

**AME Elite Consortium Berhad**  
Registration No. 201801030789 (1292815-W)  
(Incorporated in Malaysia)

**Interim Financial Report**  
**Second quarter ended 30 September 2022**

**AME Elite Consortium Berhad**  
 Registration No. 201801030789 (1292815-W)  
 (Incorporated in Malaysia)

**Unaudited condensed consolidated statement of financial position  
 As at 30 September 2022**

	<b>unaudited 30.9.2022 RM'000</b>	<b>audited 31.3.2022 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	159,971	147,046
Inventories	8,662	8,662
Investment properties	468,327	324,400
Investment in a joint venture	1,485	15,181
Deferred tax assets	11,292	7,027
<b>Total non-current assets</b>	<u>649,737</u>	<u>502,316</u>
Inventories	543,913	649,896
Contract costs	45,700	47,825
Contract assets	53,762	40,833
Trade and other receivables	109,198	82,307
Due from a joint venture	4,000	--
Current tax assets	1,817	2,124
Cash and cash equivalents	282,533	187,245
<b>Total current assets</b>	<u>1,040,923</u>	<u>1,010,230</u>
<b>Total assets</b>	<u><u>1,690,660</u></u>	<u><u>1,512,546</u></u>
<b>Equity</b>		
Share capital	620,140	620,140
Retained earnings	595,647	538,186
Merger reserve	(452,311)	(452,311)
<b>Equity attributable to owners of the Company</b>	<u>763,476</u>	<u>706,015</u>
Non-controlling interests	305,974	40,666
<b>Total equity</b>	<u>1,069,450</u>	<u>746,681</u>
<b>Liabilities</b>		
Loans and borrowings <sup>(i)</sup>	63,406	210,217
Trade and other payables	235,982	250,706
Due to minority shareholders	--	10,000
Deferred tax liabilities	2,436	15,970
<b>Total non-current liabilities</b>	<u>301,824</u>	<u>486,893</u>
Loans and borrowings <sup>(i)</sup>	59,823	39,193
Trade and other payables	205,182	214,500
Contract liabilities	26,658	18,970
Due to minority shareholders	490	2,490
Current tax liabilities	27,233	3,819
<b>Total current liabilities</b>	<u>319,386</u>	<u>278,972</u>
<b>Total liabilities</b>	<u>621,210</u>	<u>765,865</u>
<b>Total equity and liabilities</b>	<u><u>1,690,660</u></u>	<u><u>1,512,546</u></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>1.19</u>	<u>1.10</u>

(i) See Note B8.

(The unaudited condensed consolidated of financial position should be read with the Audited Financial Report for the year ended 31 March 2022)

**AME Elite Consortium Berhad**  
 Registration No. 201801030789 (1292815-W)  
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**Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the second quarter ended 30 September 2022**

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
Revenue	147,467	86,325	284,362	163,075
Cost of sales	(122,462)	(60,347)	(236,088)	(117,133)
<b>Gross profit</b>	25,005	25,978	48,274	45,942
Other income <sup>(ii)</sup>	56,445	1,133	57,857	2,203
Distribution expenses	(1,692)	(783)	(2,432)	(1,136)
Administrative expenses	(9,465)	(9,101)	(18,120)	(17,734)
Other expenses	(257)	(720)	(316)	(836)
<b>Results from operating activities</b>	70,036	16,507	85,263	28,439
Finance income	640	898	1,290	2,040
Finance costs <sup>(i)</sup>	(4,778)	(2,121)	(9,153)	(4,337)
<b>Net finance costs</b>	(4,138)	(1,223)	(7,863)	(2,297)
Share of (loss)/profit of an equity-accounted joint venture, net of tax	(30)	(17)	(197)	153
<b>Profit before tax</b>	65,868	15,267	77,203	26,295
Tax expense	(9,494)	(4,646)	(13,288)	(8,050)
<b>Profit for the period / Total comprehensive income for the period</b>	56,374	10,621	63,915	18,245
<b>Profit attributable to:</b>				
Owners of the Company	45,811	9,759	51,896	16,973
Non-controlling interests	10,563	862	12,019	1,272
<b>Profit for the period / Total comprehensive income for the period</b>	56,374	10,621	63,915	18,245
<b>Basic earnings per ordinary share (sen) <sup>(iii)</sup></b>	7.15	1.52	8.10	2.65
<b>Diluted earnings per ordinary share (sen) <sup>(iii)</sup></b>	7.15	1.52	8.10	2.65

(The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read with the Audited Annual Financial Report for the year ended 31 March 2022)

**Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the second quarter ended 30 September 2022 (continued)**

- (i) Included in finance costs is RM2.39 million and RM5.07 million which is the unwinding of discount on the deferred purchase considerations for land acquisitions during the current quarter and financial period under review.
- (ii) Included in other income is fair value gain of RM54.8 million which arose from the disposal of 10 plots of industrial properties to AME Real Estate Investment Trust ("AME REIT") during the current quarter and financial period under review. The subject properties were classified as inventories. Upon the disposal to AME REIT, the properties are classified as investment properties where the fair value gain is recognised.
- (iii) See Note B11.

