



AME Elite Consortium Berhad (“**AME**” or “**Company**”) is pleased to present its Sustainability Statement for the financial year ended 31 March 2023 (“**FY2023**”), which outlines the framework set in place to instil sustainable principles across its operations.

During FY2023, AME prioritised sustainability as a core value, striving to integrate environmentally and socially responsible practices into its business strategies. By embracing sustainable principles, AME aims to positively impact on the environment, society and stakeholders while ensuring long-term value creation.

In alignment with its commitment to sustainability, AME focused on various key areas throughout the year. These efforts encompassed minimising AME’s environmental footprint, fostering a diverse and inclusive workplace, engaging with local communities, and maintaining strong corporate governance practices.

Looking ahead, AME remains committed to driving sustainable growth and further enhancing its economic, environmental, social and governance (“**EESG**”) performance. AME will continue to refine its Sustainability Framework, setting sustainability targets, and regularly monitor and report on its progress. By embedding sustainable principles into its core operations, AME is confident in its ability to create shared value for its stakeholders while contributing to a more sustainable future.



SUSTAINABILITY AT AME

Reporting Approach

AME’s Sustainability Statement 2023 (“**Statement**”) focuses on AME’s management and current performance of its EESG risks and opportunities. This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) Main Market Listing Requirements (“**MMLR**”) related to Sustainability Statements in Annual Reports and is guided by the Global Reporting Initiative (“**GRI**”) Standards and the United Nations Sustainable Development Goals (“**UN SDGs**”). AME has also started to enhance its climate-related disclosure transparency by aligning to 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 Directors (“**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 from 1 April 2022 to 31 March 2023, unless otherwise stated.

Feedback




Stakeholders’ feedback on AME’s disclosures and sustainability practices is of great importance to the Company for its continuous improvement. AME welcomes any feedback, comments, and suggestions from its valued stakeholders on AME’s sustainability initiatives and practices. Please contact AME at sustainability@ame-elite.com.





STAKEHOLDER ENGAGEMENT

AME remains committed to upholding the vested interests of its stakeholders at the top of its priority list. This commitment to stakeholders is demonstrated by AME's determined efforts to secure a sustainable revenue stream. The Company manages to accomplish this through delivering quality projects, while concurrently paving the way for enriching employment opportunities that hold substantial promise and value.

An integral part of AME's journey towards sustainability lies in its active and meaningful engagement with key stakeholders. The Company holds a strong belief in the necessity of stakeholder interaction as a means to identify areas requiring improvement and to establish expectations around sustainability.

Over the years, AME has ceaselessly sought to build, fortify and sustain valuable relationships with stakeholders through various communication and engagement avenues. An overview of the specific engagement mechanisms employed by AME for each stakeholder group can be found in the accompanying table.

| Stakeholder | Engagement | Frequency of Engagement | Key Topics Raised/Areas of Interest/Expectations in FY2023 |
|--|--|-------------------------|--|
|  Employees | <ul style="list-style-type: none">• Performance reviews | Annual | <ul style="list-style-type: none">• 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 |
| | <ul style="list-style-type: none">• Safety inspections | Monthly | |
| | <ul style="list-style-type: none">• Training programmes• Surveys• Code of Conduct and Ethics ("CoC")• Community development programmes• Conferences/Seminars/ Workshops• Interviews• Face-to-face meetings• Newsletters | As needed | |
| | | | |
|  Customers | <ul style="list-style-type: none">• Customer satisfaction survey• Suggestion box• Social media• Newsletters• Face-to-face meetings | As needed | <ul style="list-style-type: none">• Pricing• Quality products and services• Timely project delivery• Customer service and experience• Occupational health, safety and environment ("OHSE") practices• Green and sustainable products• Property design• Defect rectification |
| | | | |
|  Vendors/Suppliers | <ul style="list-style-type: none">• Supplier assessment• Surveys• Face-to-face meetings• Conferences | As needed | <ul style="list-style-type: none">• Supply chain management• OHSE practices• Legal compliance and contractual commitments• Product and service quality and delivery• Cost effectiveness• Payment schedule• Fair and transparent procurement process |
| | | | |

