Association • FIABCI-Malaysia International Real Estate Federation
Engineering	• Malaysian Photovoltaic Industry Association • Malaysian Fire Protection Association • Construction Industry Development Board G7
Construction	• Master Builders Association Malaysia • Construction Industry Development Board G7 • Malaysian International Chambers of Commerce & Industry
Property Investment & Management Services	• Federation of Malaysian Manufacturers • Malaysian REIT Managers Association (MRMA)

SUSTAINABILITY STATEMENT

AWARDS AND ACCOLADES

Honorary Mention award for The Edge Malaysia PAM Green Excellence Award 2021 – i-Park@Senai Airport City

In FY2022, our i-Park@Senai Airport City received the Honorary Mention award from The Edge Malaysia PAM Green Excellence Award 2021. The award recognises property developments that demonstrate innovation beyond industry standards and outstanding sustainable design that make a positive impact on communities. i-Park@Senai Airport City features a large green lung area in its development, and practical integration of sustainable and green design considerations in its building design. We promote work-life balance at our industrial park with purpose-built recreational facilities such as a gymnasium, swimming pool, multipurpose hall, pedestrian walkway, and others. AME is humbled to have been recognised for our efforts and received this honorary mention.

Past Sustainability Accolades

EdgeProp Malaysia's Responsible Developer

Building Sustainable Development Award 2018 for AME Development Sdn. Bhd.

Starproperty.my Jewels of Johor Awards 2018

Best Sustainable Development "Honours" for i-Park@Indahpura

The Iskandar Malaysia Accolades (TIMA) 2016/2017 – Platinum Winner

"Most Conducive Workplace" for i-Park@Indahpura

A CULTURE OF GOOD GOVERNANCE

At AME, we strive to ensure that good governance and integrity are at the core of our business practices for our long-term viability. As an integrated and comprehensive industrial space solutions provider, we focus on maintaining our credibility and stability by placing "Integrity and Governance" as one of our key material considerations.

OUR SUSTAINABILITY POLICY

This year, we achieved a milestone through the formal adoption of our Sustainability Policy in February 2022. The policy serves as the framework for AME's sustainability commitments on integrating sustainability into the Group's business strategies, processes and decisions. It details commitments in four focus areas: (1) Economic, (2) Environment, (3) Social, and (4) Governance. We believe that the policy reflects our initiative to maintain transparency, accountability, safety, ethics and integrity as core values of our business practices. This is in an effort to be a responsible and accountable business that contributes towards the global sustainability agenda whilst minimising negative impacts that may arise from our business operations.

We are continuously looking to improve our efforts and we are confident that this policy will provide guidance and create awareness amongst employees on the Group's strategic direction on sustainability in the years to come. As such, we will start our journey in developing a Sustainability Framework soon which will serve as a compass to embed and operationalise sustainability within AME.

Scan here for more information on our Sustainability Policy

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

The importance of foundational and effective sustainability governance, including clear definitions of accountability, roles, and responsibilities, is important to AME to ensure that progress is made in line with our sustainability goal and in accordance with our Sustainability Policy. Our sustainability governance structure is summarised as follows:

Role	Responsibilities
Board of Directors	• Maintains general oversight of the Group's sustainability strategy and performance • Regular reviews the Group's sustainability progress and sets the aspirations on sustainability matters
Sustainability Steering Committee ("SSC")	• Chaired by the Alternate Director to the Group Managing Director with members consisting of one key sustainability representative from each business division • Manages the planning and integration of sustainability initiatives into the Group's business strategies and operations • Reports directly to the Board and meets at least quarterly to ensure key sustainability decisions are made in accordance with the Group's business strategies and to ensure the availability of adequate resources for the successful implementation of sustainability strategies and initiatives
Sustainability Working Group ("SWG")	• Oversees daily management of sustainability matters for the effective integration of sustainability throughout the Group • Implements the sustainability strategy and initiatives, performs data gathering, tracks sustainability progress and reports sustainability progress and performance to the SSC • Led by the key sustainability representative from each division and its members are working-level representatives from every department

With regards to Board diversity, our Sustainability Policy outlines our commitments to cultivate a diverse and inclusive culture within the workplace. This also extends to the Board level where there is currently 25% of women representation at Board level. It is important to us that our leadership consists of directors that provide a wide range of perspectives that can help AME in its decision-making process and achieve its strategic objectives. In an effort to increase diversity at the top, we strive to achieve a representation of at least 30% of women at the Board level.

UPHOLDING INTEGRITY AND BUSINESS ETHICS

We hold ourselves to the highest ethical standards and aim to run our business operations in accordance with all applicable laws, rules, and regulations. We truly believe that building a culture of accountability among employees and stakeholders that we work with will consolidate our commitment to upholding integrity and business ethics as the core of our business practices. This is communicated in our company's codes and policies:

Code of Conduct and Ethics

The AME Code of Conduct and Ethics ("**CoC**") establishes the tone and expectations for ethical behaviour, as well as guiding our operations to guarantee compliance with all applicable laws, rules, and regulations. The CoC is communicated to all of our workers through our website and upon employment, and they are expected to follow it. Disciplinary action, including termination of employment, may be taken in response to any violations or non-compliance.

In FY2022: 100% of our employees are informed on the CoC with zero cases of breach of the CoC.

Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption ("**ABAC**") Policy outlines AME's commitment towards zero-tolerance against all forms of bribery and corruption and is in adherence to Section 17A of the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009. The ABAC Policy has been made compulsory to all our employees where existing and new staff are given a briefing on the ABAC Policy upon employment. Employees will be met with disciplinary action, including the potential of termination, if they do not comply with the ABAC Policy.

In FY2022: 100% of new employees were informed on the ABAC Policy with zero cases of non-compliance.

Whistleblowing Policy

The Whistleblowing Policy outlines the procedures which enables anyone who have a working relationship with the Group to anonymously raise their concerns on possible non-compliance or concerns on improper conduct within the Group in an appropriate manner. It is the responsibility of the Whistleblowing Officer to take necessary actions to deal with the concerns raised, as well as to report to the Audit and Risk Management Committee on a quarterly basis.

Employees and parties who have dealings with AME who suspect incidents of corporate wrongdoing can report through a dedicated form or email address:

whistleblow@ame-elite.com

www.ame-elite.com

In FY2022: Zero cases of non-compliance were reported through the whistleblowing platforms.

MORE *Further information on our codes and policies can be accessed on our website www.ame-elite.com*

SUSTAINABILITY STATEMENT

RISK MANAGEMENT

At AME, risk management is a crucial element of our operations. Our resilient risk management framework includes policies and procedures for identifying, evaluating, and managing key risks, as well as safeguarding the interests of our stakeholders and shareholders. We have adopted a Risk Management Framework that is developed based on the principles and guidelines of internationally recognised standards such as the ISO 31000 Risk Management and the Committee of Sponsoring Organisations ("**COSO**") Enterprise Risk Management ("**ERM**") 2017.

We recognise that our ability to operate sustainably and generate long-term value for business success is driven by economic, environmental, and social ("**EES**") risks. As we are highly aware of the potential losses that will affect the business due to failure in appropriately addressing EES issues, we are actively working towards identifying our EES risks to effectively manage and mitigate them with adequate systems and actions. In this report, we have outlined key risks and opportunities based on global and industry-specific trends, and mapped our actions and responses in proactively managing and mitigating these risks.

EES Risks

The key to AME's success in meeting the needs of our shareholders and investors is to maintain financial growth and increase economic productivity while assuring long-term value creation. With economic performance, we face risks such as financial loss, changing customer demands and needs, competition, changing regulatory requirements and political landscape. There are also opportunities for new projects, contribution to nation building, and economic growth.

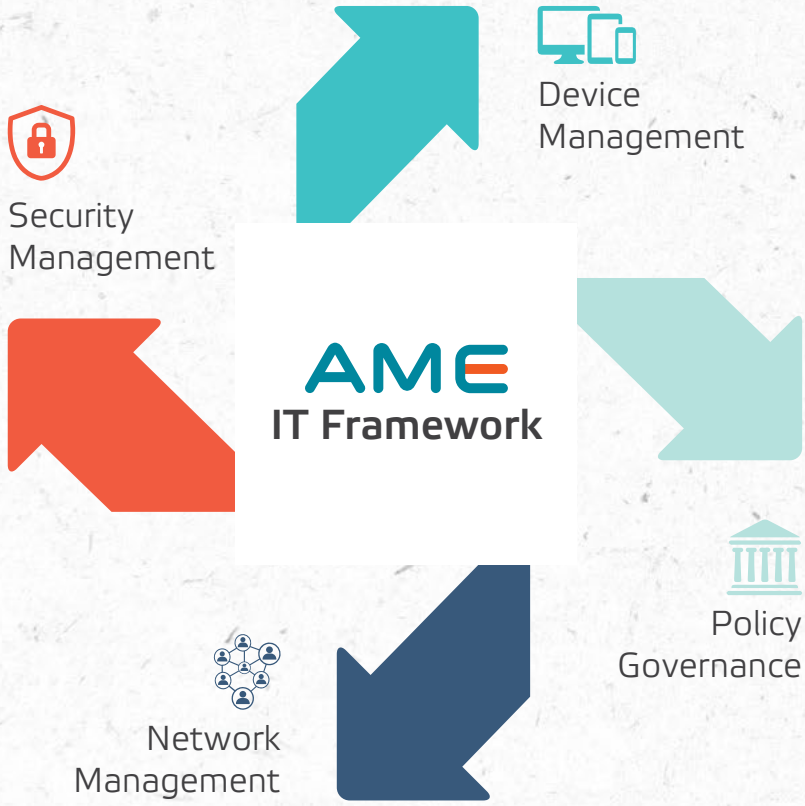
To protect our employees, contractors, communities, and other stakeholders, AME places great focus on maintaining strong safety and health standards. This is especially crucial in our construction and engineering divisions, where workers are exposed to dangerous and hazardous situations. Additionally, the global importance of workplace health and safety has been heightened by the advent of the COVID-19 pandemic. This can lead to the risks of increased medical expenses, poor wellbeing and productivity, reputational risks and regulatory fines. This gives us the opportunity to foster a culture of safety through employee engagement and robust management systems, and focus on training for specialised skills.

At AME, we are always looking to adopt the best digital solutions and technologies that enhance our operational efficiency and productivity for growth. The recent acceleration on the transition to the digital space, especially catalysed by the COVID-19 pandemic – exposes businesses to more complex cyberthreats. This poses risks such as disruptions of business and operations due to competition from fast moving competitors, replacement of jobs with digital solutions, new skills demand, and data theft. We take the responsibility of ensuring stringent measures for data privacy and security seriously through robust management systems and engagement with our employees to safeguard our customers' and workers' data and information. There is the opportunity here to adopt automation to streamline operations, use data analytics to increase efficiencies, and build a future ready workforce through skill set enhancements.

MORE *Further information on our risk management is detailed in the Statement on Risk Management and Internal Control section in this Annual Report.*

DATA SECURITY AND PRIVACY

The COVID-19 pandemic has led to an inevitable rise in the use of digital technologies and the demands placed on the digital infrastructure have skyrocketed. Although the digital transformation era encourages innovation, there are also concerns of cybersecurity threats which could significantly affect AME's business operations. We strive to ensure that transparency, accountability and mutual trust with our customers and workers form the basis of our operations, and thus we aim to protect their privacy by maintaining the security of their personal information in compliance with the Personal Data Protection Act 2010. Our IT framework encompasses four main digital protection measures to ensure proper handling of information and personal data:



SUSTAINABILITY STATEMENT

The Board has oversight of the Group's cyber preparedness, strategy, and legal implications of cyber risks. As a guiding framework, we follow five principles to practise robust cybersecurity in the workplace:

AME Principles of Cyber Security Framework

Identify
Identification of cyber risks through risk assessments, policies, and management strategies.

Protect
Protection from cyber threats via data security measures, access control, awareness training, and robust procedures.

Detect
Detection of threats through continuous monitoring, use of detection technologies, and staying vigilant of anomalous events.

Respond
Response to cyber threats include remediate planning, and enhanced risk mitigation and security measures.

Recover
Recovery from cyber threats include use of backup recovery tools and planning.

In FY2022, we recorded **zero cases** concerning breaches of customer and employee privacy or loss of data.

AME continuously enhances cybersecurity measures by investing in IT solutions such as firewall tools and ransomware protection software. In FY2022 we invested in upgrading our network infrastructure, installation of WiFi to improve connectivity for guests, and use of cloud storage system for convenient accessibility of files and documents. We continue to increase our efforts to safeguard the privacy and data protection of our employees and customers, we proactively invest in initiatives such as server virtualisation, workstation management, and VPN access through multi-factor authentication that are currently in development and will be implemented in the near future.

It is our utmost priority that our employees are vigilant of cyber risks and aware of effective measures for cybersecurity protection. As a way of strengthening our cybersecurity governance, we conduct security awareness campaigns on a regular basis and frequently communicate cybersecurity-related information via email to our employees. This educates our employees on phishing prevention, email safety best practices, and cyber threat risks identification.

AME IT Training

DELIVERING WITH QUALITY AND PURPOSE

AME's vision is to be a leading industrial space solutions provider in the region that offers a complete suite of capabilities. We strive to provide the finest products and services which will improve customer experience and satisfaction, contribute towards boosting our reputation, and increase our market value. In conjunction, we also work towards mitigating risks in project delivery to achieve excellence across our business divisions and value chain.

Our modern industrial spaces catalyse the local manufacturing industry and provide key opportunities for the growth of the economy. We are cognisant of the impact we create on the socio-economic landscape in Malaysia via our business growth. In FY2022, we generated an economic value of RM398.4 million, where RM373.0 million (93.6%) was distributed via operational costs, employees' wages and benefits, payments to providers of capital, payments to governments and community investment.

We recognise the importance of operational excellence towards the growth of our company and our ability to create long-term value. Quality assurance, internal mechanisms and regulatory compliance across our business divisions are fundamental to our operational successes. We have also adopted industry-relevant technologies and digitalisation efforts to elevate and optimise our operations to create further value for our customers through our services.

SUPPORTING COMPANY GROWTH VIA OPERATIONAL EXCELLENCE

The successes of our award-winning industrial parks are driven through stewardship of our processes at every level – from land acquisition and development to sales and marketing. To ensure operational excellence and service quality, we adopt and adhere to several industry-specific regulations, guidelines and frameworks across our divisions.

Regulatory and Quality Management Systems at AME

Upstream → Downstream

Property Development	Construction	Engineering	Property Investment & Management Services
ISO 9001:2015 Quality Management System			
• Uniform Building By-Laws 1984 • Town and Country Planning Act 1976	Construction Industry Development Board ("**CIDB**") Act 1994		• Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446) • Department of Labour Requirements • Responsible Business Alliance Requirements
	• Malaysian Construction Industry Standards ("**CIS**") • ISO 45001:2018 Occupational Health and Safety Management System	• Uniform Building By-Laws 1984 • Electricity Supply Act 1990 (Act 447) • Environmental Quality Act 1974 • Occupational Safety and Health Act 1994 • MS 1837:2018 Installation of Grid-Connected Photovoltaic • MS IEC 60364-7-712:2017 Requirements for special installations or locations – Solar photovoltaic (PV) power supply system • IEC 61724: Photovoltaic system performance monitoring – Guidelines for measurement, data exchange and analysis	

We adhere to the ISO 9001:2015 Quality Management System certification throughout our business divisions across our value chain starting from our Property Development division. Our ISO 9001:2015 standards have been certified by SIRIM QAS International.

At our Construction division, quality assurance is an end-to-end process involving material inspection, client particulars, project performance evaluation, and quality assurance procedures from project commencement to the Defects Liability Period ("**DLP**"), as guided by our Quality Control Plan ("**QCP**").

Under the QCP, there are processes that guide AME to ensure that the individual needs of each project are met according to the plans and specifications through regular evaluation of work progress. As part of our services, we offer assistance during the DLP, with the target of resolving and rectifying concerns within 14 days. The superintendent officer will issue the Certificate of Making Good Defects once all issues have been resolved.

How we ensure project quality excellence

- QCP tailored to client's needs
- Inspection of materials received for accuracy and quality
- Monitoring of progress against QCP
- Regular engagement and updates with clients
- Quick response to resolve complaints during DLP

As a trusted provider of engineering expertise in the steel structure and precast concrete industry, our Engineering division holds great importance in ensuring the highest quality in their projects from business development, procurement, fabrication, testing to inspection activities. We have clear and effective standards of procedures that embed value engineering and outline the end-to-end processes involved in ensuring the delivery of our projects as well as project quality reports to evaluate the quality of the projects.

Our Property Investment and Management division comprises AME Group's leasing assets as well as i-Stay workers' dormitories. We strive to uphold the best quality of leasing and management services to meet the needs of our clients and tenants.

Creating Comfortable Living Environments

We pride ourselves on upholding fair and equal treatment towards our tenants and employees at our i-Stay dormitories by safeguarding their health and safety, and creating a comfortable living environment for all tenants in line with our Sustainability Policy. We strictly adhere to the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446) and meet the requirements of the Department of Labour. Going above and beyond, we are also guided by the requirements of the international industry coalition, Responsible Business Alliance ("**RBA**").

Human Rights

As highlighted in our Sustainability Policy, we recognise our responsibility to respect human rights across our business operations. We do not tolerate child labour and any form of forced labour or exploitation in our operations. We strictly adhere to Malaysia's Employment Act 1955 and as a result of our strong stance on respecting human rights, **we successfully achieved zero incidents of human rights violations in all the places we operated in FY2022**.

SUSTAINABILITY STATEMENT

DIGITAL SOLUTIONS FOR BUILDING BETTER FUTURES

Aside from the rapid transition in the adoption of innovative technologies and digital solutions sparked by COVID-19, in Malaysia, we also observe a push towards investing in digital technologies to meet the current and future needs through the introduction of the National Fourth Industrial Revolution ("**4IR**") Policy and Malaysia Digital Economy Blueprint.

Technology For A Greener Future

Quantum Renewable Energy Sdn. Bhd. ("**QRE**") is a joint venture between AME's subsidiary Symphony Square Sdn. Bhd. ("**SS**") and Baozhou New Energy Technology Sdn. Bhd. ("**BNET**") with the objective to provide a solar turnkey engineering, procurement, construction and commissioning ("**EPCC**") service for commercial and industrial buildings, tailored to customers' needs. The activities of QRE also include solar panel installation and connectivity to the Net Energy Metering grid, solar tracking systems, and distribution of solar panels.

To harness the technologies of today, QRE utilises a photovoltaic simulation software that has features for 3D design and modelling as well as precise estimates for energy production that allows us to produce preliminary solar proposals for customers. Through utilising this software, we are able to improve the efficiency of the project process by avoiding serious near-shading effects, optimising system performance ratio, and reducing design errors, which results in cost and time savings.

To improve operational resilience and business growth, we hone on existing digital technology within the industry and embraced new digital-based solutions. Our Engineering and Construction divisions use a variety of digital solutions to optimise overall planning and execution processes, resulting in many benefits such as cost savings, time savings, and waste reduction.

Utilising Industry-Specific Digital Solutions

Industrialised Building System ("**IBS**")	Building Information Modelling ("**BIM**")

Our IBS specialises in steel fabrication and precast concrete facilities. The highly mechanised technology in a controlled environment enhances our capabilities to achieve better design flexibility, efficiency, and quality control. It allows us to reduce construction time and costs, improve the quality of buildings, enhance the safety of workers by reducing time spent at site, and reduce waste produced.

BIM allows for the digital and 3D development of a virtual model of a building on a shared platform, allowing for accurate planning, scheduling, and cost estimation. This is limited to the steel structure aspect of the engineering division where 3D modelling is utilised. This allows us to improve productivity at the design stage, reduce errors in the construction phase, minimise the need for modifications, and ensure timely delivery of projects.

In addition to our IBS and BIM tools, the Construction division uses Enterprise Resource Planning ("**ERP**") to manage key aspects of day-to-day business operations on one system where it is able to handle the full life cycle of construction activities. This includes accurate cost management and quoting of contracts to resource management, which allows for complete project management visibility. By utilising ERP, we are able to optimise processes, simplify collaboration with suppliers and contractors as well as accelerate company growth. We are constantly looking for ways to improve our operations and are currently trialling a digital solution to help us customise and create our own digital reporting and record-keeping system on daily progress and defects tracking.

We also harness digital solutions within our Property Investment and Management division to ensure the safety, security and convenient access of services to tenants in our i-Stay dormitory:

Biometric Security System

Our biometric turnstile access control system ensures the safety and security of our tenants where only registered tenants are allowed to enter and exit the dormitory blocks. We are currently developing an application ("**app**") for maintenance and security.

Defects Reporting

To digitise the defects complaint and reporting system, we have introduced an e-form where tenants can submit their complaints and reports of defects in the dormitories from the convenience of their mobile devices instead of manually filling in a physical form. This allows us to reduce paper usage as well as increase response and rectification time.

COVID-19 Monitoring and Updates

i-Stay employees record their COVID-19 test results through a mobile app for management to keep track of their health status. They are also provided updates on COVID-19 within the i-Stay dormitories through the app.

Parcel Distribution

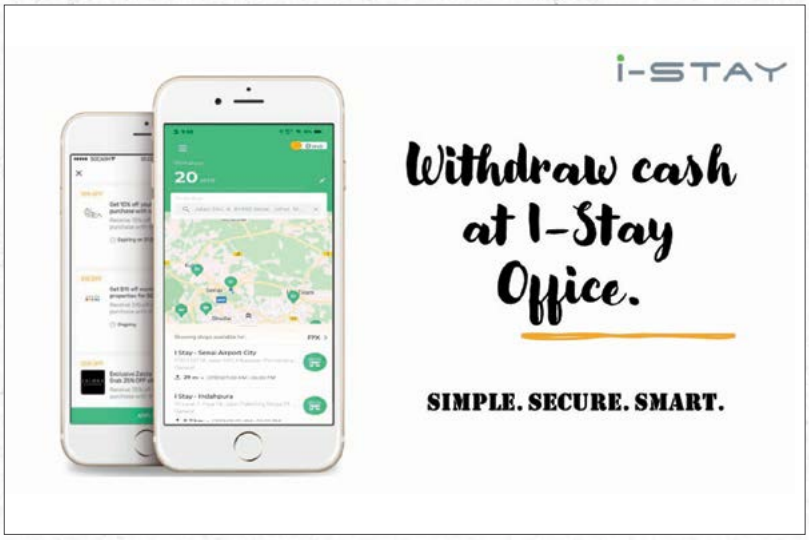
To improve the efficiency and convenience of parcel distribution within i-Stay, we invested in a mobile app where tenants are notified when their parcels have been delivered so that they can set an appointment for collection at their convenience.

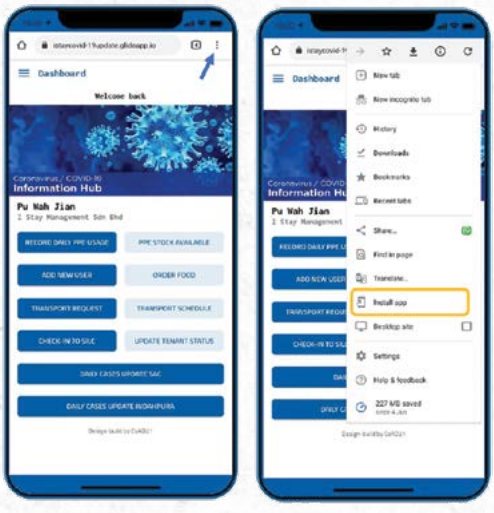
Digital ATMs via SOCASH

For the convenience of our tenants, we utilise the SOCASH app to make it easy for tenants to withdraw cash at the i-Stay office instead of finding an ATM machine. This method of digital cash withdrawal makes withdrawing money accessible and close to the proximity of the dormitories.

Hostel Management System

We utilise a hostel management system to digitise the process of recording our tenants' personal information such as work permit expiry and passport identification. The system will send a reminder that alerts our i-Stay staff once the workers' documentations are close to expiration. The i-Stay staff will then inform and request the clients to update the workers' permits and/or passports.





SUSTAINABILITY STATEMENT

MEETING CUSTOMER EXPECTATIONS

At AME, we prioritise customer experience and we are determined to understand customer expectations which would enable us to deliver excellence. As a step towards that, we have established digital channels in our Property Development division to receive feedback after project completion and handover on the quality and workmanship, timeliness of defect rectification, professionalism and responsiveness to enquiries. Through these methods, we also keep the relevant parties up to date on the status and progress of defect rectification.

Senior management is made aware of the concerns raised by customers, we compile and present the main concerns and recurring issues raised through the feedback platforms on an annual basis. In FY2022, we received a customer satisfaction score of 89% for the four units that were handed over in the year.

For our Construction division, the Quality Assessment System in Construction ("**QLASSIC**") remains a key industry standard for evaluating the quality of construction in Malaysia, as carried out by the Construction Industry Development Board ("**CIDB**"). The assessment is conducted in accordance with quality standards stipulated in the Malaysian Construction Industry Standard ("**CIS**") CIS 7:2021 Quality Assessment System for Building Construction Works and results in a final score that identifies the quality of product and workmanship of completed construction projects. In FY2022, the offices and clubhouse at our corporate headquarters received a score of 74% to 82% respectively.

Our Engineering division operates as an individual and integrated service, similar to the Construction division. We have two customer segments comprising internal AME divisions as well as contracts from external parties. We conduct customer satisfaction surveys on a project basis where they evaluate the quality, cost-effectiveness, timeliness, and safety of the projects.

As the provider of housing to our client's workers, we are determined to ensure transparency and mutual trust between AME and our clients to care for their workers in the dormitories. In progressing towards that, we have created a designated group chat with our i-Stay management representatives where our clients can submit their feedback and complaints. We strive to address and respond to their feedback as soon as possible. Additionally, our tenants are able to convey their complaints about defects through a dedicated e-form.

We place emphasis on creating a welcoming environment for all tenants at our i-Stay dormitories. With a diverse group of tenants that have been with us over the years, we took the initiative to produce an introductory video tailored to the new tenant's national language, which is in alignment with supporting a diverse and inclusive culture as highlighted in our Sustainability Policy. This was done to make the new tenants feel welcomed and comfortable in their new home and integrate smoothly into the dormitory environment.

BUSINESS RESILIENCE BEYOND THE PANDEMIC

Globally, the COVID-19 pandemic has set the precedent for stronger EES practices to be embedded into business as usual to remain resilient. As we progressively recover from the impacts of the pandemic, AME has remained operationally resilient by leveraging on opportunities in engaging customers via alternative channels as well as utilising internal protocols to enable the safety of our stakeholders.

As a response to the prolonged COVID-19 pandemic and movement control order (MCO) restrictions, our property development team adapted and employed new methods and technologies to continue meaningful engagement with our customers. This provides our customers various channels of opportunities to learn about our projects, particularly the i-Park@Senai Airport City projects, through an immersive experience from the safety and comfort of their homes.

Virtual Engagements

Virtual Exhibitions

This year we participated in the Taiwan-Malaysia Industrial Collaboration Summit, EdgeProp Malaysia Virtual Property Expo 2021, and Federation of Malaysian Manufacturers Virtual Pavilion where we showcased our ongoing projects.

Video Showcases

To allow customers to view our in-progress and completed i-Park units, we produced informational videos that were shared on social media platforms to allow customers to view the units at their own pace.

3D animation and Virtual Reality Walk Throughs

For a more interactive and immersive experience, we also invested in virtual reality (VR) and three-dimensional (3D) tools that allow customers to feel as though they are physically at the site.

Combatting COVID-19 at i-Stay

During the surge of COVID-19 cases across Malaysia, our management team at i-Stay proactively set up quarantine centres to isolate tenants who tested positive to prevent the spread of the virus amongst other tenants. We enforced robust management systems and preventative measures to combat the virus such as daily disinfection, COVID-19 prevention education resources, introduction of the mobile app to record the COVID-19 tests and receive regular updates on the news in the dormitories, as well as social distancing measures.