## AME Elite Consortium Berhad

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### Unaudited condensed consolidated statement of changes in equity for the period ended 30 September 2022

	← Non-distributable →		Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 April 2021</b>	620,140	(452,311)	506,711	674,540	37,708	712,248
Profit and total comprehensive income for the period	--	--	16,973	16,973	1,272	18,245
Dividends to owners of the Company	--	--	(17,085)	(17,085)	--	(17,085)
<b>At 30 September 2021</b>	620,140	(452,311)	506,599	674,428	38,980	713,408
<b>At 1 April 2022</b>	620,140	(452,311)	538,186	706,015	40,666	746,681
Profit and total comprehensive income for the period	--	--	51,896	51,896	12,019	63,915
Acquisition of a subsidiary	--	--	--	--	299	299
Issuance of shares to non-controlling interests	--	--	27,989	27,989	252,990	280,979
Dividends to owners of the Company	--	--	(22,424)	(22,424)	--	(22,424)
<b>At 30 September 2022</b>	620,140	(452,311)	595,647	763,476	305,974	1,069,450

**AME Elite Consortium Berhad**  
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**Unaudited condensed consolidated statement of cash flows for the period ended 30 September 2022**

	6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	77,203	26,295
Adjustments for:		
Property, plant and equipment:		
- depreciation	3,140	3,187
- gain on disposal	(330)	(14)
- written off	148	--
Share of loss/(profit) of an equity-accounted joint venture, net of tax	197	(153)
Finance costs	9,153	4,337
Finance income	(1,290)	(2,040)
Unrealised gain on foreign exchange	(15)	(4)
Changes in fair value of investment properties	(54,763)	--
<b>Operating profit before changes in working capital</b>	<b>33,443</b>	<b>31,608</b>
Changes in inventories	18,348	8,930
Changes in trade and other receivables	(26,284)	7,076
Changes in trade and other payables	(36,191)	(27,405)
Changes in contract assets/(liabilities)	(5,241)	(25,065)
Changes in contract costs	2,125	(2,031)
Changes in a joint venture	(4,000)	--
<b>Cash used in operations</b>	<b>(17,800)</b>	<b>(6,887)</b>
Interest received	1,290	2,040
Interest paid	(3,861)	(4,163)
Tax paid	(7,308)	(7,822)
<b>Net cash used in operating activities</b>	<b>(27,679)</b>	<b>(16,832)</b>
<b>Cash flows from investing activities</b>		
Acquisition of:		
- property, plant and equipment	(13,993)	(10,098)
- investment properties	(1,529)	(602)
- a subsidiary, net of cash & cash equivalents	219	--
Proceeds from disposal of:		
- property, plant and equipment	451	31
Dividends received from a joint venture	13,500	--
Changes in pledged deposits	1,716	1,215
<b>Net cash from/(used in) investing activities</b>	<b>364</b>	<b>(9,454)</b>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase liabilities	(579)	(607)
Repayment of short term borrowings	(16,684)	(1,000)
Proceeds from short term borrowings	58,824	1,000
Repayment of term loans	(178,378)	(17,949)
Drawdown from term loans	9,374	8,357
Proceeds from issuance of shares to non-controlling interests	280,979	--
Interest paid	(67)	(46)
Due to minority shareholders	(11,156)	10
Dividends paid to:		
- owners of the Company	(16,017)	(17,085)
- non-controlling interests	(1,000)	(1,000)
<b>Net cash from/(used in) financing activities</b>	<b>125,296</b>	<b>(28,320)</b>

**Unaudited condensed consolidated statement of cash flows for the period ended 30 September 2022**  
(continued)

	6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000
<b>Net increase/(decrease) in cash and cash equivalents</b>	97,981	(54,606)
<b>Cash and cash equivalents as at 1 April</b>	<u>169,665</u>	<u>255,941</u>
<b>Cash and cash equivalents as at 30 September</b>	<u>267,646</u>	<u>201,335</u>

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following amounts from the condensed consolidated statement of financial position:

	6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000
Cash and cash equivalents:		
- cash and bank balances	150,758	61,605
- fixed deposits with licensed banks	128,288	153,221
- money market fund with a licensed bank	<u>3,487</u>	<u>--</u>
	282,533	214,826
Less: Pledged deposits	<u>(14,887)</u>	<u>(13,491)</u>
	<u>267,646</u>	<u>201,335</u>

## AME Elite Consortium Berhad

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### Notes to the interim financial report

## Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 and International Accounting Standards (“IAS”) 34 Interim Financial Reporting

### A1. Basis of preparation

This interim financial report is unaudited and has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), Malaysian Financial Reporting Standards (MFRS) 134: Interim Financial Reporting and International Accounting Standards (IAS) 34: Interim Financial Reporting.

This interim financial report should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2022 and the accompanying notes attached to the interim financial report.

### A2. Significant accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 March 2022.

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:

#### ***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 Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Disclosure of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*

#### ***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 plans 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 is not expected to have any material financial impact on the current period and prior period financial statements of the Group upon their first adoption.

## **Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)**

### **A3. Auditors' report**

The audited consolidated financial statements for the financial year ended 31 March 2022 were not subject to any qualifications.

### **A4. Seasonal or cyclical factors**

The nature of the Group's business was not subject to any significant seasonal or cyclical factors.

### **A5. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the current quarter and financial period under review.

### **A6. Changes in estimates**

There were no material changes in estimates for the current quarter and financial period under review.

### **A7. Debt and equity securities**

There were no debt and equity securities issued during the current quarter and financial period under review.

### **A8. Dividends paid**

The amount of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 31 March 2022
  - an interim single-tier dividend of 2.5 sen per ordinary share totalling RM16.02 million declared on 26 May 2022 and paid on 7 July 2022 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 16 June 2022.
- ii) In respect of the financial year ending 31 March 2023
  - a special single-tier dividend of 1.0 sen per ordinary share totalling RM6.41 million declared on 27 September 2022 and paid on 28 October 2022 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 13 October 2022.

### **A9. Property, plant and equipment ("PPE")**

The Group acquired PPE amounting to RM5.99 million and RM16.23 million of which the amount financed by finance lease liabilities was RM0.70 million and RM2.24 million during the current quarter and financial period under review respectively.

Included in the additions to PPE during the financial period under review were headquarters office and clubhouse of RM2.80 million, workers' dormitories of RM9.12 million and other PPE of RM4.31 million.

There were no material disposals of PPE during the current quarter and financial period under review.

**Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)****A10. Impairment losses**

There were no significant impairment losses or reversal of impairment losses arising from property, plant and equipment, financial assets, assets arising from contracts with customers or other assets during the current quarter and financial period under review.

## Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

### A11. Segmental information

Segmental information is presented in respect of the Group's business segments as follows:

1.7.2022 to 30.9.2022 (2Q2023)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	74,325	53,692	12,601	6,849	147,467	--	147,467
Inter-segment revenue	17,278	--	3,682	7,394	28,354	(28,354)	--
<b>Total revenue</b>	<b>91,603</b>	<b>53,692</b>	<b>16,283</b>	<b>14,243</b>	<b>175,821</b>	<b>(28,354)</b>	<b>147,467</b>
Segment results from operating activities	1,820	9,753	916	56,043 <sup>(i)</sup>	68,514	1,522	70,036
Share of loss of a joint venture							(30)
Finance income							640
Finance costs							(4,778)
<b>Profit before tax</b>							<b>65,868</b>
Tax expense							(9,494)
<b>Profit after tax</b>							<b>56,374</b>

(i) Inclusive of fair value gain on investment properties as disclosed in Note B13.

## Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

### A11. Segmental information (continued)

Segmental information is presented in respect of the Group's business segments as follows:

1.7.2021 to 30.9.2021 (2Q2022)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	22,452	46,789	6,498	10,586	86,325	--	86,325
Inter-segment revenue	20,432	--	11,722	2,327	34,481	(34,481)	--
<b>Total revenue</b>	<b>42,884</b>	<b>46,789</b>	<b>18,220</b>	<b>12,913</b>	<b>120,806</b>	<b>(34,481)</b>	<b>86,325</b>
Segment results from operating activities	(1,079)	4,328	3,179	8,323	14,751	1,756	16,507
Share of loss of a joint venture							(17)
Finance income							898
Finance costs							(2,121)
<b>Profit before tax</b>							<b>15,267</b>
Tax expense							(4,646)
<b>Profit after tax</b>							<b>10,621</b>

## Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

### A11. Segmental information (continued)

Segmental information is presented in respect of the Group's business segments as follows:

1.4.2022 to 30.9.2022 (Cumulative 2Q2023)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	162,217	86,032	17,815	18,298	284,362	--	284,362
Inter-segment revenue	35,555	3,256	10,036	10,454	59,301	(59,301)	--
<b>Total revenue</b>	<b>197,772</b>	<b>89,288</b>	<b>27,851</b>	<b>28,752</b>	<b>343,663</b>	<b>(59,301)</b>	<b>284,362</b>
Segment results from operating activities	4,665	15,092	1,235	65,224 <sup>(i)</sup>	86,216	(953)	85,263
Share of loss of a joint venture							(197)
Finance income							1,290
Finance costs							(9,153)
<b>Profit before tax</b>							<b>77,203</b>
Tax expense							(13,288)
<b>Profit after tax</b>							<b>63,915</b>

(i) Inclusive of fair value gain on investment properties as disclosed in Note B13.

## Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

### A11. Segmental information (continued)

Segmental information is presented in respect of the Group's business segments as follows:

1.4.2021 to 30.9.2021 (Cumulative 2Q2022)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	63,945	65,432	12,509	21,189	163,075	--	163,075
Inter-segment revenue	38,829	1,423	30,295	4,658	75,205	(75,205)	--
<b>Total revenue</b>	<b>102,774</b>	<b>66,855</b>	<b>42,804</b>	<b>25,847</b>	<b>238,280</b>	<b>(75,205)</b>	<b>163,075</b>
Segment results from operating activities	3,124	4,716	4,229	16,478	28,547	(108)	28,439
Share of profit of a joint venture							153
Finance income							2,040
Finance costs							(4,337)
<b>Profit before tax</b>							<b>26,295</b>
Tax expense							(8,050)
<b>Profit after tax</b>							<b>18,245</b>

## **Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)**

### **A12. Material events subsequent to the statement of financial position date**

There were no material events subsequent to the end of the current quarter and financial period under review that have not been reflected in the interim financial report.

### **A13. Changes in the composition of the Group**

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.

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.

On 18 August 2022, Northern Industrial Park Sdn. Bhd. (formerly known as Alambina Gemilang Sdn. Bhd.) entered into a Shareholders' Agreement with Majestics Builders Sdn. Bhd. to jointly acquire and develop lands via a joint venture company, Suling Hill Development Sdn. Bhd. ("Suling Hill") with a shareholding interest of 50% respectively. The principal activity of Suling Hill consists of those relating to property development, investment holding and management of real estate.

The listing of AME Real Estate Investment Trust ("AME REIT") on the main market of Bursa Malaysia Securities Berhad was completed on 20 September 2022 and AME Development Sdn. Bhd. has a shareholding interest of 51%.

Save as disclosed above, there were no changes in the composition of the Group for the current quarter and financial period under review.

### **A14. Contingent assets and contingent liabilities**

#### **Contingent liability 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 RM7.16 million on 30 June 2021 for Year of Assessment 2018. The Directors believe 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.

Save as disclosed above, there were no changes in contingent assets or contingent liabilities of the Group for the current quarter and financial period under review.

## Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

### A15. Capital commitments

	30.9.2022 RM'000	30.9.2021 RM'000
<b>Capital expenditure commitment</b>		
<b>Contracted but not provided for</b>		
Property, plant and equipment		
(Two new blocks of workers' dormitories in i-Park @ Indahpura)	--	17,350
	<u>          </u>	<u>          </u>
	--	17,350
	<u>          </u>	<u>          </u>

Save as disclosed above, there were no changes in capital commitments of the Group for the current quarter and financial period under review.

### A16. Significant related party transactions

The significant related party transactions of the Group are shown below.

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
<b>A. Joint venture</b>				
Contract income	--	3,151	--	8,442
Rental income	25	21	49	42
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>B. Minority shareholder of a subsidiary</b>				
Interest expenses	(85)	(64)	(156)	(128)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>C. Firm in which a Director has financial interest</b>				
Professional fees	(106)	(171)	(148)	(201)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>D. Related company of minority shareholder of a subsidiary</b>				
Contract income	--	1,280	--	1,280
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>E. Company in which close family of a subsidiary's Director has financial interest</b>				
Professional fees	(187)	--	(187)	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>F. Company in which closed family member of certain Directors have financial interest</b>				
Contract income	70	--	70	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>G. A Director</b>				
Contract income	--	--	--	44
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements

### B1. Review of performance

#### Current quarter against corresponding quarter

	Individual quarter 3 months ended		Changes %
	30.9.2022 RM'000	30.9.2021 RM'000	
Revenue	147,467	86,325	71
Gross profit	25,005	25,978	(4)
Share of loss of an equity-accounted joint venture, net of tax	(30)	(17)	76
Earnings before interest and taxes	70,006	16,490	325
Profit before tax	65,868	15,267	331
Profit after tax	56,374	10,621	431
Profit attributable to owners of the Company	<u>45,811</u>	<u>9,759</u>	<u>369</u>

The Group's revenue increased by RM61.14 million due to the increase in property development revenue of RM6.90 million, construction services revenue of RM51.88 million and engineering services revenue of RM6.10 million, partially offset by the decrease in rental income of RM3.74 million.

The Group's property development revenue increased from RM46.79 million to RM53.69 million, which increased by approximately 14.75%. The increase in the revenue was mainly due to the higher stages of work completed and the timing of income recognition.

The Group's construction services revenue increased from RM22.45 million to RM74.33 million, which was an increase of approximately 231.09%. The increase in revenue was mainly due to the progression in the stage of completion of the on-going construction projects.

The Group's engineering services revenue increased from RM6.50 million to RM12.60 million, which increased by approximately 93.85%. The increase in revenue was mainly due to the progression in the stage of completion of the on-going engineering projects.

The Group's rental income decreased from RM10.59 million to RM6.85 million, which declined by approximately 35.32%. The decrease in the rental income was due to the reversal of lease receivables of RM4.82 million recognised based on straight line basis after the disposal of properties to AME Real Estate Investment Trust ("AME REIT").

Despite the higher revenue, the Group recorded lower gross profit margin mainly due to certain construction and engineering projects with lower profit margin and the decrease in rental income.

The Group's share of loss from an equity-accounted joint venture was due to the lower sales of industrial properties recorded by the joint venture.

Overall, the Group recorded higher earnings before interest and taxes, profit before tax and profit attributable to owners of the Company mainly due to higher revenue and fair value gain on investment properties. The fair value gain on investment properties of RM54.8 million arose from the disposal of 10 plots of industrial properties to AME REIT by AME Development Sdn. Bhd. and Ipark Development Sdn. Bhd.. The subject properties were classified as inventories. Upon the disposal to AME REIT, the properties are classified as investment properties where the fair value gain is recognised.

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

### B1. Review of performance (continued)

#### Current financial period against corresponding financial period

	Cumulative quarter 6 months ended		Changes %
	30.9.2022 RM'000	30.9.2021 RM'000	
Revenue	284,362	163,075	74
Gross profit	48,274	45,942	5
Share of (loss)/profit of an equity-accounted joint venture, net of tax	(197)	153	(229)
Earnings before interest and taxes	85,066	28,592	198
Profit before tax	77,203	26,295	194
Profit after tax	63,915	18,245	250
Profit attributable to owners of the Company	<u>51,896</u>	<u>16,973</u>	<u>206</u>

The Group's revenue increased by RM121.29 million due to the increase in property development revenue of RM20.60 million, construction services revenue of RM98.27 million and engineering services revenue of RM5.31 million, partially offset by the decrease in rental income of RM2.89 million.

The Group's property development revenue increased from RM65.43 million to RM86.03 million, which increased by approximately 31.48%. The increase in the revenue was mainly due to the higher stages of work completed and the timing of income recognition.

The Group's construction services revenue increased from RM63.95 million to RM162.22 million, which was an increase of approximately 153.67%. The increase in revenue was mainly due to the progression in the stage of completion of the on-going construction projects.

The Group's engineering services revenue increased from RM12.51 million to RM17.82 million, which increased by approximately 42.45%. The increase in revenue was mainly due to the progression in the stage of completion of the on-going engineering projects.

The Group's rental income decreased from RM21.19 million to RM18.30 million, which declined by approximately 13.64%. The decrease in the rental income was due to the reversal of lease receivables of RM4.82 million recognised based on straight line basis after the disposal of properties to AME Real Estate Investment Trust ("AME REIT").

Despite the higher revenue, the Group recorded lower gross profit margin mainly due to certain construction and engineering projects with lower profit margin and the decrease in rental income.

The Group's share of loss from an equity-accounted joint venture was due to the lower sales of industrial properties recorded by the joint venture.