As we experience an increased emphasis on sustainability – profitability and EES practices are no longer mutually exclusive. With the rise of responsible investing and funds that support sustainable development, we are cognisant of the opportunities that arise from operating sustainably. To this extent, we seek to resiliently move forward into the future and leverage these opportunities by progressively embedding sustainability into everything that we do at AME.

i-Stay@Senai Airport City

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT

AME's operations count on a dependable and sustainable supply chain in order to maintain and deliver high-quality products and services. We believe this provides us with an opportunity to establish long-term partnerships and contribute to the growth of the local economy. We are committed to ensuring all our contractors, sub-contractors, suppliers and vendors implement ethical and responsible business practices up to the standards that AME maintains to minimise potential risks by incorporating sustainability across our supply chain.

Our supply chain operating procedures that are guided by the ISO 9001:2015 Quality Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems are the foundations that encompass structured processes and criteria that ensure the selection of suppliers meets AME's expectations.

Our newly adopted Sustainability Policy outlines AME's commitment to respect and uphold workers' fundamental rights by eliminating all forms of child labour and forced labour. Furthermore, the Policy outlines AME's commitment to eliminating inappropriate conducts and practises, such as workplace bullying, discrimination, sexual harassment, intimidation, and victimisation.

AME awards contracts to contractors who meet the expectations and standards of our thorough and extensive tender selection that involves financial and non-financial performance evaluation, including safety obligations and requirements on good practices of human rights. Our property development division has also incorporated environmental, social, and governance ("**ESG**") evaluation criteria into the screening process. In FY2022, the division assessed 11 new suppliers with the ESG criteria. We are working towards ensuring more in-depth ESG criteria during new suppliers' evaluation are incorporated across all divisions.

Selection

New suppliers are evaluated on criteria such as quality delivery, health and safety, partners, and cost. Those who are successfully selected will be registered on the approved supplier list.

Evaluation

Evaluating suppliers and contractors against non-conformities such as quality, safety, cost and service.

Monitoring

Annual assessment of supplier and contractor performance. In the event of non-conformance, corrective action will be given to the respective suppliers through a supplier improvement plan where they are given 14 days to rectify and verify the non-conformities.

AME promotes local suppliers and economic development by engaging local businesses in order to have a deeper and more significant impact on the areas in which we operate.

98.6[1]%
of the procurement budget was spent on local suppliers and contractors in FY2022

	FY2020	FY2021	FY2022
Proportion of expenditure on local suppliers and contractors (%)	99.5[1]	98.3[1]	98.6[1]
Proportion of local suppliers and contractors (%)	99.2[1]	98.9[1]	98.7[1]

Note:
[1] *Only including suppliers and contractors from the construction and engineering divisions.*

INVESTING IN OUR PEOPLE AND EMPOWERING COMMUNITIES

At AME, we understand that in order to create long-term value, we must establish and maintain trust with both our internal and external stakeholders. Therefore, we work diligently to create lasting relationships with our workforce, communities, customers, business partners and investors.

In our business activities, we recognise that our workforce is our most valuable resource. Therefore, we prioritise equal opportunity and ensure that our workplace fosters a strong talent pipeline through meritocracy. We also work hard to ensure that our employees are fairly compensated, and are able to thrive by creating a secure, safe and inclusive working environment.

OCCUPATIONAL HEALTH AND SAFETY

Health and safety is a matter of high significance here at AME. We are mindful of the hazards and risks that our employees face because of the nature of their jobs. To safeguard the well-being of our workers at project sites, we have implemented a range of practices and initiatives to guide us towards ensuring safety and health at the workplace.

Beyond caring for just our direct employees, we also recognise the importance of and are committed to keeping our people and all else involved on our construction sites safe in all day-to-day operations.

Robust Health and Safety Management

We believe that inculcating good governance and management of health, safety and welfare will most importantly safeguard the health and well-being of our workforce and be a pivotal element towards strengthening our brand value and reputation.

As our Engineering and Construction division has the most urgent need for comprehensive health and safety measures – the HSE Management system covers all employees in this division. Additionally, we are guided by a HSE governance framework at our project sites, in line with our commitment to prioritise employee health and safety.

EHS Targets

ZERO	ZERO	ZERO	ZERO
Occupational Health Incident	Fatality	Environmental Incident	Fine/Penalty

HSE Governance

Division Level HSE Governance

SUSTAINABILITY STATEMENT

In every project or site we are responsible for, we establish a HSE Committee that is responsible for a range of HSE-related duties, but chief amongst them are to:

- Review HSE statistics and performance and recent incidents/accidents in the project and ensure the dissemination of lessons learned
- Provide management feedback and discussion forum on relevant HSE issues, procedures, and policy matters
- Promote safety awareness through safety talks, safety publications, etc.
- Carry out regular site inspection to detect any unsafe conditions or unsafe practices

Additionally, the Engineering and Construction division is ISO 45001: 2018 Occupational Health and Safety Management System certified, and has implemented stringent internal Key Performance Indicators to achieve zero occurrences on project sites. To this end, we ensure that a management review of HSE performance is conducted monthly in line with initiatives to put forward proposals for improvement through a HSE Monthly report that was prepared by Safety Officer and Safety Supervisor, and is endorsed by Project Manager.

Safety Toolbox Meeting

The weekly Safety Toolbox Meeting at the project site with all involved in a project, ranging from the project management team, site engineers, other employees on site and general workers during which safety requirements and unsafe acts are being highlighted, discussed and clarified.

Hazard Identification, Risk Assessment and Risk Control (HIRARC)

Before starting a new development or construction project/activities, AME ensures that all locations are properly risk assessed using a standardised Hazard Identification, Risk Assessment, and Risk Control (HIRARC) approach.

The purpose of this approach is to provide a systematic and objective approach to assessing hazards and their associated risks that will provide an objective measure of an identified hazard as well as provide a method to control the risk.

This is in line with the Occupational Safety and Health Act 1994 (Act 514) whereby an employer is tasked with providing a safe workplace to their employees and other related persons.

EHS-related training

EHS-related training and development programmes are essential for equipping our workforce with the necessary knowledge they need to complete their activities safely while also staying up to date on current regulatory standards. In FY2022, we provided 508 hours of EHS training to our employees, contract workers and contractor personnel.

Number of EHS-related Training Programmes

65 programmes

Number of Participants

80 people

Total EHS-related Training Hours

508 hours

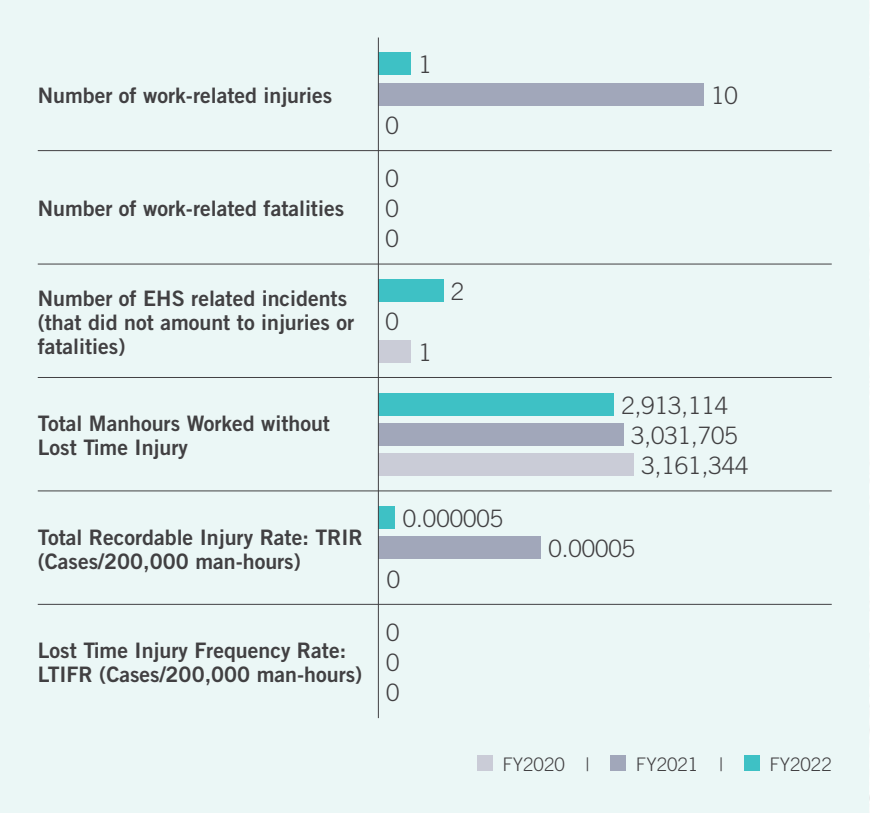
EHS feedback mechanisms

We strive to ensure zero accidents by encouraging the reporting of health and safety-related incidents, complaints, and non-compliance through our dedicated anonymous EHS-incident reporting channel. Our You See You Response (UCUR) programme is a proactive process that allows employees to report potential workplace hazards. This reporting channel allows employees to provide input without fear of reprisal and drives safety enhancements in line with continually improving our health and safety performance in the workplace. Any incidents reported will start an investigation to determine the root cause of the incident and identify corrective and preventive actions to ensure a similar incident does not happen again.

We also were engaged in constant communication about health and safety issues through email, videos, and have notices posted in strategic locations across our project sites. We disseminate this information in English and Bahasa Malaysia. In a bid to be more inclusive, we are mindful of the diverse languages spoken by foreign workers at our construction sites and take meaningful considerations when engaging with them. To ensure what is communicated is done so effectively, critical information (such as that on health and safety updates) is communicated in the native language of our foreign workers and subcontractors.

OSH Performance

We conduct EHS Committee meetings regularly as a way to monitor the overall safety and health conditions at our work sites. Due to our proactive and frequent safety training, awareness programmes, safety standards, and risk assessments – AME accomplished 2,913,114 hours without LTI (Lost-Time Injury) and was not affected by any incidences of non-compliance with environmental rules due to effective preventive and preparedness in FY2022.



AME responds to health and safety incidents with rapid investigations and reporting procedures to uncover the root cause of the occurrence and to develop corrective and preventive actions. We constantly remind our employees to prioritise their safety at work sites and encourage reporting of any unsafe working conditions to their representative or to the EHS department directly as an action towards solving the issue.

COVID-19 Safety Measures

Quarantine Centre

In line with ensuring the health, safety and well-being of our workforce, our quarantine centre was built to cumulatively house 56 workers in 13 different rooms and was established in accordance with guidelines from the Malaysian Ministry of Health (MoH).

It was set up to serve as facilities to quarantine Patients Under Investigation (PUIs) while they wait for confirmation on their COVID-19 status.

Temperature Screening	Social Distancing	Work From Home Arrangements
Provisions of Face Masks	Regular Testing	Workplace COVID-19 prevention guidelines

SUSTAINABILITY STATEMENT

OUR WORKFORCE

As the talent of our workforce is at the heart of our group's ability to create value, encouraging employee engagement and development is one of the top focuses at AME. We are committed to driving productivity, boosting employee satisfaction, and bolstering talent retention through a three-pronged approach of developing, retaining, and attracting talent.

In FY2022, AME grew our workforce to 431 employees by welcoming 126 new employees over our four divisions. The biggest employer is our construction division which collectively employs 58% of the total workforce. Permanent full-time employees make up 70% of the total AME workforce while contract full-time employees make up the remaining 30%. In FY2022, 46% of AME total workforce were Malay, 39% Chinese, 3% Indian and 12% of other ethnicities.

AME At a Glance

Total Workforce

431 employees

Permanent Employees
70%

Contract Employees
30%

Ethnicity

Malay
46%

Chinese
39%

Indian
3%

Others
12%

Developing Talent

We support our employees' proactive spirit in seeking out opportunities to develop which allows them to continue to learn, progress in their roles, and get to where they want to be. At AME, we continue to invest in the training and upskilling of our employees in order to provide them with relevant skills necessary for future work. We do this by continuously developing talent that is critical to our business and providing our employees with relevant professional training and certifications in order to ensure that their skillset remains relevant, add value to our organisation and are able to advance in their respective careers.

We invested nearly twice as much for training and development in FY2022 as compared to FY2021, a significant increase in our efforts to revert to pre-pandemic levels of employee training and development. These were conducted through various trainings internally and externally which were delivered through physical and virtual workshops that covered a broad range of topics. This resulted in 1,738 total training hours, averaging 4.03 hours per employee.

Performance Reviews

We conduct performance reviews annually for our employees in order to inform our talent retention and succession planning activities. These reviews are conducted in a structured manner that includes self-assessment followed by an evaluation from an immediate superior within the organisational hierarchy.

We evaluate our employees based on their performance against individual key performance indicators and other behavioural characteristics that are aligned to AME's business objectives and goals.

Retaining Talent & Attracting Talent

We recognise the importance of obtaining and maintaining an exceptional, professional talent pool is vital in ensuring the overall success of our operations. Our people are the source of new approaches, ideas, and innovation and as a result, maintaining and attracting a high-calibre, professional talent pool is critical to our goal of being a leader in the engineering, construction, and property development industries.

Employee Well-being

Our employees' well-being is undoubtedly influenced by their working environment. Therefore, AME is committed to helping employees to establish lifelong healthy habits that promote their well-being and productivity through our range of well-being initiatives.

Throughout FY2022, we sent regular wellness-related focused communications encouraging employees to check their emotional and physical well-being. These messages are supported by a variety of resources, information, and tools available, such as help understanding COVID-19 related health advice, assisting colleagues and loved ones in managing their mental health at home, advice on ergonomics, and mental resilience. Additionally, in a bid to promote good physical health – we aim to provide access to our clubhouse when it is ready and properly equipped with fitness equipment and related facilities for the usage of our employees.

Employee Benefits

Our employees are one of our most valuable assets, but also because of their loyalty, capability, and unity while adhering to our corporate vision and fundamental values. We believe in providing a fair salary and a thoughtful benefits package in order to retain our people and remain competitive in the business.

Benefits	Detail
Leave	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), Employee Share Option Scheme

Long Service Award

AME values the loyalty and dedication our employees give us in their work. We celebrate those who have been working with us for over ten years by presenting to them the long service award to commemorate their achievements and to thank them for their commitment to the growth of the Group.

1. Mr Teo Kian Jin, Project Director and Head of Project Department, has been with AME for 14 years.

2. En Abu Bin Naip, Assistant HSE Manager, has been with AME for 13 years.

3. En Yahya Bin Embok Bulong, HSE Supervisor, has been with AME for 12 years.

i-Park, an Industrial Resort

At AME, we prioritise maintaining a healthy work-life balance among all of our employees. We also believe in providing a conducive environment for our people to thrive and cultivating a sense of community. In an effort to materialise this, our i-Park industrial parks, which are also referred to as *industrial resorts*, are built with the aim to promote social cohesion. Our emphasis on this is a deviation from the traditional association that industrial parks are all about work and productivity with minimal lifestyle elements. Our *industrial resorts* contain large green spaces along with amenities that we believe would encourage a healthy 'work and play' lifestyle. These spaces are available for operators and employees to get together and foster more meaningful relationships while also bonding with the local community. In addition to that, we have a clubhouse, the i-Privilege Club with amenities ranging from a salted swimming pool to a fully equipped gym. It is currently open for access for operators while employees of AME will be able to enjoy access to the clubhouse facilities in the near future.

SUSTAINABILITY STATEMENT

Facilities at i-Park@Senai Airport City

Clubhouse Amenities and Facilities

Salted Swimming Pool	Gym	Studio	Multisport Court

Classes and Programmes at i-Privilege Club

Pilates	Circuit Training	Kickboxing

i-Park's Community Recreational Park

830m walking and jogging track	Outdoor Amphitheatre	Outdoor Fitness Equipment	Sitting Benches	Cycling Lane

To effectively communicate with all operating within i-Park, we have developed an i-Park community app which functions to provide access for employees of operators and subcontractors to the industrial park. To safeguard security within i-Park, all of our operators have to register for i-Park access through the application.

The app also serves as a platform for employees of operators to provide their feedback, complaints and enquiries to us and assists in the booking of various facilities and amenities provided. We also utilise the app to notify all working within i-Park regarding upcoming holidays, parking availability and provide a platform for the small businesses within i-Park to promote their stores and highlight any sales they are offering.

Community App

Visitor Management System and includes an integrated Smart Lock	Effective Feedback Mechanism	Facilities Booking System	Announcements on events and happenings within the community

It is also a key objective of the i-Park management team to proactively bring surrounding communities together and strengthen neighbourhood bonds. We organise annual and festive celebrations such as Christmas, Ramadan and Deepavali along with other community events like seminars and a *gotong-royong* with i-Park operators. We believe these activities encourage genuine rapport between the management and operators and contribute to improved productivity, wellness and appreciation for our natural environment.

SUSTAINABILITY STATEMENT

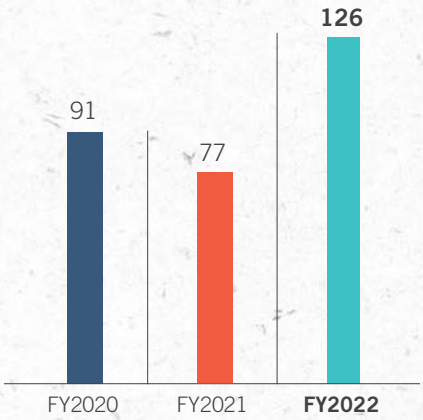
SUSTAINABILITY STATEMENT

Recruitment

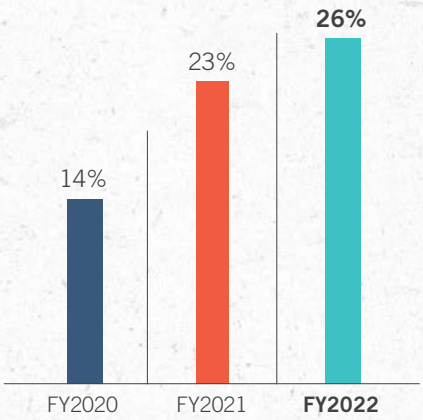
We are determined to ensure our recruitment and selection processes are fair and non-discriminatory. In the current competitive job market, we aim to attract and include high-potential talents as part of our succession planning process. We continuously explore and scout for talents with a range of experience and competence, and endeavour to hire local talent whenever possible.

In FY2022, we recorded 126 new hires, the highest in the last 3 years in line with our growing ambitions as a company. However, our workforce turnover rate has also increased in part due to a restructuring exercise within our engineering and construction divisions.

Number of new hires



Workforce turnover rate (%)



At AME, we actively engage with regional universities in an attempt to foster the engineering spirit in students, build their capabilities and facilitate research in key areas that are mutually beneficial.

University Engagements

University Talks and Seminars	In FY2022, 20 students from the University of Reading Malaysia visited our i-Park site to learn about the industrial real estate industry, the types of buyers and occupants at typical industrial properties, the types of building specification requests, and how the pandemic shaped the growth of this industry.
Internship	Across FY2022, a total of 31 students joined AME in an internship to gain practical work experience in the respective fields of study they are undertaking.

Diversity and Equality

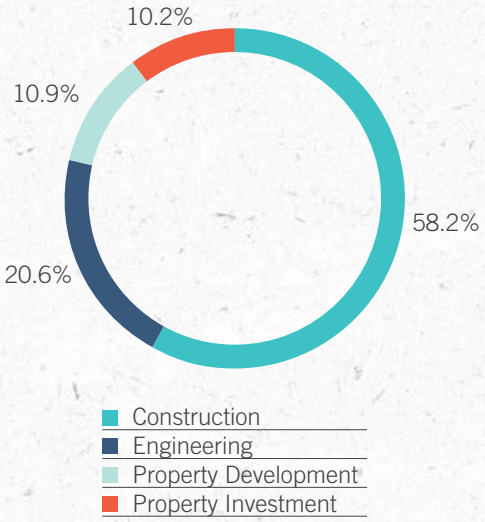
At AME, we firmly believe in upholding diversity, inclusion and equality in the workplace. We practice a merit-based compensation and advancement system, with no discrimination based on race, religion, age, disability, nationality, or other demographic criteria. **In FY2022, there were no reports of workplace discrimination at AME**.

We have a total workforce of 431 employees, of which 71% are male and 29% 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.

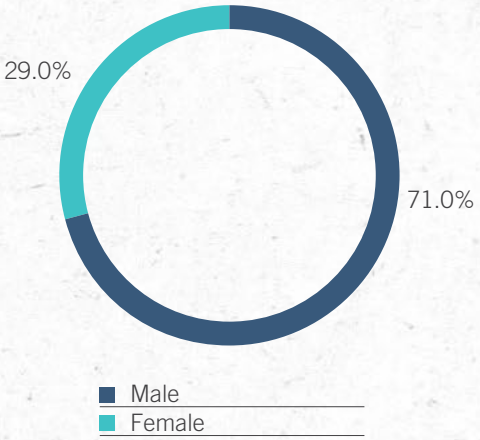
Workforce Data

Total Workforce : **431 Employees**

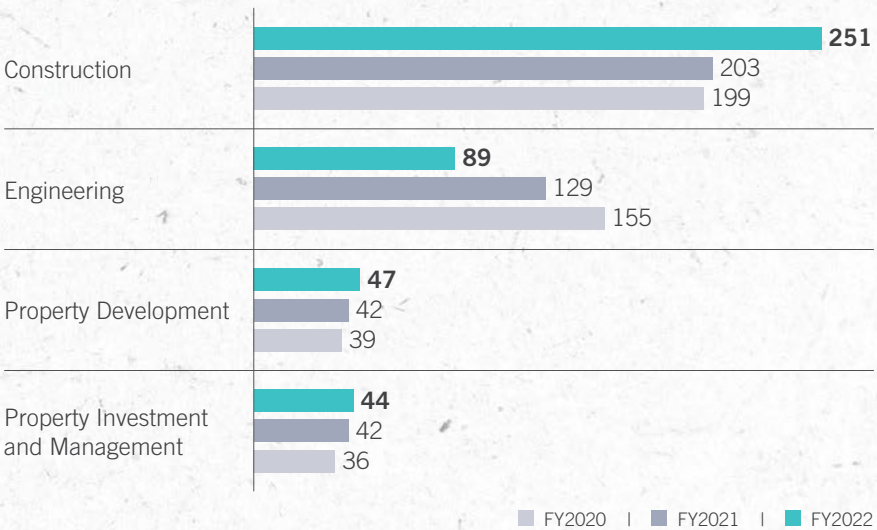
Breakdown of Workforce by Division in FY2022 (%)



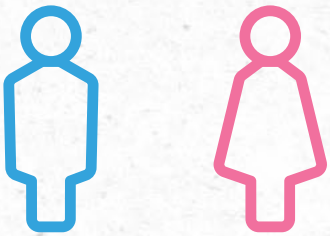
Breakdown of Workforce Gender in FY2022 (%)



Number of employees



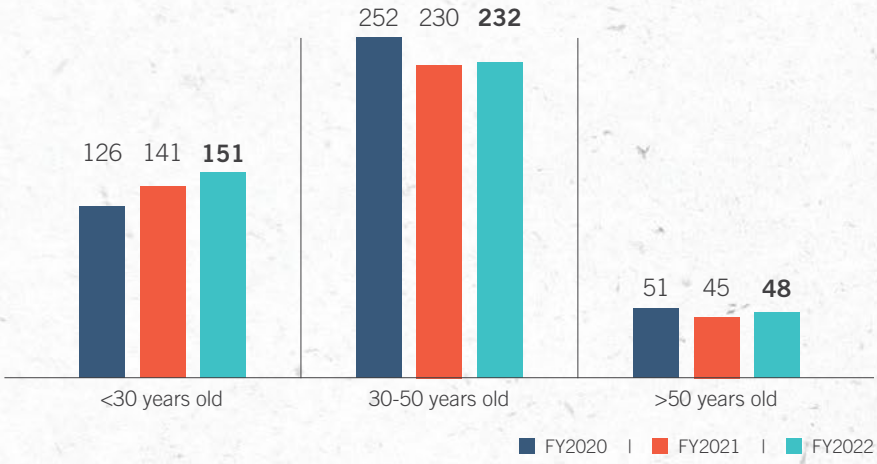
Employees by gender



MALE		FEMALE	
FY2020	316	FY2020	113
FY2021	299	FY2021	117
FY2022	**305**	**FY2022**	**126**

SUSTAINABILITY STATEMENT

Employees by age group



Employees by contract type

Permanent FY2022

300

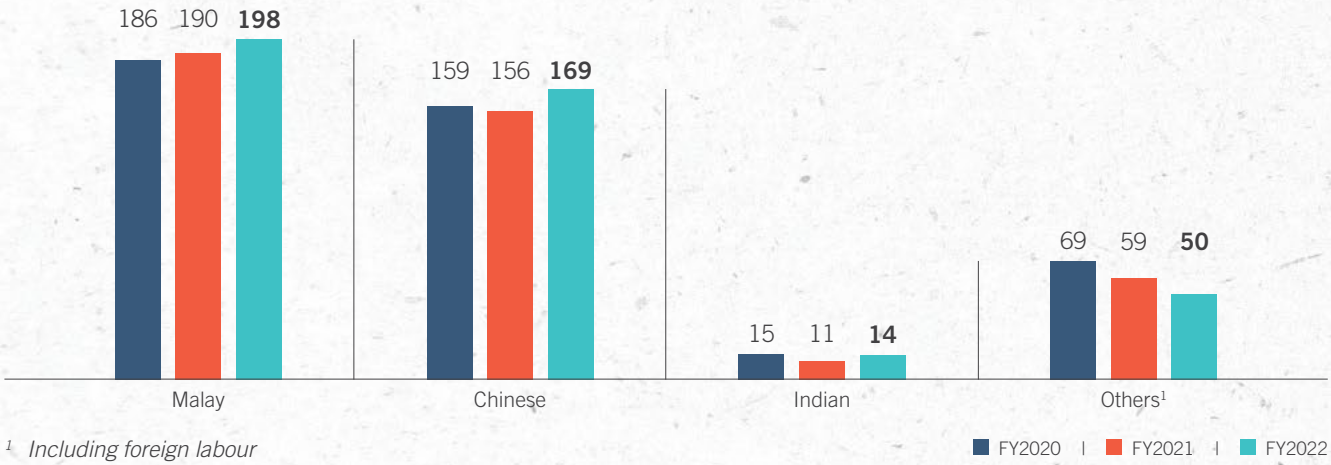
FY2021 : 293
FY2020 : 305

Contract FY2022

131

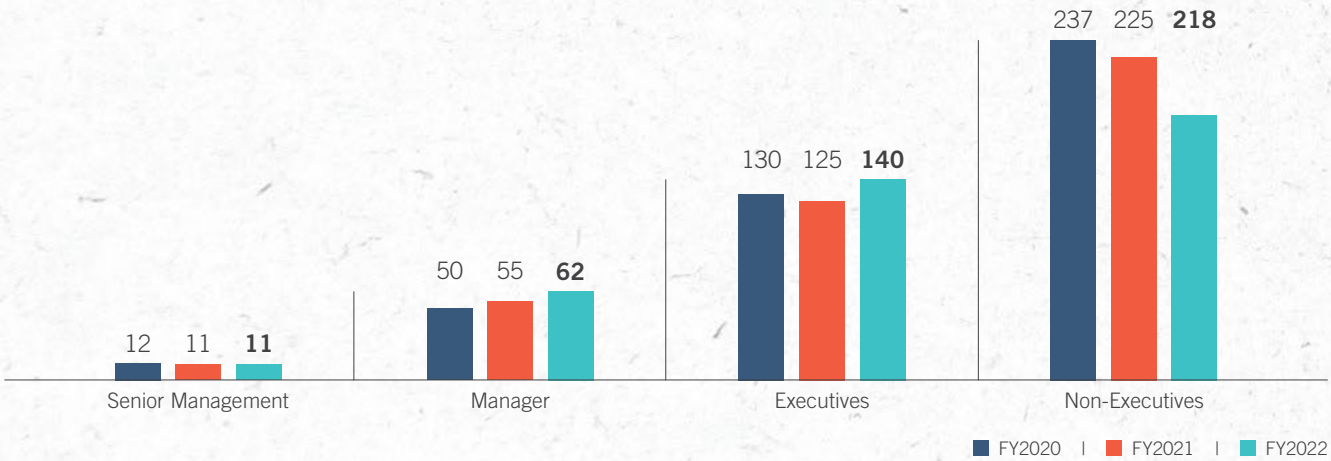
FY2021 : 123
FY2020 : 124

Employees by ethnicity



[1] *Including foreign labour*

Number of employees by category



EMPOWERING COMMUNITIES

AME seeks to better the lives of the communities around us in the quest of sustainable development as we believe that long-term, sustainable progress is only possible when there are mutually beneficial outcomes. We actively engage with local communities to obtain feedback and to create opportunities to improve their living conditions and contribute to community enrichment.

We create a positive impact on the local community by enriching the local socio-economic condition by providing job opportunities, supporting the local supply chain and contributing to the state and federal governments via tax revenues.

Our modern industrial spaces catalyse the local manufacturing industry and provide key opportunities for the growth of the economy. Additionally, we provide high-quality and respectable living spaces through our i-Stay dormitories which can accommodate over 4,000 occupants, ensuring the residents of the local community are treated with equal respect and dignity as anyone else.

We also invest in community projects – contributing to their social and economic development. Our programmes are focused on the areas of disaster relief, community development, volunteering and other charity works. After accessing and considering the local community's needs and priorities, we work closely with governments and non-governmental organisations to ensure that the programmes we support are beneficial to the people that need them the most. We contributed RM258,947 to the community for various initiatives which also included offerings in kind. These contributions included RM10,000 to a local foodbank programme, RM34,500 in financial assistance to support 23 families, RM100,000 contributed to the Southern University College Fund.

Survival Box Distribution

SUSTAINABILITY STATEMENT

COVID-19 RELIEF

COVID-19 Survival Box Distribution Programme

The COVID-19 Survival Box Distribution Programme is a pilot project undertaken by AME to directly assist families in need. Up to 100 boxes of essential household items worth RM10,232 were distributed to affected families by 6 teams involving 33 employees. The teams were briefed on how to effectively coordinate and deliver these supplies with minimal physical contact to minimise the risk of contracting and spreading COVID-19.

Each Survival Box contained 13 essential household staples which included rice, eggs, noodles, oil, and sugar (among others) that were estimated to be sufficient for one month's consumption in an average household of 3 to 4 persons.

To ensure the aid was distributed equally within the community, the selection of the affected families for the Survival Box distribution are determined through the engagement with various NGOs and organisation such as Jabatan Kebajikan Masyarakat (JKM), Kulai; Pertubuhan IKRAM, Pertubuhan Saudara Kita and a few others.

COVID-19 Prevention at i-Stay

To protect the welfare of those staying within the i-Stay dormitories from contracting COVID-19 within our premises, we have implemented the following initiatives:

Dedicated Quarantine locations	Frequent Sanitisation (5 times daily in high traffic location)	Designated Areas for COVID-19 testing
Temperature Screenings		Sharing of Key COVID-19-related updates

COMMUNITY CONTRIBUTIONS

Contribution to Izzu's Nose Cancer Surgery

Izzu Islam, who turned 7 in 2021, was confirmed to have nasal cancer and needed immediate medical intervention. However, the cost of an estimated RM40,000 for the surgery and treatment was beyond the means of his family, who are in the bottom 40% bracket of the average Malaysian household income (B40). Izzu's mother and siblings also suffer from various health ailments such as first stage lymphoma, stage 4 eczema, kidney issues and are also required to undergo multiple surgeries and treatments, further exacerbating their financial situation.

After hearing about this family's struggle, AME contributed a total of RM10,000 in kind to cover some of the medical expenses to be borne by Izzu's family.

AME's Response to Flooding

AME's Flood Response Team, consisting of 27 employees, workers and subcontractors, provided clean-up assistance to the flood-impacted houses and mosque at Taman Sri Muda, Shah Alam. Other than assisting in the removal of debris and general clean-up, aid was provided to Puan Sharifah and Puan Wani by our team who leveraged their construction expertise and provided help in rebuilding structural elements in their houses along with repairing fixtures and rewiring works. In addition to this, essential home appliances such as (but not limited to) microwaves, fans, toasters and blenders were also donated.

RM10,000 in Support of a Local Food Bank

AME, in collaboration with Waz Lian Foundation and Hotel Sentral Group launched a Food Bank programme to help feed individuals who are in need and struggling to make ends meet, particularly during these challenging times.

The loss of income due to challenges arising from COVID-19 resulted in many people living from hand to mouth with some low-income families unable to even afford basic food necessities like rice, cooking oil and vegetables.

Recognising the plight of the underprivileged, AME contributed RM10,000 in support of this program to provide essential food relief regardless of their backgrounds.

Targeted Financial Aid for the Local Community

Senai, the district in Johor where AME is headquartered, unfortunately has incidences of financial hardships within the local community. The office of the Senai state parliamentarian (Pejabat Ahli Dewan Undangan Negeri (ADUN) Johor Kawasan Senai) identified 23 different families who were in crucial need of financial aid. AME, recognising the importance of helping the communities whereby we operate within, AME contributed RM34,500 to ADUN Senai to help these selected families with their monthly expenditures.

MANAGING OUR ENVIRONMENTAL FOOTPRINT

At AME, we are aware of the need to handle environmental challenges that we face and aim to play our part in reducing negative environmental impacts by adopting and implementing best practice standards, processes and business strategies.

In FY2022, we started to accelerate our journey to further embed sustainability within our business activities. In line with that, we have now begun disclosing more environmental performance data within our sustainability disclosure. With this added level of depth in reporting, we aim to better communicate our progress in managing our environmental impacts to our stakeholders.

Moving forward, we aspire to enhance our data tracking and monitoring efforts within our operations and plan to engage more closely with all teams across our divisions to foster active engagement and educate our workforce on the importance of managing our environmental impact.

WASTE & MATERIALS MANAGEMENT

Materials such as cement, concrete, sand, steel, and timber constitute the main components of our raw materials mix and are essential inputs to the construction of the industrial parks that we build. We strive to make the most efficient use of these materials and remain committed to sourcing raw materials that are produced from reliable vendors.

We also endeavour to use sustainable construction materials wherever possible to minimise our material consumption at construction sites, ultimately lowering our environmental footprint. By including these practices as part of our construction activities, we also are able to build our competitive advantage within the industry.

Sustainable Construction Materials

Utilising Recyclable and Reusable Materials

Materials such as steel structure High Tensile Deformed (HTD) steel bars, plasterboard, mineral wool insulation, aluminium louvres and precast concrete (among others) are selected over more conventional materials without any compromise on quality. These reusable and recyclable materials help prevent wastage which will in turn reduce the consumption of raw materials, thereby reducing our carbon footprint.

Environmentally Friendly Materials

Green label products with eco-friendly ingredients are favoured. For example, low volatile organic compound (VOC) products are used wherever possible to minimise the release of harmful emissions while environmentally friendly fertilisers are used in our landscaping to nurture plants and pond-water living organisms without compromising environmental well-being.

High Life Cycle Building Materials

Low maintenance and durable materials that require less maintenance such as IBS design system precast concrete wall and steel structure frame, galvanised wire mesh fencing and fibreglass insulation (among others) are selected over more conventional materials. This maximises the use of raw materials and reduces usage of natural resources.

We aim to do our part in responsibly minimising our environmental impact by managing waste efficiently and seeking to reduce, reuse, and recycle our waste wherever feasible. To reduce waste, we strive to improve process efficiencies by identifying the source of waste generation during the planning stage and exploring means to reduce the waste before it is generated. This is in line with the waste management hierarchy whereby we focus on reducing waste at the source before considering reusing and recycling.

Most waste generated from our business operations is from our construction activities. Our construction division manages its wastes according to the requirements set by the law and industry certifications such as Environmental Quality (Scheduled Wastes) Regulations 2005 and the Green Building Index (for select projects) – this is in line with our Sustainability Policy that implores us to responsibly manage our waste and comply with relevant environmental regulatory and legal requirements. Hazardous waste which constitutes the scheduled waste we generate is properly stored and labelled at our project sites and disposed of responsibly when it reaches a certain quantity or duration. We conduct detailed reviews of potential waste management partners and appoint contractors who are licensed by the Department of Environment (DOE) to collect and transport the scheduled waste for treatment prior to disposal.

We are cognisant of the importance of tracking waste related data and aspire to disclose on relevant waste related indicators in the future.

Commitment to Reduce, Reuse and Recycle (3R)

We strive to increase our efforts in diverting our waste from landfills through our 3R initiatives. Wherever possible, the diverted waste is sent for recycling to reduce the use of virgin resources for future applications. For waste that cannot be recycled or reused, it is disposed of responsibly at a designated waste collection point by licensed contractors.

Reduce	Reducing paper usage by encouraging the use of electronic copies of documents and only printing physical copies only when necessary.
	Various engagements with our employees, subcontractors and the tenants of i-Stay to educate them on the importance of waste reduction.
Reuse	The formwork is reused at least 3 times by our construction team as a step towards enabling product reuse and minimising wastage of materials.
	Reusing concrete waste as crusher runs for access roads and to cover potholes within project sites. Concrete waste that is not suitable for reuse is sent to a licensed landfill for disposal. Additionally, steel is recycled as new building materials.
	Timber waste is mainly reused for signage, storage facilities and other site facilities as a way of prolonging the life cycle of the material.
	Use of natural waste such as trimmed branches as organic fertiliser for landscaping by our landscape maintenance team.
Recycle	We have made recycling bins available throughout our corporate offices, sales galleries, every factory unit in i-Park and in the dormitories that are operating under i-Stay.
	To facilitate waste reduction at construction sites, we ensure there are always two large dump truck bins – one for recyclable waste and the other for biodegradable waste.

Cloud Based Waste and Recycling

We are currently planning and developing stages of implementing a cloud-based waste and recycling management system which will facilitate data collection and offer trend analysis of our output that can be used to improve process efficiencies.

SUSTAINABILITY STATEMENT

ENERGY MANAGEMENT

AME is committed to monitoring energy consumption towards becoming more efficient and thus reducing our impact on the environment. We track energy consumption in our construction sites, corporate offices, and sales galleries with our staff monitoring these readings monthly to track our usage and identify any irregular readings and keep note of consumption efficiency.

Estimated[1] Energy Consumption

Diesel[2] Consumption from Construction Sites in FY2022

455,598.21 litre

Estimated[1] Electricity Consumption from Construction Sites in FY2022

436,876.89 kWh

Estimated[1] Electricity Consumption from Corporate Offices, Sales Galleries and i-Privilege Club in FY2022

707,472.66 kWh

Total Estimated[1] Purchased Electricity Consumption

1,144,349.55 kWh

1 *Estimations for electricity consumption in kWh derived with reference to accounting data on electricity costs and tariffs specific to the operating locations*

2 *Estimation for diesel consumption in liters derived with reference to accounting data on volume of diesel purchased and weekly diesel prices specific to the operating locations*

Towards Green Energy

In tandem with our efforts to reduce energy consumption, AME is committed to the adoption of renewable energy in the design and construction of our projects. Aside from installing solar panels to generate solar power on-site at selected buildings, we are also utilising solar-powered lighting at our construction sites for activities that have to run at night.

Solar Energy Generation at our Corporate HQ and i-Privilege Club in Senai, Johor

271.4 kWp
Estimated First Year Solar Energy Generation

49%
of total energy consumption in our in our corporate offices, sales galleries and i-Privilege Club

RM156,848
Estimated Saving from Using Solar Energy

257.26 tonnes
of CO_2 saved
(which is equivalent to 3,873 trees planted)

- *In December 2021, we moved into our new corporate HQ in Senai, Johor. The total energy consumption was 274,897 kWh for both our old and new corporate HQs in FY2022.*
- *Our new corporate HQ has solar panels rated at 271.4 kWp and is estimated to generate 346,713 kWh in its 1st year and would constitute approximately 49% of our total energy consumption in our corporate offices, sales galleries and i-Privilege Club. This was determined (based on energy consumption in FY2022) in our corporate offices, sales galleries and i-Privilege Club.*
- *The calculation of annual CO_2 avoidance is based on guidance provided by US Environmental Protection Agency Standard.*

Energy Saving Initiatives

Aside from obtaining resource and operational savings through energy saving initiatives, we are committed to improving energy efficiency in our building designs as one of the key ways we reduce our energy consumption.

Energy Saving Initiative	
Energy Efficient Industrial Building Design in i-Park	
Efficient Lighting Design	Encouraging natural daylight in buildings by incorporating translucent sheetings
	Incorporating high ceilings, an up-lift jack roof system and low window height designs for optimised natural lighting
	Utilising energy saving LED lighting where feasible
Efficient Thermal Design	Low window height design to minimise the overall thermal transfer into the building
	Using reflective glaze and high solar reflectance roofing to minimise thermal transfer into the building
	Ensuring correct building orientation and sun shading fixtures devices that reduce direct sun glaze and unnecessary heating
	Utilising Zincalume metal with thick fibreglass in roofing for efficient thermal insulation

Efficient Hot Water System at i-Privilege Club

A heat pump water heater is used for i-Privilege Club's changing rooms which is able to save up to three times more energy compared to a conventional electrical resistance water heater.

Individual Zone Lighting and Energy Efficient Air Conditioning Mechanical Ventilation System (ACMV)

At AME's corporate HQ and i-Privilege Club, all zones and enclosed spaces are individually switched and lit separately. Additionally, AME also installed a variable refrigerant flow (VRF) ACMV which provides better energy efficiency, zoned cooling and with less downtime. Our centralised air conditioning is set with a timer to switch off the system at off peak times to reduce energy wastage.

Plan to Implement Smart Building Management System for i-Privilege Club

AME is laying the groundwork for implementing a Smart Building Management System for i-Privilege Club which allows for the utilisation of technology to enable efficient and economical use of resources. Internet of Things (IoT) sensors, building management systems, artificial intelligence (AI), and augmented reality are amongst some of the mechanisms that may be used to control and optimise the performance of the building.

SUSTAINABILITY STATEMENT

WATER MANAGEMENT

Water consumption from a typical construction project includes dust suppression, road-cleaning works, personal hygiene purposes, concrete curing, brickwork and cement rednering works. Our water is sourced from municipal potable water, which we monitor and record based on our monthly water bills. Additionally, the group's water is also supplemented from rainwater recycling system that is used for general cleaning purpose.

In FY2022, the Group's operating properties' estimated total water consumption was approximately 71,649.82 m^3.

With regards to wastewater, AME ensures that the effluent is managed to an acceptable standard by conducting regular water quality inspections. This is done as required by the Environmental Quality (Industrial Effluent) Regulations 2009, as guided by the Urban Stormwater Management Manual (MSMA), before discharging into designated drainage locations and local waterways.

Estimated[1] Water Consumption

Estimated[1] Water Consumption from Construction Sites in FY2022

63,842.34 m^3

Estimated[1] Water consumption from Corporate Offices, Sales Galleries and i-Privilege Club in FY2022

7,807.48 m^3

Estimated Total Water Consumption in FY2022

71,649.82 m^3

[1] *Estimations for water consumption in m^3 derived with reference to accounting data on water usage and tariffs specific to the operating locations*

Water Saving Initiatives

We are committed to reducing water consumption and preventing water pollution. Therefore, various water saving initiatives have been instituted in our corporate office, sales galleries, developments and active construction sites. We believe that these initiatives will lower operating costs along with our impact on the environment.

Water Saving Initiatives

Rainwater Harvesting System

Industrial buildings in i-Park are fitted with a rainwater harvesting system with a capacity of 1000 litres. In taking advantage of Malaysia's high annual rainfall – rainwater is collected, filtered, stored, and recycled to be re-used for watering gardens, flushing of toilets and other activities that require non-potable water.

Low Water Consumption Fixtures

Our corporate offices, sales galleries and the industrial buildings in i-Park are fitted with low water consumption fixtures to reduce water consumption.

Drought-tolerant Native Vegetation

Special considerations were taken during the selection of trees and shrubs in the landscaping of our properties. We emphasise drought-tolerant plants and vegetations that have lower water requirements and only require minimal irrigation.

Dust Suppression and Road Cleaning

Recycled water collected from our rainwater recycling system and silt traps are used for dust suppression and general cleaning purpose.

Reusing and Recycling Water

i-Park's landscape maintenance team reuses non-potable water from the wetland pond to irrigate landscapes. Additionally, water from testing and commissioning of pump flow systems is reused and recycled in key non-potable consumption activities.

Other Water Saving Practices

Employees are encouraged to practice various water saving practices to reduce water consumptions. Some examples include:

(i) Turning off water tap when not in use
(ii) Avoid repeated toilet flushing
(iii) Conduct regular check for water leakages
(iv) Reporting of water leakages to facilities management team

SUSTAINABILITY STATEMENT

ADDRESSING CLIMATE CHANGE

As Malaysia's leading integrated industrial park developer, we are committed to reducing our carbon footprint as well as our impact on climate change. We are working towards regulatory compliance by adopting best management practices in a bid to prevent uncontrolled environmental pollution and begin our journey in managing our environmental footprint. These ambitions enable us to contribute to the development of industrial parks and positive indirect economic impact while also protecting the environment.

Climate-related Disclosures

As we progressively embed sustainability within our operations, we have taken a step forward by aligning our disclosures with the recommendations by TCFD to increase our transparency on climate-related disclosures.

Governance	AME's Board of Directors ("**Board**") has the authority to assess, design and continuously improve on the sustainability strategies as well as the guidelines governing the conduct of the Group. The board is also involved in determining the Group's strategic direction with regard to sustainability including matters related to climate change. The Board is supported by the SSC and the SWG who take charge of the planning and integration of sustainability initiatives and implement the sustainability strategy respectively. Additionally, in order to make more informed and effective decisions, the management and the Board are supported by external climate change consultants that impart knowledge and advisory to improve climate change resiliency within the group. MORE *For more information, please refer to the sustainability governance section of this Sustainability Statement on page 28.*
Strategy	Climate change is a key material topic for AME and is a matter of significance to our stakeholders. Therefore, we are committed to minimising the environmental impacts of and enhancing resource efficiency across our operations. We strive to be informed of future trends and potential business opportunities that may be contributed by the transition to good ESG governance. Moving forward, we are currently working on developing our Sustainability Framework which will incorporate aspects designed to better strengthen our sustainability oversight through enhanced governance and improved strategy towards climate-related matters.
Risk Management	The Risk Management Working Group (RMWG) and the Audit and Risk Management Committee (ARMC) along with the Board actively participate in the Group's risk management process in managing risk to an acceptable level and achieving business objectives. Our materiality assessment complements our ERM framework in identifying and assessing our material ESG risks and opportunities. Moving forward, we aim to incorporate more climate and environmental-related considerations (in addition to the general Health, Safety and Environment risk) in our risk assessment processes.
Metrics and Targets	AME currently measures energy and water consumption for certain divisions and project activities. In the short term, we are committed to improving the Group-wide tracking of our environmental impact to be robust and aim to reduce these impacts by improving process efficiencies. We also aim to set up a GHG emission tracking system once an environmental data tracking system has been established. Additionally, we are committed to reducing direct and indirect corporate GHG emissions and will establish tactical targets that address this in the upcoming years.

We have adopted TCFD as a step towards understanding and recognising our performance and progress with regards to climate change against a recognised framework. We believe this will further fortify our approach and strategies in dealing with the environmental and social impacts of climate change. We aim to improve these disclosures moving forward in future iterations of these reports as we progress further in our sustainability ambitions.

Green Initiatives

We are committed to mitigating our impacts on climate change to the best of our abilities. This includes supporting our customers in their own ambitions of reducing their carbon footprint (in parallel with our own). We are proactive in fulfilling our customers' needs in fulfilling their requests to develop green buildings as a part of their sustainability initiatives.

Green Buildings

The demand for sustainable and more efficient buildings has been increasing over recent years. This has resulted in the growing importance of green building ratings such as the Green Building Index ("**GBI**") which a number of our projects have obtained. In response to this demand, we are committed to supporting any of our customers' ambitions for a GBI accredited (or similar) building.

Site		Certification
	Plot 1-3, Detached Factory District 6 @ SiLC	GBI Design Assessment Certification[1]
	Plot 56-69, Detached Factory i-Park@Indahpura – Phase 2	GBI Design Assessment Certification[1]
	i-Park@Senai Airport City – Phase 1&2 Detached Factory: Plot 1-31, Plot 1B1, 1B2, Semi-Detached Factory: D1-D12	GBI Design Assessment Certification[1]
	AME Corporate Offices HQ and i-Park Experience Centre	GBI Silver[2]

[1] *The final GBI award will be issued upon completion of this Completion and Verification Assessment (CVA) assessment. This is to be done within 12 months after the completion of the building or when the building becomes 50 percent occupied, whichever is earlier. The responsibility to obtain the final GBI award lies with the tenant/occupier of the building as the final assessment also includes criteria with respect to the operations of the new tenants/occupier. Due to this requirements, AME does not proceed with subsequent stages of completing the certification process. Additionally, buildings are to be re-assessed every three years in order to maintain their GBI rating to ensure that the buildings are well-maintained.*

[2] *Expected to receive certification in second half FY2022.*

SUSTAINABILITY STATEMENT

Green Initiatives

Building Green Spaces

Approximately 20% of i-Park is designated as green areas in a bid to promote a nature-oriented working and living environment for our clients and to protect flora species that are local to the project location.

Similarly, our HQ has designated approximately 1 acre (which is up to 26% of the development) for green open spaces.

To feed the landscaping of these green spaces we maintain a nursery of various trees and plants. This allows us to cultivate these on-site and reduce any unnecessary transportation-based emissions.

Flora Highlights at our HQ

approximately **137** different species of shrubs	approximately **46** different species of local indigenous trees	approximately **15** different species of ferns

Encouraging Green Transportation

AME supports and encourages business operators and their employees to reduce their personal emissions and carbon footprint by prioritising green vehicles through the provision of dedicated parking areas for green vehicles in i-Park, thereby encouraging the usage of green vehicles within the development.

Cycling is also strongly encouraged as a means to travel within i-Park through the provisions of relevant infrastructure such as dedicated cycling paths.

Additionally, i-Stay worker's dormitories are also located within walkable distance to their workplace in i-Park. These places are connected by a covered pedestrian walkway to provide a safe, comfortable and encouraging mode of transport for these workers that effectively reduces the need for vehicular transportation for them.

Multipurpose Detention Pond at i-Park@Indahpura

In a bid to move away from traditional rainwater management systems, AME is utilising a multipurpose detention pond as a more sustainable method of collecting the rainwater and releasing it at a rate that prevents flooding or erosion. When not being utilised for flood prevention purposes, the area surrounding the detention pond is utilised as a recreational park. Considerable efforts have been taken to beautify the detention pond which is the centrepiece of the park and is open to all.

The pond is also home to a variety of freshwater fish and is lined by an assortment of trees that provide natural shading.

ENVIRONMENTAL COMPLIANCE

As an organisation that has business activities in construction, engineering, property development and property investment, it is crucial for AME to ensure strict compliance to environmental laws and regulations to manage risks. This is in line with commitments stated in our Sustainability Policy and is accomplished by implementing best management practices that lower the likelihood of non-compliance from our business activities.

Whenever necessary, we undertake an Environmental Impact Assessment (EIA) prior to property development to assess the possible environmental implications of our proposed development and to identify solutions to better manage and minimise environmental harm. We acknowledge that environmental non-compliance cases such as improper waste disposal or chemical leakages can cause long term environmental damage and also has the potential to harm the Groups reputation. Therefore, we strive to ensure zero such incidents occur at our project sites.

Environmental Management Plan (EMP)

At our i-Park industrial parks, an environmental monitoring report is prepared monthly based on status inspection of river water quality, and quarterly sampling of ambient air and boundary noise monitoring. This complements our monitoring and audit program which checks the effectiveness of the mitigating measures we have in place and/or to implement additional measures to comply with environmental requirements.

Environmental Monitoring Components

Component	Frequency	Parameters
Project site discharge and River water quality	Monthly	National Water Quality Standard Class IIA/IIB pH, COD, BOD5, AN, E-Coli, O&G, TSS & DO
Ambient Air Quality	Monthly	PM10, PM2.5, NO2 SO2
Noise Level	Monthly	LReqR, LR90R, LR10R, LRmaxR, LRmin

Yearly Environmental Compliance Audit Plan

This Environmental Compliance Audit (ECA) is an independent third party audit, which investigates an organisation's level of compliance with environmental statutes, regulations, local laws and other identified criteria. I-Park conducted environmental compliance audit plan yearly to demonstrate due diligence, to serve as an early warning of any potential environmental problems, and prioritise their environmental upgrades.

The reports will detail the audit scope and the extent of the investigation program. Data collected during the audit will be compared to the audit criteria to determine the level of compliance with applicable environmental legislation and any unsatisfied criteria will be reported to us. The audit report also outline best management practices for specific environmental aspects where opportunities for improvement are identified.

BOARD OF DIRECTORS' PROFILE

YM TENGKU AZRINA BINTI RAJA ABDUL AZIZ

Independent Non-Executive Chairperson

Female • Malaysian • Aged 49

DATE OF APPOINTMENT 5 September 2018
TENURE OF DIRECTORSHIP 3 Years and 10 Months

MEMBERSHIP OF BOARD COMMITTEE(S)
Nil

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

PROFESSIONAL EXPERIENCE
- Co-founder and Partner of Messrs Lee & Tengku Azrina (Apr 2005 – present)
- Senior Associate of Messrs Zaid Ibrahim & Co (Nov 2000 – Mar 2005)
- Associate of Messrs Wong & Partners (Jul 1999 – Sep 2000)
- Legal Executive of Tenaga Nasional Berhad (Jun 1998 – Jun 1999)

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 59

DATE OF APPOINTMENT 27 August 2018
TENURE OF DIRECTORSHIP 3 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

PROFESSIONAL EXPERIENCE
- Director of I REIT Managers Sdn Bhd (Apr 2021 – present)
- Director of Quantum Renewable Energy Sdn Bhd (Jul 2020 – present)
- Director of Greenhill SILC Sdn Bhd (Jun 2020 – present)
- Director of Pentagon Land Sdn Bhd (Jun 2020 – present)
- Director of I Stay Management Sdn Bhd (Feb 2018 – present)
- Director of Ipark Development Sdn Bhd (Sep 2012 – present)
- Director of AME Engineering Industries Sdn Bhd (Sep 2008 – present)
- Director of AME Development Sdn Bhd (Jan 2008 – present)
- Director of AME Construction Sdn Bhd (Aug 1995 – present)
- Director of Asiamost Sdn Bhd (Dec 1994 – present)
- Director of Syarikat Asia Mechanical Engineering Sdn Bhd (Dec 1985 – Aug 2018)
- Contract Executive of Syarikat Asia Mechanical Engineering (Jan 1984 – Dec 1985)

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 57

DATE OF APPOINTMENT 27 August 2018
TENURE OF DIRECTORSHIP 3 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

PROFESSIONAL EXPERIENCE
- Director of I REIT Managers Sdn Bhd (Apr 2021 – present)
- Director of Quantum Renewable Energy Sdn Bhd (Jul 2020 – present)
- Director of Greenhill SILC Sdn Bhd (Jun 2020 – present)
- Director of Pentagon Land Sdn Bhd (Jun 2020 – present)
- Director of I Stay Management Sdn Bhd (Feb 2018 – present)
- Director of Ipark Development Sdn Bhd (Sep 2012 – present)
- Director of AME Development Sdn Bhd (Jan 2008 – present)
- Director of AME Engineering Industries Sdn Bhd (Sep 2008 – present)
- Director of AME Construction Sdn Bhd (Mar 1996 – present)
- Director of Asiamost Sdn Bhd (Dec 1994 – present)
- Production Manager of Tru-Tech Electronics (M) Sdn Bhd (Jul 1994 – Nov 1994)
- Process Engineer of Hewlett Packard Pte Ltd (Jan 1990 – Jul 1994)
- Process Engineer of PCI Printed Circuits International Pte Ltd, Singapore (Nov 1988 – Jan 1990)
- Assembly Engineer of Western Digital Malaysia Sdn Bhd (Oct 1988 – Nov 1988)
- Trainee Engineer of Oriental Assemblers Sdn Bhd (Jun 1988 – Sep 1988)

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 68

DATE OF APPOINTMENT 27 August 2018
TENURE OF DIRECTORSHIP 3 Years and 10 Months

MEMBERSHIP OF BOARD COMMITTEE(S)
Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Primary Education at Sekolah Jenis Kebangsaan (C) Labis, Johor

PROFESSIONAL EXPERIENCE
- Director of Greenhill SILC Sdn Bhd (Jun 2020 – present)
- Director of Pentagon Land Sdn Bhd (Jun 2020 – present)
- Director of I Stay Management Sdn Bhd (Feb 2018 – present)
- Director of AME Development Sdn Bhd (Mar 2011 – present)
- Director of Asiamost Sdn Bhd (Dec 1994 – present)
- Director of AME Construction Sdn Bhd (Oct 1993 – present)
- Director of Syarikat Asia Mechanical Engineering Sdn Bhd (Dec 1985 – Aug 2018)
- Joint Proprietor of Syarikat Asia Mechanical Engineering (May 1977 – Dec 1985)

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, and uncle to Ms Lee Ling Sien.