Overall, the Group recorded higher earnings before interest and taxes, profit before tax and profit attributable to owners of the Company mainly due to higher revenue and fair value gain on investment properties. The fair value gain on investment properties of RM54.8 million arose from the disposal of 10 plots of industrial properties to AME REIT by AME Development Sdn. Bhd. and Ipark Development Sdn. Bhd.. The subject properties were classified as inventories. Upon the disposal to AME REIT, the properties are classified as investment properties where the fair value gain is recognised.

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

### B2. Comparison with immediate preceding quarter

	Current quarter 30.9.2022 RM'000	Preceding quarter 30.6.2022 RM'000	Changes %
Revenue	147,467	136,895	8
Gross profit	25,005	23,269	7
Share of loss of an equity-accounted joint venture, net of tax	(30)	(167)	(82)
Earnings before interest and taxes	70,006	15,060	365
Profit before tax	65,868	11,335	481
Profit after tax	56,374	7,541	648
Profit attributable to owners of the Company	<u>45,811</u>	<u>6,085</u>	<u>653</u>

The Group recorded higher earnings before interest and taxes, profit before tax and profit attributable to owners of the Company mainly due to higher revenue and fair value gain on investment properties arising from the disposal of inventories (“industrial properties”) to AME REIT by AME Development Sdn. Bhd. and Ipark Development Sdn. Bhd. during the current quarter and financial period under review.

### B3. Prospects for the Group for the financial year ending 31 March 2023 (“FYE 2023”)

Since 1 April 2022, Malaysia has transitioned to the endemic phase of COVID-19. With the reopening of the nation’s borders and gradual reopening of international borders, it is expected to boost the foreign direct investment inflows to the country and will have a positive impact on the take-up of our industrial properties. We are receiving more enquiries for our industrial properties from various multinational companies.

The Group expects continued pressure from the rising costs of building materials given the supply chain disruption and labour shortage. Nevertheless, the Group has been proactively taking measures to mitigate the negative impact to enhance the Group’s profitability.

The Group has a healthy level of unbilled sales of industrial properties and construction orderbook, which will contribute to revenue recognition in the FYE 2023. We have also commenced the development of our new industrial park, namely i-TechValley in quarter 1 of the FYE 2023 and we will continue developing i-Park @ Senai Airport City (Phase 3) to improve the Group’s profitability.

While mindful of potential changes in the business landscape in light of economic challenges at the macro level, we continue to identify and transform suitable landbank, to replicate our i-Park model in the central and northern regions of Peninsular Malaysia.

The listing of AME REIT on the main market of Bursa Malaysia Securities Berhad was completed on 20 September 2022.

Overall, the Board of Directors expects the Group to achieve a better financial performance for the FYE 2023 premised on the abovementioned factors.

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

### B4. Profit forecast

The Group did not issue any profit forecast during the current quarter and financial period under review.

### B5. Tax expense

Income tax expenses on continuing operations comprise the following:

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
<b>Current</b>				
Tax expense	28,379	4,586	31,087	7,539
Deferred tax income	(18,885)	60	(17,799)	511
	<u>9,494</u>	<u>4,646</u>	<u>13,288</u>	<u>8,050</u>

The Group's effective tax rate for the current quarter and financial period under review was lower than the statutory tax rate mainly due to reversal of deferred tax liabilities on fair value gains on investment properties.

### B6. Status of corporate proposals

(i) On 9 October 2020, wholly-owned subsidiaries of the Company, Pentagon Land Sdn Bhd ("Pentagon") and Greenhill SILC Sdn Bhd ("Greenhill") (Pentagon and Greenhill are collectively defined as "Purchaser") entered into two separate Heads of Agreement ("HOAs") with UEM Land Berhad ("UEM" or "Vendor") and Nusajaya Heights Sdn Bhd ("NHSB" or "Proprietor"), both being the subsidiaries of UEM Sunrise Berhad, in the following manner:

- (a) the first HOA ("HOA 1") was entered into between Pentagon, Greenhill, UEM and NHSB; and
- (b) the second HOA ("HOA 2") was entered into between Pentagon, UEM and NHSB

Pentagon, Greenhill, UEM and NHSB are collectively defined as ("Parties") and HOA 1 and HOA 2 are collectively defined as ("Signed HOA").

The Signed HOA was in relation to the acquisition of seventy-two (72) plots of freehold industrial land in Phase 3, Southern Industrial & Logistic Clusters ("SiLC") in Iskandar Puteri, Johor measuring a total acreage of approximately 169.75 acres by the Purchaser for a total purchase consideration of approximately RM434.29 million ("Proposed Acquisition").

The Proposed Acquisition was conditional upon the execution of legally binding agreements comprising sale and purchase agreements, amongst others ("Definitive Agreements").