BOARD OF DIRECTORS' PROFILE

MR KANG AH CHEE

Executive Director

Male • Malaysian • Aged 67

DATE OF APPOINTMENT 27 August 2018
TENURE OF DIRECTORSHIP 3 Years and 10 Months

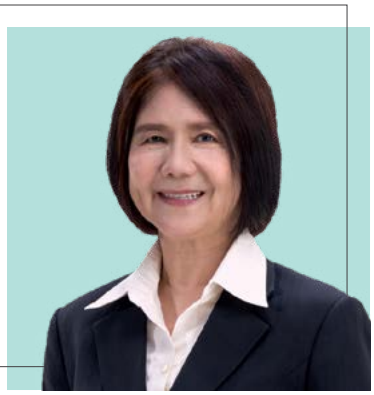
MEMBERSHIP OF BOARD COMMITTEE(S)
Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Secondary Education at Sekolah Menengah Kebangsaan Pekan Nenas, Johor

PROFESSIONAL EXPERIENCE
- Director of Greenhill SILC Sdn Bhd (Jun 2020 – present)
- Director of Pentagon Land Sdn Bhd (Jun 2020 – present)
- Director of I Stay Management Sdn Bhd (Feb 2018 – present)
- Director of AME Development Sdn Bhd (Mar 2011 – present)
- Director of Asiamost Sdn Bhd (Dec 1994 – present)
- Director of AME Construction Sdn Bhd (Oct 1993 – present)
- Director of Syarikat Asia Mechanical Engineering Sdn Bhd (Dec 1985 – Aug 2018)
- Joint proprietor of Syarikat Asia Mechanical Engineering (Feb 1981 – Dec 1985)

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 68

DATE OF APPOINTMENT 5 September 2018
TENURE OF DIRECTORSHIP 3 Years and 10 Months

MEMBERSHIP OF BOARD COMMITTEE(S)
ARMC RC NC

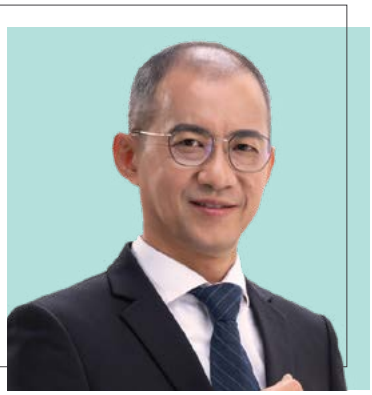
ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Associate of the Chartered Association of Certified Accountants (now known as Association of Chartered Certified Accountants ("ACCA"))
- Fellow of the ACCA
- Chartered Accountant of the Malaysia Institute of Accountants ("MIA")
- Fellow Member of the Chartered Tax Institute of Malaysia ("CTIM")
- Chairman for Southern Branch of CTIM (Jun 2008 – May 2015)
- Johor Regional Chairman of the MIA (Jul 2018 – Nov 2021)
- Committee Member of MIA Johor Regional Office

PROFESSIONAL EXPERIENCE
- Director of Tee Tax Services Sdn Bhd (Apr 2001 – Mar 2021)
- Consultant of Tee Tax Services Sdn Bhd (Apr 1999 – Mar 2001)
- Senior Consultant of Price Waterhouse Tax Services Sdn Bhd (Jan 1992 – Mar 1999)
- Tax Manager of Tax Advisory and Management Services Sdn Bhd (Aug 1987 – Dec 1991)
- Audit Supervisor of Khoo & Co (Nov 1984 – Aug 1987)
- Senior Audit Clerk of Ling Kam Hoong & Co (Mar 1982 – May 1983)
- Audit cum Accounts Clerk of Soh & Co (Jan 1980 – Aug 1981)

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES
- Solid Automotive Berhad
- Power Root 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 57

DATE OF APPOINTMENT 5 September 2018
TENURE OF DIRECTORSHIP 3 Years and 10 Months

MEMBERSHIP OF BOARD COMMITTEE(S)

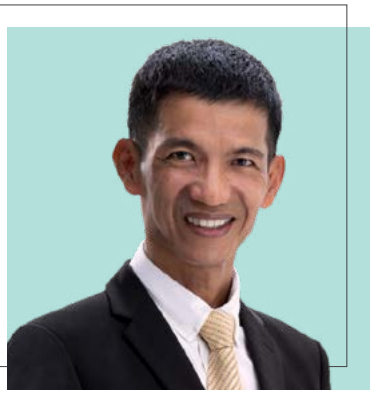
ARMC RC NC

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Accounting, University of Malaya
- Chartered Accountant of the Malaysian Institute of Accountants

PROFESSIONAL EXPERIENCE
- Alternate Director of V.S. Industry Berhad (Nov 2000 – Aug 2014)
- Joint Company Secretary of V.S. Industry Berhad (Aug 1996 – Aug 2014)
- Financial Controller of V.S. Industry Berhad (Jul 1996 – Aug 2014)
- Accountant of V.S. Industry Berhad (Sep 1994 – Jul 1996)
- Financial Controller cum Administration Manager of Vicmark Holdings Sdn Bhd (May 1994 – Aug 1994)
- Audit Supervisor of KPMG Peat Marwick (Jan 1994 – Apr 1994)
- Audit Assistant of KPMG Peat Marwick (Mar 1991 – Jan 1994)
- Audit Assistant of Kassim Chan & Co. (Apr 1990 – Mar 1991)

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES
- K. Seng Seng Corporation Berhad

FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS
Nil



MR WEE SOON CHIT

Independent Non-Executive Director

Male • Malaysian • Aged 55

DATE OF APPOINTMENT 5 September 2018
TENURE OF DIRECTORSHIP 3 Years and 10 Months

MEMBERSHIP OF BOARD COMMITTEE(S)

ARMC RC NC

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

PROFESSIONAL EXPERIENCE
- Director of Landserve (Johor) Sdn Bhd (Feb 2013 – present)
- Director of Regroup Associates (Johor) Sdn Bhd (later rebranded as CBRE (Johor) Sdn Bhd and now known as Savills (Johor) Sdn Bhd) (Jul 1997 – Jan 2013)
- Branch Manager of Knight Frank Baillieu, Johor Bahru (1996 – Jul 1997)
- Real Estate Manager of Olympia Land Berhad (end 1995 – 1996)
- Valuation Executive of Knight Frank Baillieu, Kuala Lumpur (Jul 1991 – end 1995)

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 34

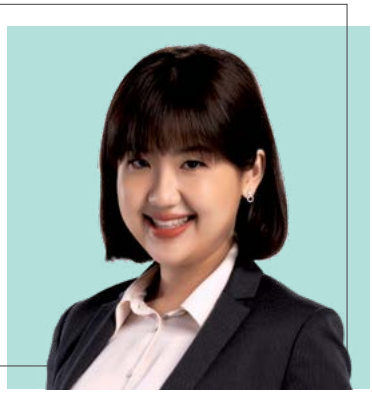
DATE OF APPOINTMENT 22 October 2018
TENURE OF DIRECTORSHIP 3 Years and 9 Months

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Education (Montessori Early Childhood Teaching), Auckland University of Technology, New Zealand

PROFESSIONAL EXPERIENCE
- Property Development Director of AME Development Sdn Bhd (Jul 2019 – present)
- Marketing Director of AME Development Sdn Bhd (Feb 2013 – Jul 2019)
- Assistant Marketing Manager of AME Development Sdn Bhd (Mar 2012 – Feb 2013)
- Marketing Administration Executive of AME Development Sdn Bhd (Aug 2011 – Mar 2012)
- Teacher of the Lollipops Albany Childcare Centre, New Zealand (Mar 2010 – Mar 2011)

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 32

DATE OF APPOINTMENT 12 May 2020
TENURE OF DIRECTORSHIP 2 Years and 2 Months

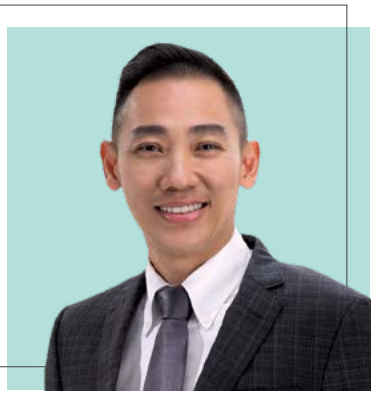
ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Business (Marketing and Management), Monash University, Australia

PROFESSIONAL EXPERIENCE
- Operations Manager of I REIT Managers Sdn Bhd (Apr 2022 – present)
- Marketing Manager of AME Development Sdn Bhd (Jan 2018 – Apr 2022)
- Business Development Executive of AME Development Sdn Bhd (Jul 2015 – Jan 2018)
- Marketing and Planning Executive of AME Development Sdn Bhd (Feb 2013 – Jul 2015)
- Marketing Executive of Axis REIT Managers Berhad (Jan 2013 – Feb 2013)
- Marketing Trainee of Axis REIT Managers Berhad (Oct 2012 – Jan 2013)

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 40

DATE OF APPOINTMENT 1 January 2021
TENURE OF DIRECTORSHIP 1 Year and 6 Months

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Engineering (Civil), Queensland University of Technology, Australia

PROFESSIONAL EXPERIENCE
- Director of AME Construction Sdn Bhd (Aug 2013 – present)
- Project Director of AME Construction Sdn Bhd (Jun 2013 – Aug 2013)
- Site Manager of AME Construction Sdn Bhd (May 2011 – Jun 2013)
- Project Engineer of AME Construction Sdn Bhd (Oct 2007 – May 2011)

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

Marketing Director of Quantum Renewable Energy Sdn Bhd

Male • Malaysian • Aged 41

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

PROFESSIONAL EXPERIENCE

- Executive Director of AME Construction Sdn Bhd (Jan 2022 – present)
- Marketing Director of Quantum Renewable Energy Sdn Bhd (Jul 2020 – present)
- Executive Director of AME Engineering Industries Sdn Bhd (Sep 2008 – present)
- Marketing Director of W-Link Sdn Bhd (Mar 2003 – Nov 2018)

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 54

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

PROFESSIONAL EXPERIENCE

- Head of Sales System Compliance Southern Region of Edaran Tan Chong Motor (Selatan) Sdn Bhd (Jan 2016 – Oct 2016)
- Director of Edaran Tan Chong Motor (Selatan) Sdn Bhd (Dec 2013 – Oct 2016)
- General Manager of Finance of Edaran Tan Chong Motor (Selatan) Sdn Bhd (Aug 2013 – Oct 2016)
- Head of Corporate Services of Dialog Engineering Pte Ltd, Singapore (May 2012 – Jul 2013)
- Senior Vice President of Finance & Corporate Services of Iskandar Regional Development Authority (Jun 2010 – Apr 2012)
- Vice President of Finance & Corporate Services of Iskandar Regional Development Authority (Feb 2008 – Jun 2010)
- Finance Manager of Oriental Assemblers Sdn Bhd (2000 – Jan 2008)
- Accountant of Oriental Assemblers Sdn Bhd (a joint venture company between Honda Motor Japan and Oriental Holdings Berhad) (Feb 1996 – 2000)
- Audit Senior of Price Waterhouse (Sep 1994 – Feb 1996)
- Audit Assistant of Price Waterhouse (Jul 1988 – Oct 1991)

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 Sdn Bhd

Male • Malaysian • Aged 57

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Diploma course in Technology (Materials Engineering), Tunku Abdul Rahman University College (then known as Tunku Abdul Rahman College)

PROFESSIONAL EXPERIENCE
- Site Manager of AME Construction Sdn Bhd (Jun 1996 – 2005)
- Project Coordinator of AME Construction Sdn Bhd (Oct 1995 – Jun 1996)
- Founder of Pembinaan & Kejuteraan Cahaya Maju (Sep 1993 – Jul 1995)
- Surveyor of Nakano (Malaysia) Sdn Bhd (May 1991 – Sep 1993)
- Surveyor of Kajima (Malaysia) Sdn Bhd (Jul 1990 – May 1991)

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 Sdn Bhd

Male • Malaysian • Aged 49

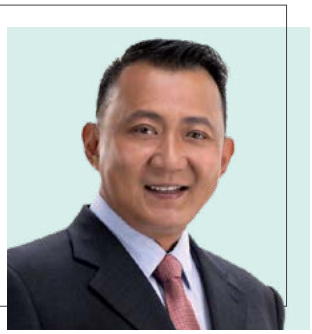
ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Intermediate Malaysian Skills Certificate as a Domestic and Industry Electrician, Majlis Latihan Vokasional Kebangsaan
- Certificate of competency as a wireman for the category of three-phase and testing endorsement (PW4)
- Certificate of competency as an electrical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

PROFESSIONAL EXPERIENCE
- Deputy Managing Director of Asiamost Sdn Bhd (Jun 2015 – Apr 2021)
- Project Director of Asiamost Sdn Bhd (Apr 2010 – Jun 2015)
- Project Manager of Asiamost Sdn Bhd (Feb 2008 – Apr 2010)
- Senior Project Co-ordinator of Asiamost Sdn Bhd (Jun 2001 – Feb 2008)
- Wireman of Asiamost Sdn Bhd (Apr 1996 – Jun 2001)
- Electrician of Felda Johore Bulkers Sdn Bhd (Jul 1994 – Apr 1996)
- Electrical Technician of Malaysian Sheet Glass Berhad (Mar 1993 – Jul 1994)

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES
Nil

FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS
Nil

KEY SENIOR MANAGEMENT'S PROFILE



MR TAN YIK WOEI

Project Director of AME Construction Sdn Bhd

Male • Malaysian • Aged 48

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

PROFESSIONAL EXPERIENCE
- Project Manager of AME Construction Sdn Bhd (Apr 2009 – Dec 2018)
- Senior Project Engineer of Tiong Seng Pte Ltd (Jul 2008 – Oct 2008)
- Project Manager of Mahabuilders Sdn Bhd (Apr 2007 – Jul 2008)
- Project Manager of Shamho Construction Sdn Bhd (Oct 2004 – Apr 2007)
- Project Engineer of Mahabuilders Sdn Bhd (Apr 2004 – Oct 2004)
- Site Engineer of Kumpulan Jayaputera Sdn Bhd (Apr 2002 – Mar 2004)

PRESENT DIRECTORSHIP(S) IN OTHER PUBLIC LISTED COMPANIES
Nil

FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS
Nil

MR CHAI KIAN FUI

Project Director of AME Construction Sdn Bhd

Male • Malaysian • Aged 40

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

PROFESSIONAL EXPERIENCE
- Production and Project Director of AME Engineering Industries Sdn Bhd (Jul 2018 – Apr 2021)
- Production and Project Manager of AME Engineering Industries Sdn Bhd (May 2011 – Jul 2018)
- Senior Project Engineer of Pusat Antara Sdn Bhd (Sep 2008 – May 2011)
- Project Engineer of Pusat Antara Sdn Bhd (Apr 2008 – Sep 2008)
- Project Engineer of AME Construction Sdn Bhd (May 2005 – Apr 2008)

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 Director and Key Senior Management has any conflict of interest with the Company.

Conviction for Offences
None of the Director 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 2022.

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 for and safeguarding the interests of stakeholders.

This Corporate Governance Overview Statement ("**Statement**") for the financial year ended 31 March 2022 ("**FY2022**") 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 (4th 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 2021 ("**MCCG**") during FY2022 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 2022 ("**CG Report**"), in which the Company explains its application of each of the MCCG's best practices. The CG Report is disclosed to Bursa Malaysia in a prescribed format, published with this Annual Report and available on the Company's website at 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 FY2022. 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	37	–	37
2. Departure	4	–	4
3. Not Applicable	2	–	2
4. Adopted	–	4	4
5. Not Adopted	–	1	1
Total	**43**	**5**	**48**

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

Practice 1.4	The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.
Practice 5.9	The board comprises at least 30% women directors.
Practice 8.2	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 8.3	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.
Practice 13.6	Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

The following disclosure statements provide a summary of the Group's application of the principles set out in the MCCG during FY2022.

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 Board's primary role 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 considering the interest of other stakeholders. The Board sets the Company's goals, 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 in focusing on the key areas of responsibility that may affect the long-term success of the Group.

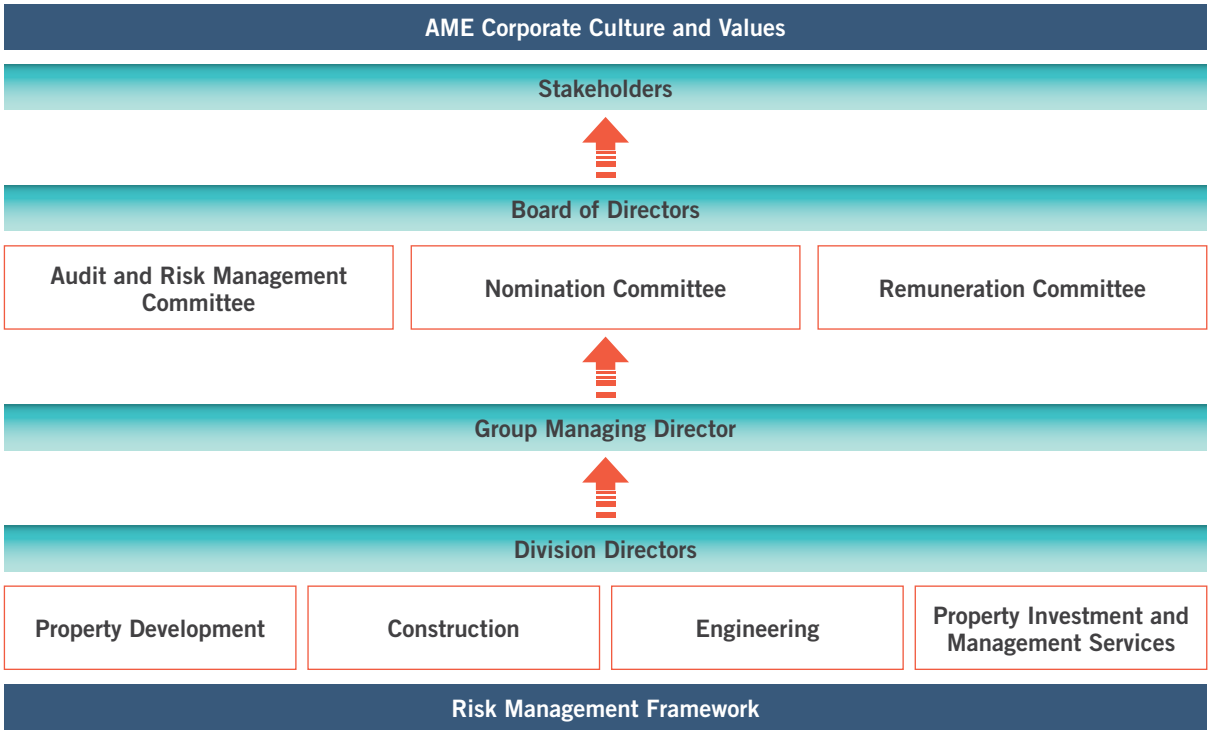
CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. It operates within terms of reference approved by the Board, primarily to support in carrying out the Board functions and to assist in the execution of the Board's duties and responsibilities, namely:

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

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

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

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

Schedule of Matters Reserved for the Board

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

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

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

PART I: BOARD RESPONSIBILITIES (cont'd)

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

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

Board Activities and Tasks in FY2022

Overall, during FY2022, 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) Overseen the progress of ongoing corporate exercises;
c) Reviewed draft prospectus in relation to the proposed establishment and listing of an industrial real estate investment trust on the Main Market of Bursa Malaysia; and
d) Reviewed proposals and provided strategic direction for potential industrial property development and investment projects including land acquisitions and joint ventures;

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) Overseen the continuous risk management plans 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 performance and effectiveness of the Board as a whole, Board Committees and individual Directors based on the assessment results tabled by the NC; and
b) Reviewed management performance and approved performance bonus and annual salary increment for FY2021/22;

Corporate Governance

a) Reviewed and enhanced the overall corporate governance framework to ensure good practice in line with the MCCG; and
b) Reviewed policies in place to ensure that the Group complies with the Companies Act 2016 ("**CA 2016**"), the Listing Requirements and other legislative and reporting requirements.

Sustainability

a) Reviewed and adopted a formal policy on sustainability;
b) Reviewed proposals and approved the engagement of a third-party professional sustainability consulting firm to assist in strengthening and enhancing the Group's overall sustainability framework;
c) Reviewed sustainability updates from management to ensure sustainability progress is on track with the pre-determined strategies and plans; and
d) 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 FY2022 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.

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)

1.3 Separation of Positions of Board Chairperson and Group Managing Director

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

1.4 Detachment of Board Chairperson from the Board Committees

The Board Chairperson has resigned as a member of all the Board Committees with effect from 1 March 2022. The Board Committees invite the Board Chairperson to participate in the Board Committees' meetings on a needs basis to leverage on her knowledge and experience.

The Board is of the view that the attendance of the Board Chairperson, who is also an Independent Non-Executive Director, in the Board Committees' meetings has no implication to the Board Committees in achieving its objective and independent discussion. All the standing Board Committees, being ARMC, NC and RC comprise exclusively of Independent Non-Executive Directors in accordance with the MCCG's recommendations. In the annual assessment of Board Committees' effectiveness, all the Board Committees are evaluated to be performing and effective in discharging their roles and responsibilities as per the Terms of Reference.

In addition, the Board considers that given the diverse skills, competencies of its Directors, including Independent Directors, who are appointed to form a strong and balanced Board with appropriate mix of skills, knowledge, experience and attributes, the participation by the Board Chairperson at the Board Committees level should be determined by the Board Chairperson's ability to contribute and participate objectively. Through the annual assessment of the Independent Directors, the Board is satisfied with the level of independence demonstrated by all the Independent Directors (including the Board Chairperson) and their ability to act in the best interest of the Company.

Notwithstanding the above, the Board is mindful of the recommendation from the MCCG. The Board Committees will continue to assess the requirements of inviting the Board Chairperson to attend the Board Committees' meetings.

1.5 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.

1.6 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 the rights to seek independent professional advice at the Group's expense should they consider necessary in carrying out their duties.

To ensure effective deliberation at the Board and Board Committee meetings, notices and agendas of meetings and other 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.

Further, with the assistance of the Company Secretaries, minutes of meeting are prepared and circulated to all the Directors for their review and comment in a timely manner. Action items identified during the meeting are highlighted for follow-up action to be undertaken by the management.

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

PART I: BOARD RESPONSIBILITIES (cont'd)

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 the 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 present Board Charter was last reviewed by the Board on 25 July 2022. It is published on the Company's website at www.ame-elite.com.

3.0 Good Business Conduct and Corporate Culture

3.1 Code of Conduct and Ethics

The Board has a Code of Conduct and Ethics ("**Code**") which sets the tone and standards for the Group's ethical conduct. It serves to guide the 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 present Code was adopted by the Board on 26 February 2020. It is published on the Company's website at www.ame-elite.com. The Board communicates the Code to all Directors and employees upon their appointment or employment and the Code forms part of their terms and conditions of service.

3.2 Whistleblowing Policy

The Board has a Whistleblowing Policy to provide employees and stakeholders with proper channels and guidance to report any legitimate concerns over any wrongdoing within the Group relating to unlawful conduct, financial malpractice or danger to the public or the environment. It encourages reporting 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 and is encouraged to disclose the improper conduct through the following reporting channels:

Name	: **Chang Tian Kwang** *(Chairperson, Nomination Committee)*
By mail	: **Boardroom Corporate Services Sdn. Bhd. (Johor Branch)** Suite 9D, Level 9, Menara Ansar, No. 65 Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim, Malaysia.
Via e-mail	: whistleblow@ame-elite.com

In order 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 present Whistleblowing Policy was adopted by the Board on 26 February 2020. It is published on the Company's website at www.ame-elite.com.

During FY2022, there was no complaint or whistleblowing report channelled through the whistleblowing channel.

3.3 Anti-Bribery and Anti-Corruption Policy

Following the introduction of the 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.

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)

3.3 Anti-Bribery and Anti-Corruption Policy (cont'd)

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 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.

4.0 Sustainability Oversight and Management

4.1 Commitment and approach to Sustainability

The Board recognises the importance of sustainable development and is committed to embedding sustainability principles and values into the Group's strategic plans, targets, business processes and risk management.

With an aim of ensuring the Group has an effective system to govern sustainability matters, the Board has adopted a Sustainability Policy and established a Sustainability Steering Committee, which is spearheaded by the Company's Alternate Director to the Group Managing Director and comprises members from the key business divisions of the Group. The Sustainability Steering Committee has the primary role of supporting the Board in implementing and managing sustainability strategies, initiatives and processes within the Group and is responsible to update sustainability progress, report significant sustainability issues, and make necessary sustainability recommendations for implementation to the Board.

The Sustainability Steering Committee provides regular updates to the Board in the quarterly Board meetings on the progress of the Group's sustainability priorities and initiatives. Significant sustainability issues and concerns, if any, are also reported to the Board to ensure Directors keep abreast of the Group's sustainability matters and make informed decision. On an annual basis, the Sustainability Steering Committee provides a detailed presentation to the Board on the Sustainability Statement which covers specific knowledge and updates on the integration of sustainability matters into the Group's business model and the emergence of sustainability risks and opportunities.

Further details of the Group's sustainability framework and activities undertaken are set out in the Sustainability Statement of this Annual Report.

PART II: BOARD COMPOSITION

5.0 Board Objectivity

5.1 Board Composition

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

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

The profile of each Director is detailed in the Board of Directors' Profile Section of this Annual Report.

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

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

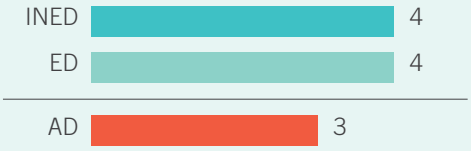
5.0 Board Objectivity (cont'd)

5.1 Board Composition (cont'd)

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 5.2 of the MCCG which calls for independent directors to make up at least half of the Board membership. The Board considers that this composition enhances oversight of the management and supports independent deliberation, review and decision-making.

If any vacancy in the Board composition results in non-compliance with the Listing Requirements, the Company shall fill the vacancy within three (3) months.

Designation



INED : Independent Non-Executive Director
ED : Executive Director
AD : Alternate Director

5.2 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 the tenure of its Independent Directors to nine (9) years without further extension.

Currently, all members of the Board including Independent Directors have served for less than four (4) years on the Board.

Length of Board Service

5.3 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 diverse, inclusive and equitable workplace.

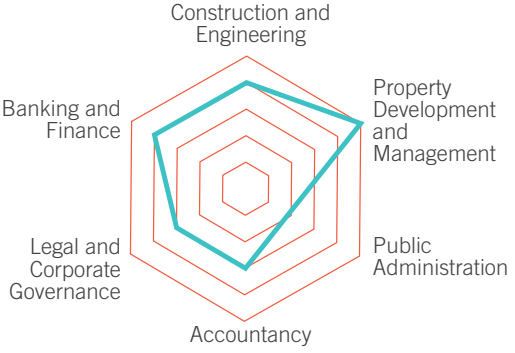
In nominating candidates for directorship, the NC will consider the fitness and properness of the candidate which include amongst others, the required mix of diversity in skills, experience, age, cultural background, gender, character, integrity, competence and time commitment of the candidates, including those who retire and offer themselves for re-election.

In accordance with the amendments to Paragraph 15.01A of the Listing Requirements, which took effect on or after 1 July 2022, the Board has adopted a Directors' Fit and Proper Policy to set out the criteria for selection of candidates that are proposed to be appointed as Directors, including Directors who are seeking for re-election. The policy is published on the Company's website at www.ame-elite.com.

In addition, the Board has adopted the MCCG's recommendation in its Board Charter to avoid appointing an active politician as a member of the Board to mitigate potential conflict of interest situations.

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 an appropriate mix of skills, knowledge, experience and attributes in meeting its needs and objectives. The Board comprises suitably qualified and experienced professionals in construction and engineering, property development and management, property consultancy, accountancy, banking and finance, and 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:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

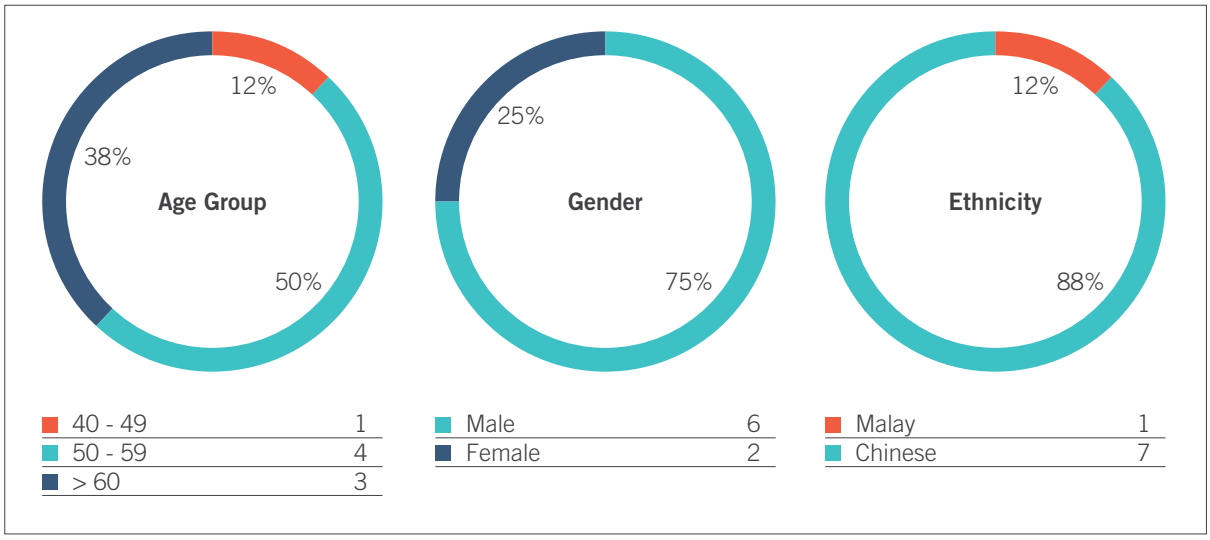
PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (cont'd)

5.0 Board Objectivity (cont'd)

5.3 Diversity of Board and Senior Management (cont'd)

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



Details on the Board Assessment conducted by the NC are as set out in Section 5.6 of this Statement.

5.4 Gender Diversity

The Board has established a Diversity and Inclusion Policy to set out its approach to diversity and inclusion within the Group.

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 practising non-discrimination throughout the Group's employment processes, including recruitment and retention, performance evaluation, promotion, training, career development and succession planning.

For gender diversity, the Board is committed to supporting the representation of women in the composition of the Board and Senior Management. It will utilise the following strategies in attaining its gender diversity commitment:

a) recruiting from a diverse pool of candidates for female positions;
b) identifying specific factors to take into account in the recruitment and selection processes to encourage gender diversity; and
c) reviewing succession plans to ensure an appropriate focus on gender diversity.

In addition, the Board recognises its current Board composition with two (2) female Directors out of the total eight (8) Directors, representing 25% women Directors, is below the 30% gender diversity recommended by the MCCG. It has taken cognisance of the recommendation and 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 took the initial steps of appointing two (2) female Alternate Directors to act as substitutes for 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.

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

PART II: BOARD COMPOSITION (cont'd)

5.0 Board Objectivity (cont'd)

5.5 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 to meet the Company's future needs, considering diverse perspectives and insights.

In identifying candidates for the 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.

5.6 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 Director, identifies the training needs of Directors, and 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.

During FY2022, 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 [(i)]	Member	Independent Non-Executive Chairperson
Ms Tan Lay Beng	Member	Independent Non-Executive Director
Mr Wee Soon Chit	Member	Independent Non-Executive Director

Note:
[(i)] YM Tengku Azrina Binti Raja Abdul Aziz has resigned as a member of the NC with effect from 1 March 2022.

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

Among the key activities of the NC during/for FY2022 were as follows:

a) Reviewed the evaluation forms for annual assessment of the Board, including training needs, to be in line with the Listing Requirements and the MCCG prior to undertaking the evaluation process;
b) 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;
c) 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;
d) Assessed the independence of the Independent Directors and their ability to exercise independent judgement by way of a self-assessment by each Director based on the criteria set out in the Listing Requirements;
e) Assessed the effectiveness of the ARMC, NC and RC;
f) Assessed the training needs of each Director;
g) Nominated for re-election the Directors who will be retiring at the forthcoming Annual General Meeting ("**AGM**") and recommended to the Board for their re-election be tabled at the AGM; and
h) Reviewed the Terms of Reference and the Statement of Activities of the NC.

5.7 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II: BOARD COMPOSITION (cont'd)

5.0 Board Objectivity (cont'd)

5.7 Election and Re-election (cont'd)

At the 3rd AGM of the Company held on 26 August 2021, the retiring Directors, Mr Lim Yook Kim, YM Tengku Azrina Binti Raja Abdul Aziz and Mr Wee Soon Chit, being eligible, had been re-elected as Directors of the Company. All retiring Directors had undergone a performance evaluation conducted by the NC and were evaluated to be effective and valuable to the Board. The NC was satisfied with the level of independence demonstrated by all the retiring Independent Directors and their ability to act in the best interest of the Company. The tenure of the retiring Independent Directors were less than nine (9) years. Based on the assessments, the NC had recommended to the Board, their re-election as Directors at the 3rd AGM and their re-election was subsequently approved by the shareholders.

At the 4th AGM, Mr Lee Chai, Ms Tan Lay Beng, Mr Chang Tian Kwang will be retiring and eligible for re-election. Profiles of the Directors are published in the Board of Directors' Profile Section of this Annual Report and on the Company's website. These include their age, gender, tenure of service, position in the Company, qualification, working experience, directorship in other public companies and listed issuers, conflict of interest (if any) as well as family relationship with any Director and/or major shareholder of the Company.

Other information such as meeting attendance, records of training attended, remuneration as well as shareholdings in the Company and its subsidiaries, are also set out in the relevant sections of this Annual Report.

The Board and the NC's assessment and recommendation on the re-appointment of retiring Directors will be provided in the notice of AGM and the statement accompanying notice of AGM.

6.0 Effectiveness of the Board, Board Committees and Individual Directors

6.1 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 relating to ESG or Sustainability;**

c) **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

d) **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

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

The Board Effectiveness Evaluation for FY2022 was conducted in May 2022. 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 Company's best interest. All members of the Board, including Independent Directors, have served for less than four (4) years on the Board.

Through the evaluation conducted, the Board has also identified specific areas (with lower rating) which require improvement or attention and has determined follow-up actions to be undertaken by the Board and/or Management.

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

PART II: BOARD COMPOSITION (cont'd)

6.0 Effectiveness of the Board, Board Committees and Individual Directors (cont'd)

6.2 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 on the oversight function of directors. Through continuing education programmes, the Directors are required to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

Details of trainings attended by the Directors during FY2022 are as follow:

Directors	Training Attended	Date
Executive Directors		
Mr Lee Chai	• Property Development: Current Legal and Tax Issues	2 September 2021
	• Budget 2022: A Prelude To A More Aggressive Tax & Customs Audits?	17 November 2021
	• ESG Compliance and Due Diligence: What Business Owners Need to Know?	2 December 2021
	• Virtual Investing Roundtable: 2022 Market Outlook	25 January 2022
Mr Lim Yook Kim	• ESG Compliance and Due Diligence: What Business Owners Need to Know?	2 December 2021
	• Virtual Investing Roundtable: 2022 Market Outlook	25 January 2022
Mr Kang Ah Chee	• ESG Compliance and Due Diligence: What Business Owners Need to Know?	2 December 2021
	• Virtual Investing Roundtable: 2022 Market Outlook	25 January 2022
Mr Lee Sai Boon	• Property Development: Current Legal and Tax Issues	2 September 2021
	• Budget 2022: A Prelude To A More Aggressive Tax & Customs Audits?	17 November 2021
	• ESG Compliance and Due Diligence: What Business Owners Need to Know?	2 December 2021
	• Virtual Investing Roundtable: 2022 Market Outlook	25 January 2022
Independent Non-Executive Directors		
YM Tengku Azrina Binti Raja Abdul Aziz	• Sustainable Finance: Making Better Financial Decisions	9 April 2021
	• Board and Audit Committee Priorities 2021	7 May 2021
	• Doubling down on Corporate Governance Watch 2020 and Malaysian Code on Corporate Governance (2021 Update)	4 June 2021
	• Finance for Non-Finance Manager/Executives	21 & 22 June 2021
	• Legal Aspects of Digital Transformation	25 June 2021
	• Directors' Duties and Climate Change	22 July 2021
	• Conference on Corporate and Commercial Law	6 to 10 September 2021
	• Audit Oversight Board conversation with Audit Committees	29 November 2021

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II: BOARD COMPOSITION (cont'd)

6.0 Effectiveness of the Board, Board Committees and Individual Directors (cont'd)

6.2 Directors' Training (cont'd)

Directors	Training Attended	Date
Independent Non-Executive Directors (cont'd)		
Ms Tan Lay Beng	• Malaysian Tax Conference 2021	6 & 7 April 2021
	• Doubling down on Corporate Governance Watch 2020 and Malaysian Code on Corporate Governance (2021 Update)	4 June 2021
	• MIA Conference 2021	8 to 10 June 2021
	• MIA Webinar Series: Corporate Tax Strategies	12 July 2021
	• MIA Webinar Series: Latest Tax Considerations and Issues for SMEs	3 August 2021
	• Audit Oversight Board conversation with Audit Committees	29 November 2021
	• Service Tax, Sales Tax, GST & Customs Duties: Special Tax Incentives in 2022 – Voluntary Disclosure & Amnesty	15 February 2022
	• Entering the 5G Era	16 March 2022
	• ESG Oversight for Board	18 March 2022
	• Technology adoption strategy for SMPs and SMEs	23 March 2022
	• MIA AccTech Conference (Day 2)	30 March 2022
Mr Chang Tian Kwang	• How would Regional Comprehensive Economic Partnership (RCEP) & Foreign Direct Investment (FDI) Benefit your Business?	31 March 2021
	• Doubling down on Corporate Governance Watch 2020 and Malaysian Code on Corporate Governance (2021 Update)	4 June 2021
	• Tax and Business Summit 2021	17 & 18 November 2021
	• Audit Oversight Board conversation with Audit Committees	29 November 2021
Mr Wee Soon Chit	• Sustainable Finance: Making Better Financial Decisions	9 April 2021
	• Doubling down on Corporate Governance Watch 2020 and Malaysian Code on Corporate Governance (2021 Update)	4 June 2021
	• Legal Perspectives Buying Properties – An Asset or Share Sale	10 June 2021
	• Finance for Non-Finance Manager/Executives	21 & 22 June 2021
	• Mixed-Use Strata Development (Part 2) Webinar	22 July 2021
	• Heritage Building Valuation	17 November 2021
	• Audit Oversight Board conversation with Audit Committees	29 November 2021
Alternate Directors		
Ms Lim Pei Shi	• Prix d'Excellence Success Stories	26 May 2021
	• Finance for Non-Finance Manager/Executives	24 & 25 June 2021
	• MIEA HOPE Programme 3.0 – Challenges to Johor Real Estate Market Post MCO 3.0	29 June 2021
Ms Lee Ling Sien	• Finance for Non-Finance Manager/Executives	24 & 25 June 2021
	• Google Ads Private Training	21 & 22 September 2021
	• The Cooler Earth Sustainability Summit 2021	23 to 27 September 2021
	• Powering Sustainability through Purpose & Actions	27 September 2021
	• Trends, Developments and Best Practices in Financial and ESG Reporting	29 September 2021
	• Clean Power New Energy Forum 2021	12 & 13 October 2021
Mr Kang Koh Wei	• Budget 2022: A Prelude To A More Aggressive Tax & Customs Audits?	17 November 2021
	• ESG Compliance and Due Diligence: What Business Owners Need to Know?	2 December 2021
	• Virtual Investing Roundtable: 2022 Market Outlook	25 January 2022

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

PART II: BOARD COMPOSITION (cont'd)

6.0 Effectiveness of the Board, Board Committees and Individual Directors (cont'd)

6.3 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 the 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 FY2022, all directors have recorded attendance exceeding the minimum 50% attendance requirement in respect of Board meetings as stipulated in the Listing Requirements. The Board was satisfied with the time commitment given by the Directors as illustrated by their attendance at the Board and Board Committee meetings.

Details on the number of meetings attended/held during FY2022 are shown below:

	No. of Meetings Attended/Held			
Directors	**The Board**	**The ARMC**	**The NC**	**The RC**
Executive Directors				
Mr Lee Chai	5/5	5/5 [(i)]	1/1 [(i)]	1/1 [(i)]
Mr Lim Yook Kim	5/5	5/5 [(i)]	–	–
Mr Kang Ah Chee	5/5	5/5 [(i)]	–	–
Mr Lee Sai Boon	5/5	5/5 [(i)]	1/1 [(i)]	1/1 [(i)]
Independent Non-Executive Directors				
YM Tengku Azrina Binti Raja Abdul Aziz	5/5	5/5	1/1	1/1
Ms Tan Lay Beng	5/5	5/5	1/1	1/1
Mr Chang Tian Kwang	5/5	5/5	1/1	1/1
Mr Wee Soon Chit	5/5	5/5	1/1	1/1
Alternate Directors				
Ms Lim Pei Shi	5/5	5/5 [(i)]	–	–
Ms Lee Ling Sien	5/5	5/5 [(i)]	–	–
Mr Kang Koh Wei	5/5	5/5 [(i)]	–	–
Total number of meetings held	**5**	**5**	**1**	**1**

Note:

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART III: REMUNERATION

7.0 Level and Composition of Remuneration

7.1 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 remuneration to avoid conflict of interest. Still, they may attend the RC meeting at the invitation of the RC Chairperson, if their presence is required. Similarly, Non-Executive Directors are not required to determine their remuneration.

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

7.2 Remuneration Committee

The RC assists the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management. It reviews the Directors' and Senior Management's remuneration, ensuring that the Company continues to attract, retain and motivate high calibre individuals with 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.

During FY2022, 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 [(i)]	Member	Independent Non-Executive Chairperson
Ms Tan Lay Beng	Member	Independent Non-Executive Director
Mr Chang Tian Kwang	Member	Independent Non-Executive Director

Note:
[(i)] YM Tengku Azrina Binti Raja Abdul Aziz has resigned as a member of the RC with effect from 1 March 2022.

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

Among the key activities of the RC during/for FY2022 were as follows:

a) Reviewed and discussed the performance of each Director with reference to the Board Effectiveness Evaluation conducted by the NC;
b) Reviewed and recommended the Directors' Fees and benefits payable to be tabled and approved by shareholders at the forthcoming AGM;
c) Reviewed and assessed the Executive Directors' salaries, annual bonuses and other emoluments; and
d) Reviewed the Terms of Reference and the Statement of Activities of the RC.

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

PART III: REMUNERATION

8.0 Remuneration of Directors and Senior Management

8.1 Details of Directors' Remuneration

The Directors' remuneration for FY2022 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 the participation of the respective Directors in determining their 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 4th AGM for the payment of Directors' fees for FY2022, the Directors' Fees for the financial year ending 31 March 2023 to be payable on quarterly basis in arrears as well as the Directors' Benefits from the conclusion of the 4th AGM until the conclusion of the 5th AGM of the Company.

Details of the Directors' remuneration for FY2022 are as follows:

	Company (i)			Subsidiaries (ii)				Grand-Total
	Fees (i)	Meeting Allowances	Sub-Total	Salaries and Bonuses	Defined Contribution Plans	Benefits-in-kind	Sub-Total	
	RM	RM	RM	RM	RM	RM	RM	RM
Executive Directors								
Mr Lee Chai	72,000	4,500	76,500	2,590,000	312,648	28,000	2,930,648	3,007,148
Mr Lim Yook Kim	72,000	3,500	75,500	799,000	96,709	15,500	911,209	986,709
Mr Kang Ah Chee	72,000	3,500	75,500	799,000	96,709	15,500	911,209	986,709
Mr Lee Sai Boon	72,000	4,500	76,500	2,031,000	247,416	28,000	2,306,416	2,382,916
Independent Non-Executive Directors								
YM Tengku Azrina Binti Raja Abdul Aziz	108,000	4,500	112,500	–	–	–	–	112,500
Ms Tan Lay Beng	84,000	4,500	88,500	–	–	–	–	88,500
Mr Chang Tian Kwang	72,000	4,500	76,500	–	–	–	–	76,500
Mr Wee Soon Chit	72,000	4,500	76,500	–	–	–	–	76,500
Alternate Directors								
Ms Lim Pei Shi	–	–	–	513,000	62,484	23,950	599,434	599,434
Ms Lee Ling Sien	–	–	–	240,000	29,724	8,800	278,524	278,524
Mr Kang Koh Wei	–	–	–	430,000	52,524	23,950	506,474	506,474

Note:
(i) Received or receivable from the Company.
(ii) Received or receivable from subsidiary companies in respect of their executive role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART III: REMUNERATION (cont'd)

8.0 Remuneration of Directors and Senior Management (cont'd)

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

Remuneration of the Group's top five (5) Senior Management personnel for FY2022 are disclosed in bands of RM50,000 as follows:

Range of Remuneration [(i)] (RM)	Number of Senior Management [(ii)]
400,001 - 450,000	1
450,001 - 500,000	1
500,001 - 550,000	–
550,001 - 600,000	–
600,001 - 650,000	1
650,001 - 700,000	1
700,001 - 750,000	–
750,001 - 800,000	–
800,001 - 850,000	1
Total	**5**

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

9.0 Effective and Independent ARMC

9.1 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 the objectivity of the Board's review of the ARMC's findings and recommendations.

9.2 Policy Requiring Former Audit Partner to Observe three (3) Years Cooling-Off Period

The Board is committed to ensuring the effectiveness and independence of its ARMC. This includes requiring a former partner of the Company's external audit firm and/or the affiliate firm (including those providing advisory services and tax consulting services) to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. No former partner of the Company's external audit firm and/or the affiliate firm have been appointed to the Board thus far.

9.3 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 FY2022 was conducted in May 2022. 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 audit engagement under 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 FY2022 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 FY2022 are set out in the Additional Compliance Information Section of this Annual Report.

Accordingly, the re-appointment of Messrs KPMG as Auditors of the Company for FY2023 was recommended by the ARMC to the Board. The Board shall seek shareholders' approval for the re-appointment at the 4th AGM.

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

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

9.0 Effective and Independent ARMC (cont'd)

9.4 Composition of the ARMC

The ARMC comprises solely Independent Non-Executive Directors. Details on the ARMC composition and key activities undertaken during FY2022 are set out in the ARMC Report in this Annual Report.

9.5 Diversity in skills of the ARMC

The current ARMC comprises members in the fields of accountancy, taxation, banking and finance, property consultancy, and corporate governance. The ARMC has the necessary skills to discharge its duties and responsibilities. Two (2) 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 can understand matters under the purview of the ARMC including the financial reporting process. Biographical particulars of each member of the ARMC are set out in the Board of Directors' Profile Section 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 FY2022 are set out in Section 6.2 of this Statement.

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.0 Effective Risk Management and Internal Control Framework

10.1 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 effective internal controls are 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 management level. It also sets out the risk management processes and the risk appetite and 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.

10.2 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 of this Annual Report.

10.3 Risk Management Committee

The ARMC assists the Board in fulfilling its oversight function of risk management and internal control. The ARMC is responsible for reviewing and recommending 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 and 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/for FY2022 are set out in the ARMC Report in this Annual Report.

11.0 Effective Governance, Risk Management and Internal Control

11.1 Effective and Independent Internal Audit Function

The internal audit function of the Group is outsourced to Sterling Business Alignment Consulting Sdn Bhd ("**Internal Auditors**"), an independent professional service company. The Internal Auditors assist the ARMC in managing the risks and establishing 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 the Group's records, physical properties and personnel pertinent to carrying out any engagement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

11.0 Effective Governance, Risk Management and Internal Control (cont'd)

11.1 Effective and Independent Internal Audit Function (cont'd)

The ARMC has the responsibility to review and assess the adequacy of the scope, functions, competency and resources of the internal audit functions. 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 can access information to carry out its role effectively; and

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

The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.

To ensure that the responsibilities of Internal Auditors are fully discharged, the ARMC has established an Internal Audit Function Evaluation Form to evaluate the performance of the Internal Auditors annually.

The evaluation of the Internal Auditors for FY2022 was conducted in July 2022. Based on the evaluation, the ARMC concluded that the Internal Auditors have sufficient experience and resources to satisfy their terms of reference and adequately deliver quality services to the Group. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.

During FY2022, there were two (2) internal audit reports and five (5) 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 has resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

Further details of the internal audit function and key activities undertaken are set out in the Statement on Risk Management and Internal Control and the ARMC Report in this Annual Report.

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

PART I: ENGAGEMENT WITH STAKEHOLDERS

12.0 Engagement with Stakeholders

12.1 Effective, Transparent and Regular Communication with Stakeholders

The Board recognises the importance and value of effective dialogue with its stakeholders. It is committed to ensuring the Group maintains transparent and regular communication channels to build a 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. The website has a dedicated "Investor Relations" section, in which all relevant corporate information on the Group are provided, including financial calendar, corporate governance documents and policies, regulatory announcements and disclosures, annual report, corporate governance report, quarterly results, corporate presentations, press releases, and analyst coverage.

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

PART I: ENGAGEMENT WITH STAKEHOLDERS (cont'd)

12.0 Engagement with Stakeholders (cont'd)

12.1 Effective, Transparent and Regular Communication with Stakeholders (cont'd)

d) Investor Relations Function

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

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

Mr Gregory Lui *Group Financial Controller* Contact No.: +607-5959 666 Email: gregory.lui@amedev.com.my
Ms Julia Pong *Investor Relations Officer* Contact No.: +603-2711 1391 Email: ame-elite@investor.net.my

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

PART II: CONDUCT OF GENERAL MEETINGS

13.0 Encourage Shareholders' Participation at General Meeting

13.1 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 3rd AGM held on 26 August 2021 with explanatory notes to shareholders at least 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.

13.2 Directors to Attend General Meetings

All Directors, including all the Board Committee Chairpersons, as well as the Company's External Auditors attended the 3rd AGM held on 26 August 2021. Similarly, all Directors and the respective Principal Advisors, Legal Due Diligence Solicitors and other consultants also attended the Extraordinary General Meeting ("**EGM**") held on 8 April 2021 and 26 August 2021.

All proposed resolutions were explained prior to the commencement of poll voting. 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 general meetings. The outcome of the general meetings were announced to Bursa Malaysia on the same meeting day and published on the Company's website.

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

During FY2022, two (2) out of three (3) general meetings of the Company had been conducted on a fully virtual basis. The EGM held on 8 April 2021 was conducted 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. Nevertheless, the 3rd AGM and the EGM held on 26 August 2021 were both 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, provided by the appointed poll administrator, Boardroom Share Registrars Sdn Bhd ("**Boardroom**").

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II: CONDUCT OF GENERAL MEETINGS (cont'd)

13.0 Encourage Shareholders' Participation at General Meeting (cont'd)

13.3 Leveraging on Technology for Voting in Absentia and Remote Shareholders' Participation (cont'd)

The RPEV facilities provided by Boardroom enabled shareholders to exercise their right as a member of the Company to participate by posing questions to the Board and/or the Management in advance or via real time submission of typed texts and voting remotely.

For all three (3) general meetings held, shareholders who were unable to attend the general meetings were allowed to appoint their respective proxies to participate, speak and vote on their behalf at the general meetings.

13.4 Interactive and meaningful general meeting

The 3rd AGM and the EGM held on 26 August 2021 were both conducted on a fully virtual basis through live streaming and online remote voting using RPEV facilities via online meeting platform, provided by Boadroom.

The online meeting platform was organised from https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657) and is recognised as a meeting venue or place for purpose of Section 327(2) of the CA 2016 as clarified in the Frequently Asked Questions (FAQs) on Virtual General Meetings issued by Companies Commission of Malaysia on 8 June 2021.

The RPEV facilities allow shareholders to submit their votes on the resolutions at any time from the start of the general meetings and before the end of the voting session. The poll administrator also briefed the shareholders through its video presentation on the e-voting procedures to facilitate the e-voting process. The poll results were verified by the independent scrutineers and announced by the Board Chairperson.

During all three (3) general meetings held in FY2022, the Board Chairperson encouraged all shareholders to pose questions before putting resolutions for poll voting. Shareholders were given sufficient time and opportunity to pose questions during the general meetings. Questions that were submitted prior to the general meetings (if any) and those that were posed during the meetings were addressed by the respective Directors, Management, advisors and/or consultants.

At the 3rd AGM, the Board Chairperson informed shareholders that the Company had received a letter from the Minority Shareholders Watch Group (MSWG) on questions relating to the operational and financial matters of the Group and corporate governance matters. The Board Chairperson read out all questions and the respective Executive Directors and the Board Committees' Chairpersons responded accordingly.

The Group Financial Controller also took the opportunity to engage with shareholders at the 3rd AGM by giving a presentation on the operational highlights and financial performance of the Group.

13.5 Circulation of minutes of general meetings to shareholders within 30 business days

The minutes of the 3rd AGM detailing the proceedings of the meeting including the questions raised by the shareholders and MSWG, and response from the Directors, Management, advisors and/or consultants was made available on the Company's website at www.ame-elite.com within 30 business days after the 3rd AGM. However, minutes of the EGM held on 8 April 2021 and 26 August 2021 were not published on its website within 30 business days.