The Signed HOA was valid for a period of thirty (30) days from the date of execution, or at an extended date as agreed in writing by the Parties, whichever is the later. The Vendor and Proprietor agreed not to enter into deals with other parties during this period.

On 6 November 2020 and 7 December 2020, the Parties mutually agreed to extend the validity period of the Signed HOA for another thirty (30) days from 8 November 2020 to 7 December 2020 and to further extend the validity period of the Signed HOA for another twenty-four (24) days from 8 December 2020 to 31 December 2020 respectively.

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

### B6. Status of corporate proposals (continued)

Subsequently, Pentagon and Greenhill had on 30 December 2020 and entered into the following agreements:

- (a) a conditional sale and purchase agreement entered into by Pentagon to acquire thirty-eight (38) plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor all located within Phase 3 of SiLC, measuring approximately 37.09 hectares or approximately 91.64 acres in total land area ("Non-Bumi Plots") from UEM and NHSB for an indicative total cash consideration of approximately RM233.53 million ("Purchase Consideration 1") ("SPA 1"); and
- (b) a conditional sale and purchase agreement entered into by Greenhill to acquire thirty-four (34) plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor all located within Phase 3 of SiLC, measuring approximately 31.61 hectares or approximately 78.11 acres in total land area ("Bumi Plots") from UEM and NHSB for an indicative total cash consideration of approximately RM200.76 million ("Purchase Consideration 2") ("SPA 2").

The Proposed Acquisitions entail the acquisition of the lands by Pentagon and Greenhill from UEM and NHSB for an indicative Total Purchase Consideration of approximately RM434.29 million, subject to the terms and conditions of the sale and purchase agreements ("SPAs"). Pursuant to the SPAs, Pentagon shall purchase the Non-Bumi Plots and Greenhill shall purchase the Bumi Plots respectively free from all encumbrances and with vacant possession, subject to any expressed and implied conditions of title and restrictions in interest, and other endorsements as registered on the documents of title to the Non-Bumi Plots or Bumi Plots upon the terms and conditions of the SPA 1 and SPA 2 respectively.

The Proposed Acquisitions are subject to the fulfilment of conditions precedent, including the approval of the Company's shareholders at an extraordinary general meeting, which was obtained on 8 April 2021.

On 30 April 2021, the Parties mutually agreed to extend the cut-off date to 29 July 2021 for the Vendor to procure the EPU Consent and where applicable, to observe, fulfill and complete all conditions and documentation as may be necessary to obtain the EPU Consent (pursuant to the condition precedent of SPA 1 and SPA 2 as stated in items 3(b) and 3(a)(ii) respectively of Appendices III and IV of the Circular to shareholders dated 24 March 2021 in relation to the Proposed Acquisitions).

On 31 July 2021 and 28 October 2021, the Parties mutually agreed to extend the cut-off date to 29 October 2021 and 29 January 2022 respectively for the relevant Party or Parties to make further representations to EPU on matters pertaining to the EPU Consent.

On 17 December 2021, it was announced that the EPU Consent had been obtained for SPA 1 and SPA 2. Pursuant thereto, the last condition precedent to SPA 1 was obtained and SPA 1 became unconditional on the same date.

In addition, the parties to SPA 2 mutually agreed to extend the cut-off date to 30 December 2022 for the Vendor to obtain the Bumi Release (being the last condition precedent to SPA 2 as stated in item 3(b) of Appendix IV of the Circular to shareholders dated 24 March 2021 in relation to the Proposed Acquisitions).

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

### B6. Status of corporate proposals (continued)

The status of Bumi Release for SPA 2 are as follows:

Date of Bumi Release	Number of Plots
3 March 2022	19
22 August 2022	1
8 November 2022	13

Pursuant thereto, the last condition precedent to the said 33 Bumi Plots was obtained and the acquisition of the said 33 Bumi Plots became unconditional on the same date.

- (ii) On 18 August 2022, Suling Hill Development Sdn. Bhd. entered into a conditional Sale and Purchase Agreement (“SPA”) with Waz Lian Holdings Sdn Bhd (“Waz Lian Holdings” or “Vendor”) for the proposed acquisition and development of sixteen (16) pieces of freehold vacant land in Mukim 19, District of Seberang Perai Tengah, State of Penang, measuring approximately 175.98 acres (“Lands”) for a total consideration of RM130 million, payable in following manner:
- a) RM80.0 million by way of cash (“Purchase Price”) to be paid based on following tranches:
    - i) RM4.0 million as the deposit;
    - ii) RM16.0 million as 20% of the Purchase Price; and
    - iii) Subject to salient terms of the SPA, RM60.0 million as 75% of the Purchase Price,
  - b) Subject to the Vendor procuring the issuance of Form 5A, RM50.0 million by way of properties.