The Company will endeavour to publish on its website minutes of future general meetings within 30 business days from the date of the general meeting.

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 2022 ("**FY2022**").

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 *(Resigned as a member on 1 March 2022)*	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 a committee member of the MIA Johor Regional Office. 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 62, 64 and 65 of this Annual Report.

MEETING

The ARMC held five (5) meetings during FY2022. The attendance of the ARMC members is set out as follows:

Name	Number of Meetings Attended
Ms Tan Lay Beng	5/5
YM Tengku Azrina Binti Raja Abdul Aziz *(Resigned as a member on 1 March 2022)*	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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES

The activities carried out by the ARMC for FY2022 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 FY2022 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 FY2022, 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 FY2022.
- 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.
- 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 by the Management and the External Auditors.
- Discussed the implication of the adoption of new accounting standards, interpretations and amendments of the MFRS during FY2022 with the Management and the External Auditors.
- Met with the External Auditors without the presence of the Management to discuss issues encountered during the review of the Interim Financial Reports and audit of the Annual Financial Statements for FY2022.

2. External Audit

- Reviewed the Audit Plan and Strategy for FY2022 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 FY2022, as well as year-end audit report and management letter with the Management's response for FY2022 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 FY2022 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 that 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 FY2022.
- 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**").
- Reviewed RPTs of the 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 which require the Company's shareholder approval.

SUMMARY OF ACTIVITIES (CONT'D)

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 put in place for corporate office and respective business divisions.

6. Others

- Reviewed the provision of non-audit services provided to the Group by the External Auditors and the relevant non-audit fees payable to the External Auditors to ensure their independence and objectivity as external auditors would not be impaired by the performance of such non-audit services.
- Reviewed the following statements/reports before they were presented to the Board for approval as recommended for inclusion in the annual report:

  a. Management's Discussion & Analysis;
  b. Sustainability Statement;
  c. Corporate Governance Overview Statement;
  d. ARMC Report;
  e. Statement on Risk Management and Internal Control; and
  f. Directors' Responsibility Statement

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 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 their 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 and 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 after that. The Internal Auditors present their 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 to continuously improve the system of internal controls of the Group.

The assignments carried out by the Internal Auditors during FY2022 in discharging their duties and responsibilities were to gauge the internal control environment of the Human Resource functions of the Group, as well as the Safety and Health and Facility Management functions of a subsidiary of the Group, I Stay Management 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, and 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 FY2022 was RM46,000.

EVALUATION

The Board, through the Nomination Committee, has evaluated the performance of the ARMC and its members. Based on the assessment conducted for FY2022, 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 2022 ("**FY2022**"), 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	(i) 78,050	78,050	100
Working capital for our i-Park@Senai Airport City development project	Within 12 to 36 months	23,000	24,344	21,344	88
Complete the expansion of our precast concrete fabrication capacity	Within 12 months	9,000	(i) –	–	–
Estimated listing expenses	Within 6 months	10,000	8,656	(ii) 8,656	100
Total		**111,050**	**111,050**	**108,050**	

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 and 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.

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 FY2022 are as follows:

Type of fees	The Company RM	The Group RM
Audit fees	43,000	410,000
Non-audit fees	[(i)] 369,500	[(ii)] 460,100
Total	**412,500**	**870,100**

(i) The non-audit fees of the Company were incurred mainly for the advisory services in connection with the proposed establishment and listing of an industrial real estate investment trust on the Main Market of Bursa Securities and quarterly review of the Company's interim financial reports.

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

There were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors, chief executive who is not a director, or major shareholders, either still subsisting at the end of FY2022, 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 FY2022.

5. EMPLOYEES' SHARE OPTION SCHEME

The Company had on 26 August 2021 obtained the shareholders' approval on 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. On 3 January 2022, the Company announced that the effective date for the implementation of the ESOS is 3 January 2022, being the date on which the Company fully complies with the requirements under Paragraph 6.43(1) of the Listing Requirements. As at the date of this Annual Report, no ESOS options or shares have been granted.

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 2022 ("**FY2022**"), 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 the Group faces. 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 appropriate internal controls to mitigate these risks.

RISK MANAGEMENT FRAMEWORK

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

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

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

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

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 the adequacy and effectiveness of applying the mechanism 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 the 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)

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 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 risk management and internal control systems. 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 the ARMC Report on page 93 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 in raising 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. Board meetings are scheduled to review the business plan, business strategies and performance of the Group, from financial and operational perspectives.
10. Budgets for the financial year are reviewed yearly and significant 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, and 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 2022, 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 the FY2022 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 material misstatements, financial losses or fraud.

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

(PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The Directors are required by the Companies Act 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 2022, 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.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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 2022.

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	48,559,722	19,056,503
Non-controlling interests	3,957,240	–
	52,516,962	19,056,503

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 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.

ii) In respect of the financial year ended 31 March 2022:

- an interim dividend of 2.5 sen per ordinary share totalling RM16,016,816 declared on 26 May 2022 and paid on 7 July 2022. 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 2023.

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

DIRECTORS OF THE COMPANY

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

Directors	Alternate
Mr. Lee Chai	Ms. Lee Ling Sien
Mr. Lim Yook Kim	Ms. Lim Pei Shi
Mr. Kang Ah Chee	Mr. Kang Koh Wei
Mr. Lee Sai Boon	
YM Tengku Azrina binti Raja Abdul Aziz	
Ms. Tan Lay Beng	
Mr. Chang Tian Kwang	
Mr. Wee Soon Chit	

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

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares and Warrants 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:

	Number of ordinary shares				
Name of Directors	At 1 April 2021	Bought	Bonus issued	Sold	At 31 March 2022
Company					
Direct interest					
Mr. Lee Chai	84,301,100	200,000	42,150,550	(13,950,000)	112,701,650
Mr. Lim Yook Kim	85,194,100	–	42,597,050	(13,950,000)	113,841,150
Mr. Kang Ah Chee	83,694,100	–	41,847,050	(13,950,000)	111,591,150
Mr. Lee Sai Boon	27,758,000	–	13,879,000	(4,650,000)	36,987,000
Ms. Lim Pei Shi	290,000	–	145,000	–	435,000
Ms. Lee Ling Sien	224,100	–	112,050	–	336,150
Mr. Kang Koh Wei	325,200	–	162,600	–	487,800
YM Tengku Azrina binti Raja Abdul Aziz	100,000	–	50,000	–	150,000
Ms. Tan Lay Beng	30,000	–	15,000	–	45,000
Mr. Chang Tian Kwang	120,000	45,000	60,000	–	225,000
Mr. Wee Soon Chit	140,000	–	70,000	–	210,000
Deemed interest					
Mr. Lee Chai	3,821,100	100,000	1,960,550	–	5,881,650
Mr. Lim Yook Kim	4,162,300	–	2,081,150	–	6,243,450
Mr. Kang Ah Chee	4,021,100	–	2,010,550	–	6,031,650
Mr. Lee Sai Boon	3,821,100	–	1,910,550	–	5,731,650
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

	Number of preference shares			
Name of Directors	At 1 April 2021	Bought	Sold	At 31 March 2022
Mr. Lee Chai's, Mr. Lim Yook Kim's and Mr. Kang Ah Chee's deemed interest each in:				
Subsidiary				
- Ipark Development Sdn. Bhd.	7,680	–	–	7,680

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

	Number of Warrants			
Name of Directors	At 1 April 2021	Acquired*	Sold	At 31 March 2022
Company				
Direct interest				
Mr. Lee Chai	–	28,100,366	–	28,100,366
Mr. Lim Yook Kim	–	28,398,033	–	28,398,033
Mr. Kang Ah Chee	–	27,898,033	–	27,898,033
Mr. Lee Sai Boon	–	9,252,666	–	9,252,666
Ms. Lim Pei Shi	–	96,666	–	96,666
Ms. Lee Ling Sien	–	74,700	–	74,700
Mr. Kang Koh Wei	–	108,400	–	108,400
YM Tengku Azrina binti Raja Abdul Aziz	–	33,333	–	33,333
Ms. Tan Lay Beng	–	10,000	–	10,000
Mr. Chang Tian Kwang	–	40,000	–	40,000
Mr. Wee Soon Chit	–	46,666	–	46,666
Deemed interest				
Mr. Lee Chai	–	1,307,033	–	1,307,033
Mr. Lim Yook Kim	–	1,387,433	–	1,387,433
Mr. Kang Ah Chee	–	1,340,366	–	1,340,366
Mr. Lee Sai Boon	–	1,273,700	–	1,273,700

* Acquired pursuant to the Company's bonus warrants.

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

Mr. Lee Chai's deemed interest does not include shares and Warrants held by his daughter, Ms. Lee Ling Sien as she is an alternate Director to Mr. Lee Chai. Mr. Lim Yook Kim's deemed interest does not include shares and Warrants held by his daughter, Ms Lim Pei Shi as she is an alternate Director to Mr. Lim Yook Kim. Mr. Kang Ah Chee's deemed interest does not include shares and Warrants held by his son, Mr. Kang Koh Wei as he is an alternate Director to Mr. Kang Ah Chee.

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 apart from Warrants of the Company.

ISSUE OF SHARES

During the financial year, the Company issued bonus shares of 213,557,548 new ordinary shares on the basis of one (1) bonus share for every two (2) existing ordinary shares held by the shareholders of the Company.

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

ISSUE OF WARRANTS

The Company issued 142,371,453 free Warrants on the basis of one (1) free Warrant for every three (3) existing shares held in the Company, which were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 30 September 2021.

The Warrants are constituted by the deed poll dated 6 September 2021.

The main features of the Warrants are as follows:

i) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at the exercise price of RM1.93 during the exercise period, subject to the adjustments in accordance with the Deed Poll constituting the Warrants;

ii) The Warrants may be exercised at any time on or after 30 September 2021 until the end of the tenure of the Warrants. The tenure of the Warrants is for a period of five (5) years from 23 September 2021;

iii) The new shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the then existing share of the Company except that they will not be entitled to any dividends, rights, allotments and/or distributions declared, made or paid by the Company prior to be the relevant date of allotment and issue of the new shares to be issued pursuant to the exercise of the Warrants;

iv) For purpose of trading on Bursa Securities, a board lot for the Warrants shall comprise one hundred (100) Warrants carrying right to subscribe for 100 new shares at any time during the exercise period or such denomination as determined by Bursa Securities; and

v) The Deed Poll and accordingly the Warrants are governed by and shall be construed in accordance with the laws of Malaysia.

No Warrants were exercised during the financial year. As at year end, 142,371,453 Warrants remained unexercised.

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 RM21,104.

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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

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 2022 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: 25 July 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Assets					
Property, plant and equipment	3	**147,046,322**	131,597,185	**–**	483,333
Inventories	4	**8,661,560**	8,661,560	**–**	–
Investment properties	5	**324,400,000**	325,600,000	**–**	–
Investments in subsidiaries	6	**–**	–	**512,837,325**	512,837,125
Investment in a joint venture	7	**15,181,494**	18,194,338	**–**	–
Deferred tax assets	8	**7,026,845**	6,030,480	**–**	–
Total non-current assets		**502,316,221**	490,083,563	**512,837,325**	513,320,458
Inventories	4	**649,896,299**	311,458,745	**–**	–
Contract costs	9	**47,825,045**	13,121,255	**–**	–
Contract assets	10	**40,833,226**	10,116,396	**–**	–
Trade and other receivables	11	**82,306,367**	94,331,734	**2,372,823**	536,379
Due from subsidiaries	12	**–**	–	**108,113,180**	42,437,611
Current tax assets		**2,123,426**	1,318,652	**–**	–
Cash and cash equivalents	13	**187,245,071**	271,401,962	**22,684,531**	87,319,492
Total current assets		**1,010,229,434**	701,748,744	**133,170,534**	130,293,482
Total assets		**1,512,545,655**	1,191,832,307	**646,007,859**	643,613,940
Equity					
Share capital		**620,139,959**	620,139,959	**620,139,959**	620,139,959
Reserves		**85,874,833**	54,399,715	**22,879,837**	20,907,938
Equity attributable to owners of the Company	14	**706,014,792**	674,539,674	**643,019,796**	641,047,897
Non-controlling interests	6	**40,665,634**	37,708,394	**–**	–
Total equity		**746,680,426**	712,248,068	**643,019,796**	641,047,897
Liabilities					
Loans and borrowings	15	**210,217,017**	226,132,695	**–**	–
Trade and other payables	17	**250,705,891**	–	**–**	–
Due to a minority shareholder	16	**10,000,000**	10,000,000	**–**	–
Deferred tax liabilities	8	**15,969,612**	14,961,051	**–**	–
Total non-current liabilities		**486,892,520**	251,093,746	**–**	–
Loans and borrowings	15	**39,192,991**	21,474,805	**–**	–
Trade and other payables	17	**214,500,090**	147,178,912	**1,913,920**	1,413,736
Contract liabilities	10	**18,970,027**	51,258,425	**–**	–
Due to subsidiaries	12	**–**	–	**1,000,000**	1,000,000
Due to a minority shareholder	16	**2,490,276**	2,234,287	**–**	–
Current tax liabilities		**3,819,325**	6,344,064	**74,143**	152,307
Total current liabilities		**278,972,709**	228,490,493	**2,988,063**	2,566,043
Total liabilities		**765,865,229**	479,584,239	**2,988,063**	2,566,043
Total equity and liabilities		**1,512,545,655**	1,191,832,307	**646,007,859**	643,613,940

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 2022

	Note	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Revenue	18	**398,386,772**	460,605,168	**19,994,006**	20,250,746
Cost of sales		**(294,447,115)**	(351,403,794)	**(200,000)**	(451,634)
Gross profit		**103,939,657**	109,201,374	**19,794,006**	19,799,112
Other income		**11,877,170**	10,456,735	**127**	132
Distribution expenses		**(1,944,573)**	(3,719,123)	**–**	–
Administrative expenses		**(34,791,498)**	(33,116,570)	**(1,669,351)**	(1,856,442)
Other expenses		**(4,499,140)**	(1,295,118)	**(258,761)**	–
Results from operating activities		**74,581,616**	81,527,298	**17,866,021**	17,942,802
Finance income	19	**3,772,985**	4,439,485	**1,546,267**	2,074,012
Finance costs	19	**(11,072,621)**	(9,838,198)	**–**	–
Net finance (costs)/income		**(7,299,636)**	(5,398,713)	**1,546,267**	2,074,012
Share of profit of an equity-accounted joint venture, net of tax		**1,623,277**	3,510,111	**–**	–
Profit before tax		**68,905,257**	79,638,696	**19,412,288**	20,016,814
Tax expense	20	**(16,388,295)**	(21,713,115)	**(355,785)**	(352,849)
Profit for the year/Total comprehensive income for the year	21	**52,516,962**	57,925,581	**19,056,503**	19,663,965
Profit attributable to:					
Owners of the Company		**48,559,722**	53,476,600	**19,056,503**	19,663,965
Non-controlling interests		**3,957,240**	4,448,981	**–**	–
Profit for the year/Total comprehensive income for the year		**52,516,962**	57,925,581	**19,056,503**	19,663,965
Basic and diluted earnings per ordinary share (sen)	22	**7.58**	8.35		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Note	← Attributable to owners of the Company →					
		← Non-distributable →		Distributable			
		Share capital RM	Merger reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group							
At 1 April 2020		620,139,959	(452,311,093)	466,047,661	633,876,527	33,769,413	667,645,940
Profit and total comprehensive income for the year		–	–	53,476,600	53,476,600	4,448,981	57,925,581
Contributions by and distributions to owners of the Company							
Dividends to owners of the Company/**Total transactions with owners of the Company**	23	–	–	(12,813,453)	(12,813,453)	–	(12,813,453)
Subscription of shares by non-controlling interests		–	–	–	–	490,000	490,000
Dividends to non-controlling interests in a subsidiary		–	–	–	–	(1,000,000)	(1,000,000)
At 31 March 2021/1 April 2021		620,139,959	(452,311,093)	506,710,808	674,539,674	37,708,394	712,248,068
Profit and total comprehensive income for the year		–	–	48,559,722	48,559,722	3,957,240	52,516,962
Contributions by and distributions to owners of the Company							
Dividends to owners of the Company/**Total transactions with owners of the Company**	23	–	–	(17,084,604)	(17,084,604)	–	(17,084,604)
Dividends to non-controlling interests in a subsidiary		–	–	–	–	(1,000,000)	(1,000,000)
At 31 March 2022		**620,139,959**	**(452,311,093)**	**538,185,926**	**706,014,792**	**40,665,634**	**746,680,426**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Attributable to owners of the Company		
		Non-distributable Share capital RM	Distributable Retained earnings RM	Total equity RM
Company				
At 1 April 2020		620,139,959	14,057,426	634,197,385
Profit and total comprehensive income for the year		–	19,663,965	19,663,965
Contributions by and distributions to owners of the Company				
Dividends to owners of the Company/**Total transactions with owners of the Company**	23	–	(12,813,453)	(12,813,453)
At 31 March 2021/1 April 2021		620,139,959	20,907,938	641,047,897
Profit and total comprehensive income for the year		–	19,056,503	19,056,503
Contributions by and distributions to owners of the Company				
Dividends to owners of the Company/**Total transactions with owners of the Company**	23	–	(17,084,604)	(17,084,604)
At 31 March 2022		**620,139,959**	**22,879,837**	**643,019,796**

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities				
Profit before tax	**68,905,257**	79,638,696	**19,412,288**	20,016,814
Adjustments for:				
(Reversal of impairment loss)/Impairment loss on trade receivables	**(129,780)**	172,489	**–**	–
Bad debt recovered	**(347)**	–	**–**	–
Depreciation of property, plant and equipment	**6,353,449**	6,760,134	**200,000**	200,000
(Gain)/Loss on disposal of:				
- property, plant and equipment	**(7,790,595)**	(139,327)	**258,761**	–
- investment properties	**–**	450,923	**–**	–
Share of profit of equity-accounted joint venture, net of tax	**(1,623,277)**	(3,510,111)	**–**	–
Finance costs	**11,072,621**	9,838,198	**–**	–
Finance income	**(3,772,985)**	(4,439,485)	**(1,546,267)**	(2,074,012)
Unrealised foreign exchange (gain)/loss	**(6,289)**	79,746	**–**	–
Dividend income	**–**	–	**(19,994,006)**	(19,996,004)
Change in fair value of investment properties	**3,298,719**	(6,920,332)	**–**	–
Operating profit/(loss) before changes in working capital	**76,306,773**	81,930,931	**(1,669,224)**	(1,853,202)
Change in inventories	**8,631,217**	42,256,987	**–**	–
Change in trade and other receivables	**11,797,904**	(9,265,404)	**(1,836,444)**	(489,292)
Change in trade and other payables	**(31,432,714)**	2,536,353	**500,184**	583,490
Change in contract assets/(liabilities)	**(63,005,228)**	41,212,928	**–**	–
Change in contract costs	**(34,703,790)**	(922,570)	**–**	–
Cash (used in)/generated from operations	**(32,405,838)**	157,749,225	**(3,005,484)**	(1,759,004)
Interest received	**3,772,985**	4,439,485	**1,546,267**	2,074,012
Interest paid	**(8,342,767)**	(9,459,154)	**–**	–
Tax paid	**(19,705,612)**	(22,629,314)	**(433,949)**	(410,306)
Net cash (used in)/from operating activities	**(56,681,232)**	130,100,242	**(1,893,166)**	(95,298)

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

	Note	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	24	**(32,936,586)**	(23,097,566)	**–**	–
- investment properties		**(2,098,719)**	(19,590,880)	**–**	–
Proceeds from disposal of:					
- property, plant and equipment		**19,917,795**	183,434	**24,572**	–
- investment properties		**–**	34,649,077	**–**	–
Dividend received from a joint venture		**5,000,000**	7,000,000	**–**	–
Dividend received from subsidiaries		**–**	–	**19,996,004**	19,993,007
Change in pledged deposits		**(1,897,194)**	1,466,418	**–**	–
Investments in subsidiaries		**–**	–	**(200)**	(1,000,000)
Repayment from/(Loan to) subsidiaries		**–**	–	**6,334,071**	(12,334,071)
Due from/(to) subsidiaries		**–**	–	**(72,011,638)**	(10,100,100)
Net cash (used in)/from investing activities		**(12,014,704)**	610,483	**(45,657,191)**	(3,441,164)
Cash flows from financing activities					
Repayment of hire purchase liabilities		**(1,113,586)**	(1,263,630)	**–**	–
Repayment of term loans		**(51,329,079)**	(52,352,087)	**–**	–
Drawdown of term loans		**36,774,099**	19,103,063	**–**	–
Proceeds from bankers' acceptances		**16,255,529**	–	**–**	–
Subscription of shares by non-controlling interests		**–**	490,000	**–**	–
Interest paid		**(82,853)**	(107,336)	**–**	–
Due from/(to) subsidiaries		**–**	–	**–**	3,775,351
Dividends paid to:					
- owners of the Company		**(17,084,604)**	(12,813,453)	**(17,084,604)**	(12,813,453)
- non-controlling interests		**(1,000,000)**	(1,000,000)	**–**	–
Net cash used in financing activities		**(17,580,494)**	(47,943,443)	**(17,084,604)**	(9,038,102)
Net (decrease)/increase in cash and cash equivalents		**(86,276,430)**	82,767,282	**(64,634,961)**	(12,574,564)
Cash and cash equivalents as at 1 April		**255,941,313**	173,174,031	**87,319,492**	99,894,056
Cash and cash equivalents as at 31 March	13	**169,664,883**	255,941,313	**22,684,531**	87,319,492

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

Cash outflows for leases as a lessee

	Note	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Included in net cash from operating activities					
Payment relating to short-term leases/**Total cash outflows for leases**	21	**12,035,577**	10,073,679	**–**	209,959

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

Group	At 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/ 1 April 2021 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 2022 RM
Term loans	277,815,928	(52,352,087)	–	19,103,063	244,566,904	(51,329,079)	–	36,774,099	**230,011,924**
Hire purchase liabilities	2,949,293	(1,263,630)	–	600,000	2,285,663	(1,113,586)	–	993,200	**2,165,277**
Bankers' acceptances	–	–	–	–	–	16,255,529	–	–	**16,255,529**
Due to a minority shareholder	10,000,000	–	–	–	10,000,000	–	–	–	**10,000,000**
Total liabilities from financing activities	290,765,221	(53,615,717)	–	19,703,063	256,852,567	(36,187,136)	–	37,767,299	**258,432,730**

Company

Due (from)/to subsidiaries - non-trade/ **Total liabilities from investing/financing activities**	(2,782,787)	3,775,351	(10,100,100)	–	(9,107,536)	–	(72,011,638)	–	**(81,119,174)**

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
No. 2, Jalan I-Park SAC 1/1
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 2022 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 2022 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 25 July 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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

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

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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- 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*

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

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

(a) Amortised cost

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

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

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

Financial liabilities

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

(a) Amortised cost

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

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(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".

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investment properties (continued)

(ii) Reclassification to/from investment property

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

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

(g) Inventories

(i) Raw materials and consumables

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

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

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

(ii) Completed properties held for sale

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

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

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

(iii) Freehold land held for future development

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Contract costs

(i) Incremental cost of obtaining a contract

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

(ii) Cost to fulfil a contract

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

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

(i) Contract assets/(liabilities)

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

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

(j) Cash and cash equivalents

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(i) Financial assets (continued)

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.

(ii) Other assets

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue and other income

(i) Revenue from contract with customers

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Borrowing costs

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

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

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

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

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(t) Fair value measurements

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

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

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

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RM	Right-of-use assets RM	Building improvement RM	Plant, machinery, tools and equipment RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Construction -in -progress RM	Total RM
Group								
At cost								
At 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	14,124,395	–	–	–	–	–	–	14,124,395
Disposals/Written off	–	–	–	(64,747)	(1,059,459)	(320,627)	–	(1,444,833)
At 31 March 2021/1 April 2021	87,685,208	25,127,304	1,677,748	18,596,916	14,224,325	9,948,821	13,897,562	171,157,884
Additions	3,048,787	–	–	942,524	1,495,931	1,540,049	26,902,495	33,929,786
Transfer	22,981,061	–	–	–	–	–	(22,981,061)	–
Disposals/Written off	(3,330,996)	(10,423,216)	(983,985)	(414,464)	(1,486,488)	(495,442)	–	(17,134,591)
At 31 March 2022	110,384,060	14,704,088	693,763	19,124,976	14,233,768	10,993,428	17,818,996	187,953,079
Accumulated depreciation								
At 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 2021/1 April 2021	4,510,211	3,482,668	1,012,244	13,187,633	11,498,236	5,869,707	–	39,560,699
Depreciation charge	1,271,499	404,311	228,539	1,418,527	1,245,526	1,785,047	–	6,353,449
Disposals/Written off	(355,306)	(1,603,911)	(716,667)	(391,047)	(1,492,440)	(448,020)	–	(5,007,391)
At 31 March 2022	5,426,404	2,283,068	524,116	14,215,113	11,251,322	7,206,734	--	40,906,757
Carrying amounts								
At 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 2021/1 April 2021	83,174,997	21,644,636	665,504	5,409,283	2,726,089	4,079,114	13,897,562	131,597,185
At 31 March 2022	104,957,656	12,421,020	169,647	4,909,863	2,982,446	3,786,694	17,818,996	147,046,322

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Building improvement/ Total RM
Company	
At cost	
At 1 April 2020/31 March 2021	1,000,000
At 1 April 2021	1,000,000
Disposals/Written off	(1,000,000)
At 31 March 2022	–
Accumulated depreciation	
At 1 April 2020	316,667
Depreciation charge	200,000
At 31 March 2021/1 April 2021	516,667
Depreciation charge	200,000
Disposals/Written off	(716,667)
At 31 March 2022	–
Carrying amounts	
At 1 April 2020	683,333
At 31 March 2021/1 April 2021	483,333
At 31 March 2022	–

3.1 Carrying amount of land and buildings

	GROUP	
	2022 RM	2021 RM
Land	34,473,152	33,591,340
Buildings	70,484,504	49,583,657
	104,957,656	83,174,997

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	
	2022 RM	2021 RM
Land and buildings	95,296,943	74,713,587
Right-of-use assets	12,421,020	21,644,636
Plant, machinery, tools and equipment	–	1,369,483

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2020	14,575,575	7,487,849	22,063,424
Depreciation charge	(275,743)	(143,045)	(418,788)
At 31 March 2021/1 April 2021	14,299,832	7,344,804	21,644,636
Depreciation charge	(261,379)	(142,932)	(404,311)
Disposals	(8,819,305)	–	(8,819,305)
At 31 March 2022	5,219,148	7,201,872	12,421,020

The Group leases land and buildings for 60 years.

3.4 Others

Motor vehicles with carrying amount of RM14,726 (2021: RM190,560) are registered in the name of certain Directors held in trust for the Group.

4. INVENTORIES

	GROUP	
	2022 RM	2021 RM
Non-current		
Land held for future development	8,661,560	8,661,560
Current		
Raw materials	232,836	384,357
Consumables	183,088	316,932
Completed properties held for sale	137,237,453	117,563,196
Properties under development	512,242,922	193,194,260
	649,896,299	311,458,745
	658,557,859	320,120,305
Recognised in profit or loss:		
- Inventories recognised as cost of sales	104,857,387	173,488,952

4.1 Completed properties held for sale

Included in completed properties held for sale are properties of RM78,465,612 (2021: RM57,279,525) charged as security of banking facilities granted to the Group (Note 15).

4. INVENTORIES (CONTINUED)

4.2 Properties under development

	GROUP	
	2022 RM	2021 RM
At 1 April		
Freehold land	164,659,093	236,706,032
Development costs	28,535,167	26,923,367
	193,194,260	263,629,399
Add: Costs incurred during the year		
- Freehold land	353,159,924	19,816,061
- Development costs	43,479,992	29,298,522
	396,639,916	49,114,583
Add: Costs transferred from investment properties (Note 5)		
- Freehold land	–	9,600,000
- Development costs	–	477,403
	–	10,077,403
Less: Costs transferred to contract fulfilment costs (Note 9)		
- Freehold land	(32,844,906)	(78,553,676)
- Development costs	(6,743,505)	(2,616,702)
	(39,588,411)	(81,170,378)
Less: Costs transferred to completed properties held for sale		
- Freehold land	(10,081,002)	(10,808,009)
- Development costs	(27,921,841)	(23,524,343)
	(38,002,843)	(34,332,352)
Less: Costs transferred to property, plant and equipment (Note 3)		
- Freehold land	–	(12,101,315)
- Development costs	–	(2,023,080)
	–	(14,124,395)
At 31 March		
Freehold land	474,893,109	164,659,093
Development costs	37,349,813	28,535,167
	512,242,922	193,194,260

4.2.1 Security

Included in properties under development is RM119,489,577 (2021: RM151,072,808) charged to banks for bank facilities granted to the Group (Note 15).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT PROPERTIES

	GROUP	
	2022 RM	2021 RM
At 1 April	325,600,000	344,266,191
Additions	2,098,719	19,590,880
Disposals	–	(35,100,000)
Transfer to inventories (Note 4)	–	(10,077,403)
Gains and losses recognised in profit or loss		
Change in fair value - Other income - Unrealised	(3,298,719)	6,920,332
At 31 March	324,400,000	325,600,000
Included in the above are:		
At fair value		
Freehold land	178,700,000	179,100,000
Factory buildings	145,700,000	142,700,000
	324,400,000	321,800,000
At cost		
Buildings under construction	–	3,800,000
	324,400,000	325,600,000

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 RM294,900,000 (2021: RM308,490,000) 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 RM135,602 (2021: RM358,865) (Note 19).

5.3 Others

The following are recognised in profit or loss:

	GROUP	
	2022 RM	2021 RM
Lease income	21,929,745	17,358,088
Direct operating expenses		
- Income generating investment properties	2,321,195	1,569,727
- Non-income generating investment properties	13,823	1,138,720

5. INVESTMENT PROPERTIES (CONTINUED)

5.3 Others (continued)

The operating lease payments to be received are as follows:

	GROUP	
	2022 RM	2021 RM
Less than one year	21,547,970	19,030,718
One to two years	14,939,506	17,026,040
Two to three years	11,601,780	12,895,097
Three to four years	8,842,893	11,092,297
Four to five years	7,012,404	8,735,663
More than five years	18,290,146	25,302,549
Total undiscounted lease payments	82,234,699	94,082,364

5.4 Fair value information

Fair value of investment properties are categorised as follows:

	LEVEL 3	
	2022 RM	2021 RM
Group		
Freehold land	178,700,000	179,100,000
Factory buildings	145,700,000	142,700,000
	324,400,000	321,800,000

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 2022, the property valuer has relied on the sales comparison approach and income approach (2021: sales comparison approach and income 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 (CONTINUED)

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
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot of comparable properties: • Land: RM78 - RM83 (2021: RM76 - RM81) • Land and building: RM340 (2021: RM335)	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).
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.	• Allowance for void of 5%. • Term yield rates ranging from 5.75% - 6.00%. • Reversionary yield rate of 6.25%.	The estimated fair value would increase (decrease) if: • Allowance for void is lower (higher); or • Term yield rate is lower (higher); or • Reversionary yield rate is lower (higher).

6. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2022 RM	2021 RM
Cost of investment	512,837,325	512,837,125

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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 2022 %	2021 %
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	100.0
Greenhill SILC Sdn. Bhd.	Property development, investment holding and management of real estate	100.0	100.0
I REIT Managers Sdn. Bhd.	Manager of real estate investment trust	100.0	–
AME Building Management Sdn. Bhd.	Property management and maintenance services	100.0	–
Alambina Gemilang Sdn. Bhd. #	Property development, investment holding and management of real estate	100.0	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal activities	Effective ownership interest and voting interest 2022 %	2021 %
Subsidiary of AME Integrated Sdn. Bhd.			
Ipark Development Sdn. Bhd.	Property development and investment holding	79.9	79.9
Subsidiary of Asiamost Sdn. Bhd			
Asiamost Engineering Sdn. Bhd.	Provision of servicing, maintenance and installation of firefighting system	100.0	100.0
Subsidiary of Amsun Industries Sdn. Bhd.			
AME Construction Sdn. Bhd.	Fabrication works, building contractors and property letting activities	100.0	100.0
Subsidiary of Symphony Square Sdn. Bhd.			
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	51.0	51.0
Subsidiary of AME Development Sdn. Bhd.			
I Privilege Club Sdn. Bhd.[#]	Operation of clubhouse and provision of sports and recreational activities	100.0	–

[#] These are new subsidiaries incorporated or acquired during the year. The financial results of these subsidiaries are not significant and are not included in the consolidated financial statements.

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
2022				
NCI percentage of ownership interest	30%	20%	49%	
	RM	**RM**	**RM**	**RM**
Carrying amount of NCI	(545,701)	40,924,533	286,802	40,665,634
Profit/(Loss) allocated to NCI	12,296	4,037,766	(92,822)	3,957,240

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.1 Non-controlling interests in subsidiaries (continued)

	I Stay Management Sdn. Bhd. RM	Ipark Development Sdn. Bhd. RM	Quantum Renewable Energy Sdn. Bhd. RM
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	4,414,197	179,944,562	91,619
Current assets	4,143,388	296,355,315	850,179
Non-current liabilities	(25,431)	(161,284,826)	–
Current liabilities	(8,691,058)	(110,392,386)	(409,487)
Net (liabilities)/assets	(158,904)	204,622,665	532,311
Year ended 31 March			
Revenue	12,605,071	144,823,333	3,505,336
Profit/(Loss) for the year/Total comprehensive income/(expense)	40,986	20,188,828	(242,432)
Cash flows from/(used in) operating activities	7,338,934	19,383,220	(332,289)
Cash flows used in investing activities	(197,141)	(2,145,123)	(37,101)
Cash flows used in financing activities	(6,685,326)	(50,899,044)	–
Net increase/(decrease) in cash and cash equivalents	456,467	(33,660,947)	(369,390)
Dividends attributable to NCI	–	1,000,000	–

	I Stay Management Sdn. Bhd.	Ipark Development Sdn. Bhd.	Quantum Renewable Energy Sdn. Bhd.	Total
2021				
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.1 Non-controlling interests in subsidiaries (continued)

	I Stay Management Sdn. Bhd. RM	Ipark Development Sdn. Bhd. RM	Quantum Renewable Energy Sdn. Bhd. RM
Summarised financial information before intra-group elimination			
As at 31 March			
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
Year ended 31 March			
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/(decrease) in cash and cash equivalents	1,873	37,869,047	727,278
Dividends attributable to NCI	–	1,000,000	–

7. INVESTMENT IN A JOINT VENTURE

	GROUP	
	2022 RM	2021 RM
Investment in shares	500,000	500,000
Share of post-acquisition reserves	19,681,494	24,694,338
	20,181,494	25,194,338
Less: Distribution by a joint venture	(5,000,000)	(7,000,000)
	15,181,494	18,194,338

Axis AME IP Sdn. Bhd. is incorporated and has principal place of business in Malaysia. It is principally engaged in property development and investment.

Axis AME IP Sdn. Bhd. is structured as a separate vehicle and provides the Group with rights to the net assets of the entity. Accordingly, the Group has classified the investment in the above entity as a joint venture.

7. INVESTMENT IN A JOINT VENTURE (CONTINUED)

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	
	2022	2021
Percentage of ownership interest/voting interest	50%	50%
	RM	RM
Summarised financial information		
As at 31 March		
Non-current assets	37,907	152,675
Current assets (excluding cash and cash equivalents)	29,029,837	49,429,016
Cash and cash equivalents	14,251,155	9,711,785
Current liabilities (excluding trade and other payables)	–	(2,444,642)
Trade and other payables	(12,176,179)	(18,952,667)
Year ended 31 March		
Profit from continuing operations	3,246,553	7,020,221
Included in the total comprehensive income are:		
Revenue	33,794,710	55,355,633
Depreciation	(2,768)	(2,407)
Finance income	274,272	282,336
Finance costs	–	(89,878)
Income tax expense	(979,340)	(1,883,685)
Reconciliation of net assets to carrying amount as at 31 March		
Unquoted shares, at cost	500,000	500,000
Group's share of net assets	15,071,360	18,448,084
Elimination of unrealised profit, net of tax	(389,866)	(753,746)
Carrying amount in the statement of financial position	15,181,494	18,194,338
Group's share of results for the year ended 31 March		
Group's share of profit from continuing operation	1,623,277	3,510,111
Elimination of unrealised profit	363,880	915,394
	1,987,157	4,425,505
Other information		
Dividend received by the Group	5,000,000	7,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Group						
Unabsorbed capital allowances	20,000	487,000	–	–	20,000	487,000
Unutilised tax losses	164,000	382,000	–	–	164,000	382,000
Inventories	3,910,845	4,183,480	–	–	3,910,845	4,183,480
Investment properties						
- Fair value gain	–	–	(7,577,206)	(8,035,095)	(7,577,206)	(8,035,095)
- Others	–	–	(2,465,000)	(3,567,000)	(2,465,000)	(3,567,000)
Property, plant and equipment	–	–	(5,927,406)	(3,358,956)	(5,927,406)	(3,358,956)
Provisions	2,932,000	978,000	–	–	2,932,000	978,000
Tax assets/(liabilities)	7,026,845	6,030,480	(15,969,612)	(14,961,051)	(8,942,767)	(8,930,571)

Movement in temporary differences during the year

	At 1.4.2020 RM	Recognised in profit or loss (Note 20) RM	At 31.3.2021/ 1.4.2021 RM	Recognised in profit or loss (Note 20) RM	At 31.3.2022 RM
Unabsorbed capital allowances	954,000	(467,000)	487,000	(467,000)	20,000
Unutilised tax losses	–	382,000	382,000	(218,000)	164,000
Inventories	6,194,105	(2,010,625)	4,183,480	(272,635)	3,910,845
Investment properties					
- Fair value gain	(9,003,353)	968,258	(8,035,095)	457,889	(7,577,206)
- Others	(3,367,000)	(200,000)	(3,567,000)	1,102,000	(2,465,000)
Property, plant and equipment	(3,478,496)	119,540	(3,358,956)	(2,568,450)	(5,927,406)
Provisions	(1,044,971)	2,022,971	978,000	1,954,000	2,932,000
	(9,745,715)	815,144	(8,930,571)	(12,196)	(8,942,767)

9. CONTRACT COSTS

	GROUP	
	2022 RM	2021 RM
Cost to obtain a contract	585,439	492,049
Contract fulfilment costs:		
- Property development activities	5,311,914	6,250,162
- Construction and engineering activities	41,927,692	6,379,044
	47,825,045	13,121,255

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

Land and related costs that are attributable to units sold and expenditures that are attributable to the fulfilment of construction and engineering contracts are presented as contract fulfilment costs. These costs are expected to be recoverable and are charged to profit or loss when the related revenues are recognised.

Contract fulfilment costs from property development activities as follows:

	GROUP	
	2022 RM	2021 RM
At 1 April		
Freehold land	5,769,864	3,080,947
Development costs	480,298	853,595
	6,250,162	3,934,542
Add: Costs incurred/(Adjustment) during the year		
- Freehold land	1,185,574	(789,760)
- Development costs	47,748,087	53,569,554
	48,933,661	52,779,794
Add: Costs transferred from inventories during the year (Note 4)		
- Freehold land	32,844,906	78,553,676
- Development costs	6,743,505	2,616,702
	39,588,411	81,170,378
Less: Costs recognised as expenses in profit or loss		
- Freehold land	(34,488,430)	(75,074,999)
- Development costs	(54,971,890)	(56,559,553)
	(89,460,320)	(131,634,552)
At 31 March		
Freehold land	5,311,914	5,769,864
Development costs	–	480,298
	5,311,914	6,250,162

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	2022 RM	2021 RM
Contract assets	40,833,226	10,116,396
Contract liabilities	(18,970,027)	(51,258,425)

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	
	2022 RM	2021 RM
Amount due from/(to) a joint venture		
- Contract assets	93,322	1,345,536
- Contract liabilities	–	(944,630)
	93,322	400,906

11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade				
Trade receivables	43,152,561	53,734,607	–	–
Retention sum	21,679,575	24,697,370	–	–
	64,832,136	78,431,977	–	–
Non-trade				
Other receivables	5,379,646	2,730,649	2,319,537	479,650
Goods and service tax recoverable	56,471	373,441	–	–
Deposits and other costs	10,116,720	10,707,909	4,500	9,500
Prepayments	1,921,394	2,087,758	48,786	47,229
	17,474,231	15,899,757	2,372,823	536,379
	82,306,367	94,331,734	2,372,823	536,379

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

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 RM5,597,194 (2021: RM8,685,773).

Trade and other receivables include the following:

	GROUP	
	2022 RM	2021 RM
Amount due from a joint venture		
Trade receivables	497,253	2,506,111
Retention sum	456,372	2,160,752
Other receivables	9,900	6,336
Deposits	2,000	2,000
	965,525	4,675,199

12. DUE FROM/(TO) SUBSIDIARIES

	COMPANY	
	2022 RM	2021 RM
Due from subsidiaries		
- non-trade	82,119,174	10,107,536
- dividend receivables	19,994,006	19,996,004
- loan to a subsidiary	6,000,000	12,334,071
	108,113,180	42,437,611
Due to subsidiaries - non-trade	(1,000,000)	(1,000,000)

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% (2021: 0.5%) 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	63,564,474	72,092,989	1,932,671	729,250
Fixed deposits with licensed banks	122,677,270	199,308,973	20,751,860	86,590,242
Money market fund with licensed bank	1,003,327	–	–	–
Cash and cash equivalents in the statements of financial position	187,245,071	271,401,962	22,684,531	87,319,492
Less: Bank overdrafts	(977,278)	(754,933)	–	–
Pledged deposits	(16,602,910)	(14,705,716)	–	–
Cash and cash equivalents in the statements of cash flows	169,664,883	255,941,313	22,684,531	87,319,492

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CASH AND CASH EQUIVALENTS (CONTINUED)

Included in fixed deposits with licensed banks of the Group is RM16,602,910 (2021: RM14,705,716) pledged to banks as securities for banking facilities granted to the Group (Note 15).

Fixed deposits with licensed banks of the Group amounting to RM3,528,581 (2021: RM2,488,325) are registered in the name of certain Directors held in trust for the Group.

14. CAPITAL AND RESERVES

Share capital

	GROUP/COMPANY		GROUP/COMPANY	
			Number of ordinary shares	
	2022 RM	2021 RM	2022	2021
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	620,139,959	620,139,959	427,115,101	427,115,101
Bonus issue	–	–	213,557,548	–
At 31 March	620,139,959	620,139,959	640,672,649	427,115,101

Reserves

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Distributable				
Retained earnings	538,185,926	506,710,808	22,879,837	20,907,938
Non-distributable				
Merger reserve	(452,311,093)	(452,311,093)	–	–
	85,874,833	54,399,715	22,879,837	20,907,938

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.

15. LOANS AND BORROWINGS

	GROUP	
	2022 RM	2021 RM
Secured		
Non-current		
Hire purchase liabilities	1,417,056	1,194,108
Term loans	208,799,961	224,938,587
	210,217,017	226,132,695
Current		
Bankers' acceptances	16,255,529	–
Bank overdrafts	977,278	754,933
Hire purchase liabilities	748,221	1,091,555
Term loans	21,211,963	19,628,317
	39,192,991	21,474,805
	249,410,008	247,607,500

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

i) legal charge over fixed deposits of the Group;
ii) fixed charge over certain investment properties, inventories, property, plant and equipment of the Group;
iii) joint and several guarantee of the Directors of the Group; and
iv) corporate guarantee by 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.

i) gearing ratio of the subsidiary shall not exceed 2 times;
ii) gearing ratio of the subsidiary shall remain below 2 times after declaration of dividend; and
iii) 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.

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

AME Engineering Industries Sdn. Bhd.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 (2021: 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Trade payables	250,705,891	–	–	–
Current				
Trade payables	69,054,143	38,778,925	–	–
Retention sum				
- Completed projects	9,348,860	5,920,293	–	–
	78,403,003	44,699,218	–	–
Other payables and accrued expenses				
- Other payables	4,537,061	3,276,861	1,221,320	386,603
- Other payables for land acquisition	19,159	5,328,261	–	–
- Advance payment from project customers	257,227	1,386,289	–	–
- Retention sum				
- ongoing projects	33,515,447	24,621,425	–	–
- Accruals	25,863,978	7,569,889	692,600	1,027,133
- Accrued sub-contractor costs	46,619,885	33,407,204	–	–
- Deposits received	18,456,922	16,085,795	–	–
- Deposits received for property development project	6,827,408	10,803,970	–	–
	136,097,087	102,479,694	1,913,920	1,413,736
Total current trade and other payables	214,500,090	147,178,912	1,913,920	1,413,736
Total trade and other payables	465,205,981	147,178,912	1,913,920	1,413,736

Included in trade payables is non-interest bearing balance of RM275,579,698 (2021: NIL) for purchase of freehold development land. The amount is discounted for time value of money based on the payment terms (Note 31.2).

18. REVENUE

18.1 Disaggregation of revenue

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers				
Construction contract				
- over time	211,996,679	227,085,645	–	–
Sales of properties under development				
- over time	74,794,494	94,717,545	–	–
Sales of completed properties				
- at a point in time	68,550,033	13,169,600	–	–
Sales of land				
- at a point in time	–	89,270,741	–	–
	355,341,206	424,243,531	–	–
Other revenue				
Rental income	43,045,566	36,361,637	–	254,742
Dividend income	–	–	19,994,006	19,996,004
Total revenue	398,386,772	460,605,168	19,994,006	20,250,746

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 (CONTINUED)

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	2022 RM
Construction contract	349,273,537
Sales of properties under development	19,773,823
	369,047,360

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Finance income				
Interest income:				
- Deposits with licensed banks	3,772,985	4,439,485	1,420,260	2,067,091
- Loan to a subsidiary	–	–	126,007	6,921
	3,772,985	4,439,485	1,546,267	2,074,012

19. FINANCE INCOME AND COSTS (CONTINUED)

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Finance costs				
Interest expenses of financial liabilities that are not at fair value through profit and loss:				
- Trade payables for purchase of freehold development land	2,391,012	–	–	–
- Others	8,817,211	10,197,063	–	–
Less: Amount capitalised in investment properties (Note 5)	(135,602)	(358,865)	–	–
	11,072,621	9,838,198	–	–

The capitalisation rates used to capitalise finance costs on qualifying assets is 3.55% (2021: 3.55% to 4.29%).

20. TAX EXPENSE

Recognised in profit or loss

Major components of income tax expense include:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense				
- Current year	16,279,158	21,414,048	355,785	477,719
- Prior years	96,941	1,114,211	–	(124,870)
	16,376,099	22,528,259	355,785	352,849
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	1,242,196	(436,144)	–	–
- Over provision in prior years	(1,230,000)	(379,000)	–	–
	12,196	(815,144)	–	–
	16,388,295	21,713,115	355,785	352,849
Share of tax in a joint venture	489,670	941,843	–	–
Total income tax expense	16,877,965	22,654,958	355,785	352,849

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. TAX EXPENSE (CONTINUED)

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Reconciliation of tax expense				
Profit for the year	52,517	57,926	19,056	19,664
Total income tax expense	16,878	22,655	356	353
Profit excluding tax	69,395	80,581	19,412	20,017
Income tax calculated using Malaysian tax rates	16,655	19,339	4,659	4,804
Non-deductible expenses	2,701	3,689	496	473
Non-taxable income	(2,368)	(2,092)	–	–
Non-business income	–	(467)	–	–
Tax exempt income	–	–	(4,799)	(4,799)
Effect of clawback	425	–	–	–
Real property gains tax provision	598	1,451	–	–
	18,011	21,920	356	478
(Over)/Under provision in prior years	(1,133)	735	–	(125)
	16,878	22,655	356	353

21. PROFIT FOR THE YEAR

	Note	GROUP		COMPANY	
		2022 RM	2021 RM	2022 RM	2021 RM
Profit for the year is arrived at after charging/(crediting):					
Audit fees					
- KPMG PLT		410,000	400,000	43,000	43,000
Non-audit fees					
- KPMG PLT		460,100	234,100	369,500	142,500
Depreciation of property, plant and equipment		6,353,449	6,760,134	200,000	200,000
Expenses relating to short-term leases	a	12,035,577	10,073,679	–	209,959
Personnel expenses (including key management personnel):					
- Contributions to state plans		4,464,725	4,464,111	–	–
- Wages, salaries and others		42,591,697	40,082,250	34,000	31,000
(Gain)/Loss on disposal of:					
- property, plant and equipment		(7,790,595)	(139,327)	258,761	–
- investment properties		–	450,923	–	–
Net foreign exchange (gain)/loss		(21,041)	144,254	–	–
Change in fair value of investment properties		3,298,719	(6,920,332)	–	–
(Reversal of impairment loss)/Impairment loss on trade receivables		(129,780)	172,489	–	–
Bad debt recovered		(347)	–	–	–
Late payment interest income from purchasers		(95,795)	(24,798)	–	–
Forfeiture income		(12,500)	(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 and diluted earnings per ordinary share at 31 March 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Profit for the year attributable to ordinary shareholders	48,560	53,477

Weighted average number of ordinary shares are determined as follows:

	GROUP	
	2022 '000	2021 '000
Weighted average number of ordinary shares at 31 March	640,673	640,673
Basic and diluted earnings per ordinary share (sen)*	7.58	8.35

The weighted average number of ordinary shares of the previous year were restated as if the bonus issue completed during the year had occurred at the beginning of the previous year.

* No effect of conversion of Warrants is made for the year as it is anti-dilutive.

23. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
2022			
Interim dividend 2021	4.0	17,084,604	8 July 2021
2021			
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 2022	2.5	16,016,816	7 July 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	GROUP	
	2022 RM	2021 RM
Current year's addition of property, plant and equipment	33,929,786	23,697,566
Less: Amount financed by hire purchase	(993,200)	(600,000)
	32,936,586	23,097,566

25. CONTINGENT LIABILITIES

Group

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 that the subsidiary 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.

26. CAPITAL COMMITMENTS

	GROUP	
	2022 RM	2021 RM
Contracted but not provided for:		
- Property, plant and equipment	6,187,029	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.

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 the reporting period, two (2021: two) major customers with respective revenue equals or more than 10% of the Group's total revenue have contributed, in aggregate, 32.7% (2021: 37.4%) to the Group's total revenue.

27. OPERATING SEGMENTS (CONTINUED)

2022	Construction RM	Property development RM	Engineering RM	Investment holding/ Property investment and management RM	Total RM	Elimination RM	Total RM
Group							
Segment profit							
Profit before tax	9,997,799	16,566,151	7,348,947	39,741,899	73,654,796	(4,749,539)	68,905,257
Included in the measure of segment profit are:							
- Revenue from external customers	181,094,083	143,344,527	30,902,596	43,045,566	398,386,772	–	398,386,772
- Inter-segment revenue	80,140,066	1,423,040	44,188,102	9,838,985	135,590,193	(135,590,193)	–
- Depreciation	(1,121,391)	(442,641)	(1,671,191)	(1,585,755)	(4,820,978)	(1,532,471)	(6,353,449)
- Change in fair value of investment properties	–	–	100,000	3,920,860	4,020,860	(7,319,579)	(3,298,719)
- Finance income	680,766	518,580	346,556	3,377,045	4,922,947	(1,149,962)	3,772,985
- Finance costs	(140,095)	(6,814,728)	(188,953)	(5,167,857)	(12,311,633)	1,239,012	(11,072,621)
- Share of profit of a joint venture	–	1,623,277	–	–	1,623,277	–	1,623,277
Segment assets							
Total assets	380,229,131	765,314,657	84,981,113	2,121,030,795	3,351,555,696	(1,839,010,041)	1,512,545,655
Addition of non-current assets							
Property, plant and equipment	1,893,247	2,820,270	101,984	586,043	5,401,544	28,528,242	33,929,786
Investment properties	–	–	–	21,167,036	21,167,036	(19,068,317)	2,098,719
	1,893,247	2,820,270	101,984	21,753,079	26,568,580		36,028,505
Segment liabilities							
Total liabilities	(271,550,084)	(1,118,606,680)	(41,793,118)	(82,942,409)	(1,514,892,291)	749,027,062	(765,865,229)

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
Group							
Segment profit							
Profit before tax	19,925,405	34,906,576	1,367,893	45,518,088	101,717,962	(22,079,266)	79,638,696
Included in the measure of segment profit are:							
- 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
Segment assets							
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
Addition of non-current assets							
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
Segment liabilities							
Total liabilities	121,327,847	291,126,864	53,853,477	211,099,003	677,407,191	(197,822,952)	479,584,239

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Net gains/(losses) on:				
Financial assets at amortised cost	4,032,448	4,246,934	1,546,267	2,074,012
Financial liabilities at amortised cost	(11,072,621)	(9,838,198)	–	–
	(7,040,173)	(5,591,264)	1,546,267	2,074,012

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.

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 (2021: three) major customers, representing 54% (2021: 56%) of the Group's trade receivables and contract assets. The Group considers this to be normal given the nature of the industry.

Trade receivables and contract assets by segment are as follows:

	Construction and engineering segment RM	Property development segment RM	Property investment segment RM	Total RM
Group				
2022				
Trade receivables	31,325,461	11,164,912	673,164	43,163,537
Less: Loss allowance	(9,030)	–	(1,946)	(10,976)
	31,316,431	11,164,912	671,218	43,152,561
Retention sum (a)	21,679,575	–	–	21,679,575
Contract assets (b)	33,468,707	7,364,519	–	40,833,226
	86,464,713	18,529,431	671,218	105,665,362
2021				
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)	242,136	9,874,260	–	10,116,396
	68,994,306	18,889,435	664,632	88,548,373

(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 (CONTINUED)

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
2022			
Current (not past due)	28,872,112	–	28,872,112
1 - 30 days past due	380,274	–	380,274
31 - 60 days past due	563,011	–	563,011
61 - 90 days past due	459,749	–	459,749
Retention sum	21,679,575	–	21,679,575
Contract assets	33,468,707	–	33,468,707
	85,423,428	–	85,423,428
Credit impaired			
More than 90 days past due	1,041,285	–	1,041,285
Individually impaired	9,030	9,030	–
	86,473,743	9,030	86,464,713

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
2021			
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	242,136	–	242,136
	42,479,882	32,179	42,447,703
Credit impaired			
More than 90 days past due	26,546,603	–	26,546,603
Individually impaired	140,310	140,310	–
	69,166,795	172,489	68,994,306

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:

	Credit Impaired	
	2022 RM	2021 RM
Group		
Balance at 1 April	172,489	–
Net remeasurement of loss allowance (Note 21)	(129,780)	172,489
Amount written off	(33,679)	–
Balance at 31 March	9,030	172,489

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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
2022			
Current (not past due)	6,823	–	6,823
1 - 30 days past due	28,959	60,830	89,789
31 - 60 days past due	–	–	–
61 - 90 days past due	10,150,000	–	10,150,000
Contract assets	7,243,880	120,639	7,364,519
	17,429,662	181,469	17,611,131
Credit impaired			
More than 90 days past due	918,300	–	918,300
	18,347,962	181,469	18,529,431
2021			
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
	16,319,758	2,569,677	18,889,435
Credit impaired			
More than 90 days past due	–	–	–
	16,319,758	2,569,677	18,889,435

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.