Save as disclosed above, there were no corporate proposals pending completion as at the date of this report.

### B7. Utilisation of proceeds from the Public Issue

- (i) The gross proceeds from the Public Issue on 14 October 2019 of approximately RM111.05 million were fully utilised in the immediate preceding quarter.
- (ii) The gross proceeds raised from the Public Issue of AME REIT of approximately RM287.92 million is expected to be utilised in the following manner:

Details of use of proceeds	Estimated time frame for the use of proceeds upon Listing	Proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Future industrial property development and investment projects including land acquisitions and joint ventures	Within 24 months	173,469	--	173,469
Repayment of borrowings	Within 3 months	110,000	(110,000)	--
Estimated listing expenses	Within 1 month	4,455	(3,062)	1,393
		<u>287,924</u>	<u>(113,062)</u>	<u>174,862</u>

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made on 1 September 2022.

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

### B8. Borrowings and debt securities

	30.9.2022 RM'000	31.3.2022 RM'000
<b>Secured</b>		
<b>Non-current</b>		
Term loans	60,689	208,800
Hire purchase liabilities	2,717	1,417
	63,406	210,217
<b>Current</b>		
Term loans	319	21,212
Bankers' acceptances	--	16,256
Revolving credit	58,396	--
Hire purchase liabilities	1,108	748
Bank overdrafts	--	977
	59,823	39,193
	<u>123,229</u>	<u>249,410</u>

### B9. Material litigations

There were no material litigations which might materially and adversely affect the financial position of the Group as at the date of this report.

### B10. Dividends payable

On 27 September 2022, the Board of Directors declared a special single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 March 2023, which was paid on 28 October 2022 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 13 October 2022.

### B11. Earnings per share ("EPS")

The basic and diluted EPS for the current quarter and financial period under review are computed as follows:

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Net profit attributable to the owners of the Company (RM'000)	45,811	9,759	51,896	16,973
Weighted average number of ordinary shares in issue ('000)	640,673	640,673	640,673	640,673
Basic EPS (sen) <sup>(i)</sup>	7.15	1.52	8.10	2.65
Diluted EPS (sen) <sup>(ii)</sup>	<u>7.15</u>	<u>1.52</u>	<u>8.10</u>	<u>2.65</u>

(i) Basic EPS is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the current quarter and financial period under review.

(ii) The Company does not have any outstanding dilutive potential ordinary shares as at end of the current quarter and financial period under review. The existing warrants have not been included in the calculation of diluted EPS as these warrants are anti-dilutive.

## Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

### B12. Revenue

#### Disaggregation of revenue

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
<b>Revenue from contracts with customers</b>				
Construction contract				
- over time	86,926	28,950	180,032	76,454
Sales of properties under development				
- over time	35,577	24,410	50,917	39,073
Sales of completed properties and land				
- at a point in time	18,115	22,379	35,115	26,359
Service income				
- over time	115	--	361	--
	140,733	75,739	266,425	141,886
<b>Other revenue</b>				
Rental income	6,734	10,586	17,937	21,189
<b>Total revenue</b>	<u>147,467</u>	<u>86,325</u>	<u>284,362</u>	<u>163,075</u>

### B13. Profit before tax

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
<b>Profit before tax is arrived at after charging/(crediting):</b>				
Depreciation	1,643	1,543	3,140	3,187
Expenses relating to short term leases of:				
- equipment	5,292	1,211	8,422	4,031
- premises	(303)	149	41	298
Rental income of premises	(53)	(458)	(107)	(947)
(Gain)/Loss on disposal of:				
- property, plant and equipment	(62)	--	(330)	(14)
Loss/(Gain) on foreign exchange:				
- realised	(612)	(10)	(616)	(28)
- unrealised	(8)	(3)	(15)	(4)
Late payment interest income from purchasers	(12)	(79)	(56)	(83)
Income from forfeited deposits	(20)	--	(20)	--
Property, plant and equipment written off	148	--	148	--
Changes in fair value of investment properties <sup>n1</sup>	(54,763)	--	(54,763)	--

<sup>n1</sup> Fair value gain of RM54.8 million which arose from the disposal of 10 plots of industrial properties to AME REIT during the current quarter and financial period under review. The subject properties were classified as inventories. Upon the disposal to AME REIT, the properties are classified as investment properties where the fair value gain is recognised.