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
2022			
Current (not past due)	336,728	–	336,728
1 - 30 days past due	257,469	–	257,469
31 - 60 days past due	23,114	–	23,114
61 - 90 days past due	15,599	–	15,599
	632,910	–	632,910
Credit impaired			
More than 90 days past due	38,308	–	38,308
Individually impaired	1,946	1,946	–
	673,164	1,946	671,218
2021			
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
Credit impaired			
More than 90 days past due	54,016	–	54,016
Individually impaired	1,946	1,946	–
	666,578	1,946	664,632

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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	
	2022 RM	2021 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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 Credit risk (continued)

28.4.4 Inter-companies balances (continued)

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.

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	
	2022 RM	2021 RM
Company		
Low credit risk	108,113,180	42,437,611

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 Company provides unsecured 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 Company amounts to RM202,891,427 (2021: RM235,413,207) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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
2022							
Non-derivative financial liabilities							
Trade payables for purchase of freehold land	275,579,698	4.00	304,436,611	23,419,580	56,423,803	224,593,228	–
Trade and other payables	189,626,283	–	189,626,283	189,626,283	–	–	–
Bankers' acceptances	16,255,529	2.90 - 3.47	16,255,529	16,255,529	–	–	–
Hire purchase liabilities	2,165,277	2.00 - 5.80	2,792,480	1,171,868	736,783	883,829	–
Secured term loans	230,011,924	3.17 - 4.01	269,911,977	29,640,552	28,770,272	136,676,819	74,824,334
Bank overdrafts	977,278	2.00 - 5.80	977,278	977,278	–	–	–
Due to a minority shareholder	10,000,000	2.60	10,000,000	–	–	–	10,000,000
Due to a minority shareholder	2,490,276	–	2,490,276	2,490,276	–	–	–
	727,106,265		796,490,434	263,581,366	85,930,858	362,153,876	84,824,334
2021							
Non-derivative financial liabilities							
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	–	–	–
	407,020,699		446,924,132	179,365,181	32,207,528	134,570,706	100,780,717

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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
2022				
Non-derivative financial liabilities				
Other payables	1,913,920	–	1,913,920	1,913,920
Due to subsidiaries	1,000,000	–	1,000,000	1,000,000
Financial guarantees	–	–	202,891,427*	202,891,427
	2,913,920		205,805,347	205,805,347
2021				
Non-derivative financial liabilities				
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
	2,413,736		237,826,943	237,826,943

* 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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.1 Currency risk (continued)

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	SGD
	RM	RM
2022		
Cash and cash equivalents	126,066	52,526
Hire purchase liabilities	–	(182,962)
Trade receivables	–	8,514,203
	126,066	8,383,767
2021		
Cash and cash equivalents	2,947,730	91,594
Hire purchase liabilities	–	(261,122)
Trade receivables	–	4,589,086
	2,947,730	4,419,558

Currency risk sensitivity analysis

A 10% (2021: 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	
	2022	2021
	RM	RM
Group		
USD	(9,581)	(224,027)
SGD	(637,166)	(335,886)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.2 Interest rate risk (continued)

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate instruments				
Financial assets	122,677,270	199,308,973	20,751,860	86,590,242
Financial liabilities	(294,000,504)	(2,285,663)	–	–
	(171,323,234)	197,023,310	20,751,860	86,590,242
Floating rate instruments				
Financial assets	–	–	6,000,000	12,334,071
Financial liabilities	(240,989,202)	(255,321,837)	–	–
	(240,989,202)	(255,321,837)	6,000,000	12,334,071

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.

(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 RM1,831,518 (2021: RM1,940,446) and RM45,600 (2021: RM93,739) 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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.7 Fair value information (continued)

The table below analyses other financial instruments at fair value.

Group	Fair value of financial instruments not carried at fair value Level 3 RM	Total fair value RM	Carrying amount RM
2022			
Financial liabilities			
Hire purchase liabilities	(2,226,051)	(2,226,051)	(2,165,277)
Trade payables	(274,348,366)	(274,348,366)	(275,579,698)
	(276,574,417)	(276,574,417)	(277,744,975)
2021			
Financial liabilities			
Hire purchase liabilities	(2,297,784)	(2,297,784)	(2,285,663)

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/Trade payables	Discounted cash flows using a rate based on the current market rate of borrowing of the Group at the reporting dates.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. CAPITAL MANAGEMENT (CONTINUED)

During 2022, the Group's strategy, which was unchanged from 2021, was to maintain the debt-to-equity ratio at below 2.00 multiples. The debt-to-equity ratios at 31 March 2022 and 31 March 2021 were as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Loans and borrowings (Note 15)	249,410	247,608
Less: Cash and cash equivalents (Note 13)	(187,245)	(271,402)
Net debt	62,165	(23,794)
Total equity	746,680	712,248
Debt-to-equity-ratios	0.08	–

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.

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	
		2022 RM	2021 RM	2022 RM	2021 RM
A.	**Subsidiaries**				
	Expenses relating to short-term leases	–	–	–	(209,959)
	Lease income	–	–	–	245,129
	Transfer of asset	–	–	(23,572)	–
B.	**Joint venture**				
	Contract income	8,863,632	15,938,726	–	–
	Lease income	86,801	82,901	–	9,613
C.	**Minority shareholder of a subsidiary**				
	Interest expenses	(255,989)	(271,708)	–	–
D.	**Company in which certain Directors have financial interest**				
	Progress billings on sale of a commercial shoplot	–	223,056	–	–
E.	**Firm in which a Director has financial interest**				
	Professional fees	(224,942)	(134,426)	–	–
F.	**Key management personnel compensation**				
	Directors:				
	- Fees	624,000	624,000	624,000	624,000
	- Remunerations	7,436,000	8,130,710	34,000	31,000
	- Contributions to state plans	898,214	1,011,950	–	–
		8,958,214	9,766,660	658,000	655,000
	Other Director of a subsidiary:				
	- Short term employee benefits	680,323	289,500	–	–
	- Contributions to state plans	69,096	35,664	–	–
		749,419	325,164	–	–
	Other key management personnel:				
	- Short term employee benefits	2,967,710	2,874,019	–	–
	- Contributions to state plans	361,669	352,663	–	–
		3,329,379	3,226,682	–	–
		13,037,012	13,318,506	658,000	655,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

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 RM143,700 (2021: RM142,432), RM16,400 (2021: RM6,500) and RM63,626 (2021: RM93,466) respectively.

31. SIGNIFICANT EVENTS

31.1 On 1 December 2020, the Company appointed Hong Leong Investment Bank Berhad as the Principal Adviser and Bookrunner for the Proposed Establishment and Listing of an Industrial Real Estate Investment Trust ("AME REIT") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed REIT Establishment and Listing").

On 25 November 2021, the Company proposed to undertake the Proposed REIT Establishment and Listing comprising the following:

(i) the proposed establishment of AME REIT by AME Elite Consortium Berhad ("AME"), the Sponsor ("Proposed REIT Establishment");

(ii) the proposed disposals of 31 industrial properties and 3 industrial-related properties ("Subject Properties") by 5 subsidiary companies of AME into AME REIT for a total consideration of RM557.0 million to be satisfied via the issuance of 520.0 million undivided interest in AME REIT ("Units") and cash consideration of RM37.0 million ("Proposed Group Disposals");

(iii) the proposed offering of a total of 254.8 million Units ("Offer Unit") via an initial public offering, which consists of proposed offering of (i) up to 130.0 million Units to shareholders of AME whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitled Shareholders"), (ii) 7.8 million Units to eligible employees and directors of AME and its subsidiaries, (iii) 10.4 million Units to the Malaysian public, and (iv) at least 106.6 million Units to institutional investors and selected investors ("Proposed Offering"); and

(iv) the proposed admission of AME REIT to the Official List of Bursa Securities ("Official List") and the listing of and quotation for 520.0 million Units on the Main Market of Bursa Securities ("Proposed Listing").

Following the Proposed Offering and the Proposed Listing, it is expected that the Group will continue to have control over AME REIT.

On 11 May 2022, the resolutions for Proposed Group Disposals, Proposed Offering and Proposed Listing were duly approved in the Extraordinary General Meeting by the shareholders of the Company.

31.2 On 9 October 2020, the subsidiaries of the Company, Pentagon Land Sdn. Bhd. ("Pentagon") and Greenhill SILC Sdn. Bhd. ("Greenhill") entered into two separate conditional sales and purchase agreements ("SPA") with UEM Land Berhad and Nusajaya Heights Sdn. Bhd., both being the subsidiaries of UEM Sunrise Berhad (collectively referred as "UEM"), to acquire 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 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).

On 17 December 2021, it was announced that the Economic Planning Unit's Consent had been obtained for both SPAs. Pursuant thereto, the last condition precedent to SPA between Pentagon and UEM was obtained and the SPA became unconditional on the same date.

Pentagon has agreed with UEM on the term of which the payment on the remaining unpaid amount is to be made in tranches in 12th month, 24th month or 36th month respectively from the unconditional date.

Separately, Greenhill has agreed with UEM on the term of which the payment on the remaining unpaid amount is to be made in 36th month from the unconditional date.

32. SUBSEQUENT EVENTS

32.1 On 26 April 2022, a new entity, Landscape Artist Sdn. Bhd. was acquired by AME Building Management Sdn. Bhd. with a shareholding interest of 70%. The principal activity of the entity consists of those relating to landscape project and maintenance and its related services.

32.2 On 17 May 2022, a new entity, Dynamic Innovative Venture Sdn. Bhd. was incorporated with initial share capital of RM100 and was held by I Stay Management Sdn. Bhd. with a shareholding interest of 51%. The principal activity of the entity consists of those relating to operation of canteens, convenience stores and laundromats.

33. COMPARATIVE FIGURES

Certain comparative figures in these financial statements have been reclassified to conform with current year's presentation.

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 107 to 175 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 2022 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: 25 July 2022

STATUTORY DECLARATION
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 107 to 175 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 abovenamed Gregory Lui Poh Sek, NRIC: 680704-01-5289, MIA CA12124 at Johor Bahru in the State of Johor on 25 July 2022.

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 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 107 to 175.

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 2022, 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
Revenue and cost of sales from property development activities was identified as a key audit matter because accounting for property development activity is inherently complex and involves significant judgement: • Probability of collection of consideration from purchasers, especially cash purchasers. • 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.	We performed the following audit procedures, amongst others: • We read and understood the terms of the contracts with customers and relevant supporting documents to assess the Group's revenue recognition policy with reference to the requirements of MFRS 15. • We inspected the supporting documents and agreed to the Group's assessment relating to the probability of collection of consideration from customers, in particular for customers who are not supported by end-financiers. • We agreed the estimated total costs to complete the works to the project budget prepared by the Group and compared the details of the estimated costs against documentary evidence. • We compared the progress towards satisfaction of performance obligations using cost incurred method against the progress of construction works as stipulated in architect certificates and made enquiry of completion status during the development site visit to corroborate with the percentage of completion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AME ELITE CONSORTIUM BERHAD (CONTINUED)

REGISTRATION NUMBER: 201801030789 (1292815-W)
(INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

Revenue and cost of sales from property development activities (continued)

Refer to Note 2(n)(i) – Significant accounting policy: Revenue from contract with customers and Note 18 – Revenue (continued)

The key audit matter	How the matter was addressed in our audit
	• We recomputed the amount of the revenue recognised in the profit or loss by multiplying the contract sum with the percentage of completion derived from the cost incurred to date over the estimated costs to complete the works. • We assessed the adequacy of disclosures as required by MFRS 15.

Revenue and cost of sales from property construction contracts

Refer to Note 2(n)(i) – Significant accounting policy: Revenue from contract with customers and Note 18 – Revenue

The key audit matter	How the matter was addressed in our audit
Revenue and cost of sales from property construction contracts was identified as a key audit matter because accounting for property construction activity is inherently complex and involves significant judgement: • Significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages ("LAD"). • The progress towards complete satisfaction of performance obligations is measured using the output method by reference to the survey of work performed.	We performed the following audit procedures, amongst others: • We read and understood the terms of the contracts with customers and relevant supporting documents to assess the Group's revenue recognition policy with reference to the requirements of MFRS 15. • We inspected documents supporting the estimated total contract sum and correspondences from contract customers in relation to variations and claims. • We inspected documents certified by quantity surveyor supporting the contract work performed by the Group to-date. • We inquired in-house operational and financial personnel of the Group and inspected the extension of time submitted to the contract customers to assess the exposure of LAD. • We tested samples of costs incurred to date to supporting documentation such as contractors' claim certificates or suppliers' invoices. • We recomputed the contract revenue and construction cost to be recognised by reference to the percentage of completion determined based on survey of work performed. • We assessed the adequacy of disclosures as required by MFRS 15.

Key Audit Matters (continued)

Valuation of investment properties

Refer to Note 2(f)(i) – Significant accounting policy: Investment properties and Note 5 – Investment properties

The key audit matter	How the matter was addressed in our audit
Valuation of investment properties was identified as a key audit matter because the Group owns numerous investment properties, which are leased to third parties. Investment properties represent a major category of assets on the consolidated statement of financial position of the Group. These investment properties are stated at fair values based on independent external valuations, using the market comparison and income approach. 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.	We performed the following audit procedures, amongst others: • We evaluated the qualifications, objectivity and competency of the external valuers and held discussions with the valuers to understand the valuation method and assumptions and basis used. • We evaluated and challenged the key assumptions applied by the external valuers by comparing with internal and external sources. • We considered the adequacy of the disclosures in the financial statements, in describing the key assumptions in the estimates.

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 annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AME ELITE CONSORTIUM BERHAD (CONTINUED)

REGISTRATION NUMBER: 201801030789 (1292815-W)
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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: 02986/05/2024 J
Chartered Accountant

Johor Bahru

Date: 25 July 2022

LIST OF MATERIAL PROPERTIES
AS AT 31 MARCH 2022

Location	Land area / Built-up area (sq. ft.)	Description and existing use	Tenure	Age of Building (Approximately; years)	Net Book Value as at 31 March 2022 (RM'000)	Date of Last Revaluation
Title identification: HSD 76888, Lot no. PTD 112829, Mukim of Senai, District of Kulai, Johor. **Postal address:** (Plots 18 & 19) No. 22, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	164,096/ 111,807	A 1½ storey detached factory currently leased for the manufacturing of technology components and its related activities and office.	Freehold	3	47,000	7 February 2022
Title identification: HSD 569755, Lot no. PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor. **Postal address:** No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor.	212,910/ 129,039	A single storey detached warehouse with single storey office building and ancillary buildings currently tenanted/leased for: • Plot A – None(1) • Plot B – Warehousing and related activities • Plot C – Distribution and packaging of professional and consumer audio products.	Freehold	2	38,000	7 February 2022
Title identification: HSD 580785, Lot no. PTD 196170, Mukim of Tebrau, District of Johor Bahru, Johor. **Postal address:** No. 2, Jalan I-Park SAC 1/1, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	164,619/ 66,244	A 3-storey detached office building, a single storey detached clubhouse building and other ancillary buildings.	Freehold	Less than 1	35,140	(2a)
Title identification: HSD 75887, Lot no. PTD 112778, Mukim of Senai, District of Kulai, Johor. **Postal address:** No. 91, Jalan SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	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	3	33,980	(2b)

LIST OF MATERIAL PROPERTIES AS AT 31 MARCH 2022 (CONTINUED)

Location	Land area / Built-up area (sq. ft.)	Description and existing use	Tenure	Age of Building (Approximately; years)	Net Book Value as at 31 March 2022 (RM'000)	Date of Last Revaluation
Title identification: GRN 580210, Lot no. 98837, Mukim of Kulai, District of Kulai, Johor. **Postal address:** (Plot 17), Fasa 1A, Jalan Pekeliling Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	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	7 to 8	23,608	(2c)
Title identification: HSD 77659, Lot no. PTD 112781, Mukim of Senai, District of Kulai, Johor. **Postal address:** (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	1	21,000	7 February 2022
Title identification: GRN 580206, Lot no. 98833, Mukim of Kulai, District of Kulai, Johor. **Postal address:** No. 11, Jalan Seroja 2, Bandar Indahpura, 81000 Kulai, Johor.	138,521/ 237,691	2 blocks of 5-storey walk-up workers' dormitories, a 2-storey facilities block, and other ancillary buildings.	Freehold	(Certificate of Completion and Compliance obtained on 5 July 2022)	19,989	(2d)
Title identification: HSD 596298, Lot no. PTD 203569, Mukim of Tebrau, District of Johor Bahru, Johor. **Postal address:** (Plot 1A1) 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	3	17,000	7 February 2022

LIST OF MATERIAL PROPERTIES AS AT 31 MARCH 2022 (CONTINUED)

Location	Land area / Built-up area (sq. ft.)	Description and existing use	Tenure	Age of Building (Approximately; years)	Net Book Value as at 31 March 2022 (RM'000)	Date of Last Revaluation
Title identification: HSD 63619, Lot no. PTD 107694, Mukim of Kulai, District of Kulai, Johor. **Postal address:** (Plot 66) No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor.	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	7	17,000	7 February 2022
Title identification: HSD 604384, Lot no. PTD 204026, Mukim of Tebrau, District of Johor Bahru, Johor. **Postal address:** (Plot 1B1) No. 69, Jalan I-Park SAC 8, Taman Perindustrian I-Park SAC, 81400 Senai, Johor.	114,998/ 56,706	A 1½ storey detached factory currently leased for courier services and its related activities and office.	Freehold	3	17,000	7 February 2022

Note:

1. *Tenanted for packaging, assembly, warehousing, and related activities since 28 April 2022.*
2. *Self-constructed, and completion in the following years:*
   - *a. Year 2021*
   - *b. Year 2019*
   - *c. Year 2013 (Phase 1); Year 2015 (Phase 2)*
   - *d. Year 2022*

ANALYSIS OF SHAREHOLDINGS
AS AT 1 JULY 2022

Issued Share Capital	:	640,672,649 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per shareholder on a show of hands One vote per ordinary share on a poll

ANALYSIS OF HOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100 shares	42	1,629	0.00
100 to 1,000 shares	136	70,270	0.01
1,001 to 10,000 shares	339	1,440,651	0.23
10,001 to 100,000 shares	175	5,772,050	0.90
100,001 to less than 5% of issued shares	162	297,114,599	46.38
5% and above of issued shares	3	336,273,450	52.48
Total	**857**	**640,672,649**	**100.00**

SUBSTANTIAL SHAREHOLDERS

According to the register to be kept under Section 144 of the Companies Act 2016 ("**Act**"), the following are the substantial shareholders of the Company:

	No. of Shares Held			
Name of Substantial Shareholders	Direct	%	Indirect	%
1. Lee Chai	112,701,650	17.59	(i) 5,881,650	0.92
2. Lim Yook Kim	113,841,150	17.77	(ii) 6,243,450	0.98
3. Kang Ah Chee	111,591,150	17.42	(iii) 6,031,650	0.94
4. Lee Sai Boon	36,987,000	5.77	(iv) 5,731,650	0.90

Notes:

(i) *Deemed interested by virtue of his interest in Lotus Ideal Sdn Bhd ("**Lotus Ideal**") and Lifestyle Capital Sdn Bhd ("**Lifestyle Capital**") pursuant to Section 8 of the Act, and shares held by his spouse, Ms Tan Mui Heong, pursuant to Section 59(11)(c) of the Act.*

(ii) *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.*

(iii) *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.*

(iv) *Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.*

ANALYSIS OF SHAREHOLDINGS AS AT 1 JULY 2022 (CONTINUED)

DIRECTORS' INTEREST IN ORDINARY SHARES OF THE COMPANY

Name of Directors	No. of Shares Held Direct	%	Indirect	%
1. Lee Chai	112,701,650	17.59	(i) 5,881,650	0.92
2. Lim Yook Kim	113,841,150	17.77	(ii) 6,243,450	0.98
3. Kang Ah Chee	111,591,150	17.42	(iii) 6,031,650	0.94
4. Lee Sai Boon	36,987,000	5.77	(iv) 5,731,650	0.90
5. Tengku Azrina Binti Raja Abdul Aziz	150,000	0.02	–	–
6. Tan Lay Beng	45,000	0.01	–	–
7. Chang Tian Kwang	280,000	0.04	–	–
8. Wee Soon Chit	210,000	0.03	–	–
9. Lim Pei Shi	435,000	0.07	–	–
10. Lee Ling Sien	336,150	0.05	–	–
11. Kang Koh Wei	487,800	0.08	–	–

Notes:

(i) 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 spouse, Ms Tan Mui Heong, pursuant to Section 59(11)(c) of the Act.

(ii) 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.

(iii) 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.

(iv) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.

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	113,841,150	17.77
2. Kang Ah Chee	111,591,150	17.42
3. Lee Chai	110,841,150	17.30
4. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Value Fund	30,000,000	4.68
5. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	19,186,000	2.99
6. Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Lee Sai Boon (PB)	18,540,000	2.89
7. Lee Sai Boon	18,447,000	2.88
8. Amanahraya Trustees Berhad Public Islamic Opportunities Fund	16,657,700	2.60
9. Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	10,350,000	1.62
10. UOA Development Bhd	10,242,000	1.60

ANALYSIS OF SHAREHOLDINGS AS AT 1 JULY 2022 (CONTINUED)

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

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

Name of holders	No. of Shares	%
11. Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	7,893,900	1.23
12. Maybank Nominees (Tempatan) Sdn Bhd Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	6,655,400	1.04
13. Carbatan Nominees (Tempatan) Sdn Bhd TMF Trustees Malaysia Berhad for Affin Hwang Wholesale Equity Fund 2	6,025,900	0.94
14. Lotus Ideal Sdn Bhd	5,506,650	0.86
15. Amanahraya Trustees Berhad PMB Shariah Growth Fund	5,415,000	0.85
16. Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund (IFM Affin Hwang) (410195)	4,683,300	0.73
17. Maybank Nominees (Tempatan) Sdn Bhd MTrustee Bhd for Aiiman TNB RBTF (EQ) (433139)	4,642,750	0.72
18. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	4,484,250	0.70
19. Amanahraya Trustees Berhad Public Strategic Small Cap Fund	4,434,800	0.69
20. CIMB Commerce Trustee Berhad Public Focus Select Fund	4,307,800	0.67
21. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Nomura)	4,265,350	0.67
22. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (UOB AMM6939-406)	3,851,000	0.60
23. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Hui	3,666,600	0.57
24. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	3,663,500	0.57
25. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)	3,543,750	0.55
26. KAF Trustee Berhad KIFB for Altima, Inc	2,909,000	0.45
27. Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd	2,907,900	0.45
28. Maybank Nominees (Tempatan) Sdn Bhd Medical Fund (IFM Nomura) (410223)	2,905,350	0.45
29. Amanahraya Trustees Berhad PB Islamic SmallCap Fund	2,788,800	0.44
30. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	2,770,250	0.43
Total	**547,017,400**	**85.36**

ANALYSIS OF WARRANT HOLDINGS
AS AT 1 JULY 2022

No. of Unexercised Warrants	:	142,371,453
Exercise Price	:	RM1.93 per warrant
Warrant Issued Date	:	23 September 2021
Expiry Date	:	22 September 2026
No. of Warrant Holders	:	774

ANALYSIS OF HOLDINGS

Size of Warrants	No. of Holders	No. of Warrants	%
Less than 100 Warrants	118	5,522	0.00
100 to 1,000 Warrants	173	94,921	0.07
1,001 to 10,000 Warrants	194	941,871	0.66
10,001 to 100,000 Warrants	193	7,344,044	5.16
100,001 to less than 5% of issued Warrants	93	49,957,663	35.09
5% and above of issued Warrants	3	84,027,432	59.02
Total	**774**	**142,371,453**	**100.00**

DIRECTORS' INTEREST IN WARRANTS OF THE COMPANY

Name of Directors	No. of Warrants Held			
	Direct	%	Indirect	%
1. Lee Chai	28,100,366	19.74	(i) 1,307,033	0.92
2. Lim Yook Kim	28,398,033	19.95	(ii) 1,387,433	0.98
3. Kang Ah Chee	27,898,033	19.60	(iii) 1,340,366	0.94
4. Lee Sai Boon	9,252,666	6.50	(iv) 1,273,700	0.90
5. Tengku Azrina Binti Raja Abdul Aziz	33,333	0.02	–	–
6. Tan Lay Beng	10,000	0.01	–	–
7. Chang Tian Kwang	40,000	0.03	–	–
8. Wee Soon Chit	46,666	0.03	–	–
9. Lim Pei Shi	96,666	0.07	–	–
10. Lee Ling Sien	74,700	0.05	–	–
11. Kang Koh Wei	108,400	0.08	–	–

Notes:
(i) By virtue of his interest in Lotus Ideal and Lifestyle Capital, and warrants held by his spouse, Ms Tan Mui Heong.
(ii) By virtue of his interest in Lotus Ideal and Lifestyle Capital and warrants held by his son, Mr Lim Khai Wen.
(iii) By virtue of his interest in Lotus Ideal and Lifestyle Capital and warrants held by his son, Mr Kang Chai Poh, and daughter, Ms Kang Miay Hong.
(iv) By virtue of his interest in Lotus Ideal and Lifestyle Capital.

THIRTY (30) LARGEST WARRANT HOLDERS
(without aggregating securities from different securities accounts belonging to the same person)

Name of holders	No. of Warrants	%
1. Lim Yook Kim	28,398,033	19.95
2. Kang Ah Chee	27,898,033	19.60
3. Lee Chai	27,731,366	19.48
4. Lee Sai Boon	5,132,666	3.61
5. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	4,209,800	2.96

ANALYSIS OF WARRANT HOLDINGS AS AT 1 JULY 2022 (CONTINUED)

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

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

Name of holders	No. of Warrants	%
6. Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Lee Sai Boon (PB)	4,120,000	2.89
7. Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	2,300,000	1.62
8. UOA Development Bhd	2,276,000	1.60
9. Amanahraya Trustees Berhad Public Islamic Opportunities Fund	1,653,800	1.16
10. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Hui	1,233,333	0.87
11. Lotus Ideal Sdn Bhd	1,223,700	0.86
12. Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd	1,077,800	0.76
13. Chua Teck Kim	1,000,000	0.70
14. Lau Chee Siong	1,000,000	0.70
15. Maybank Nominees (Tempatan) Sdn Bhd Mtrustee Bhd for Aiiman TNB RHBTF (EQ) (433139)	915,300	0.64
16. Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund (IFM Affin Hwang) (410195)	872,733	0.61
17. Tai Chin Oon	763,133	0.54
18. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kuan Teck	755,000	0.53
19. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lau Chee Siong	725,100	0.51
20. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Al-Fauzan (5170)	719,068	0.51
21. CIMB Group Nominees (Asing) Sdn Bhd Exempt An For DBS Bank Ltd (SFS)	714,633	0.50
22. HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Gui Soon Yi (CCTS)	680,000	0.48
23. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Manulife Investment Progress Fund (4082)	667,166	0.47
24. Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (PF)	638,333	0.45
25. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Affin Hwang Asset Management Berhad For Malaysian Timber Council (Operating Fund)	590,366	0.42
26. CIMB Group Nominees (Tempatan) Sdn Bhd Aiiman Asset Management Sdn Bhd For Tabung Warisan Negeri Selangor	506,400	0.36
27. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Affin Hwang Asset Management Berhad for Malaysian Timber Council	495,133	0.35
28. Hong Leong Assurance Berhad As Beneficial Owner (Unitlinked MF)	480,666	0.34
29. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	461,166	0.32
30. Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd For Lee Kok Hong	460,066	0.32
Total	**119,698,794**	**84.11**

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