| Stakeholder | Engagement | Frequency of Engagement | Key Topics Raised/Areas of Interest/Expectations in FY2023 |
|--|--|-------------------------|--|
|  Regulators/ Certification Bodies | <ul style="list-style-type: none">• Audit | Quarterly | <ul style="list-style-type: none">• Corporate governance• Regulatory compliance• Certifications• Environmental management and compliance |
| | <ul style="list-style-type: none">• Presentations• Site visit | As needed | |
|  Local Communities | <ul style="list-style-type: none">• Community development programmes• Community charity events• Internships• Press releases• Social media | As needed | <ul style="list-style-type: none">• Community investment and community engagement• Job creation and internship opportunities• Local welfare |
| | | | |
|  Shareholders | <ul style="list-style-type: none">• Annual report | Annual | <ul style="list-style-type: none">• Corporate developments• Financial performance• Growth plans• EESG practices• Risk management• Corporate governance• Transparent disclosure |
| | <ul style="list-style-type: none">• Annual general meeting | Annual | |
| | <ul style="list-style-type: none">• Quarterly financial report | Quarterly | |
| | <ul style="list-style-type: none">• Fund/analyst briefing | Quarterly/As needed | |
| | <ul style="list-style-type: none">• Investor relations website• General meetings• Press releases• Face-to-face meetings• Site visits• Surveys | As needed | |
| | | | |
|  Media | <ul style="list-style-type: none">• Interviews• Press releases• Advertising | As needed | <ul style="list-style-type: none">• Brand image• Reputation• Corporate news• Industry outlook |
| | | | |

MATERIALITY

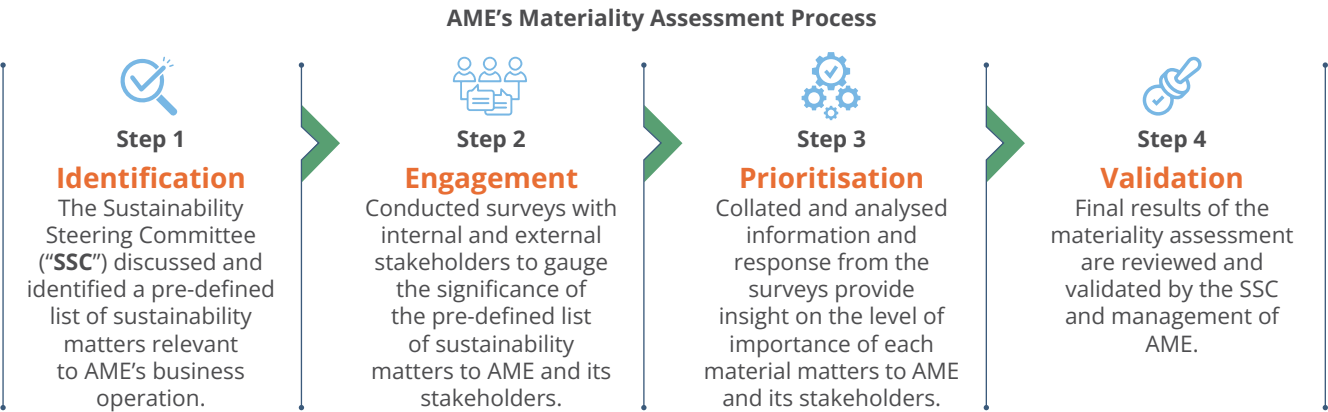
AME recognises the instrumental role played by materiality assessment in bolstering its sustainability efforts. In line with best practices, AME conducted its first materiality assessment in FY2021, which marked an important milestone in its commitment to sustainable growth. Building upon this foundation, the Company undertook a refreshed materiality assessment in FY2023 to garner the latest inputs from its stakeholders.

The materiality assessment conducted during FY2023 sought to provide a more comprehensive insight into the multifaceted interests of stakeholders and to comprehend the internal and external factors influencing the Company's operations. This rigorous assessment process exemplifies the Company's dedication to understanding and addressing sustainability challenges holistically.

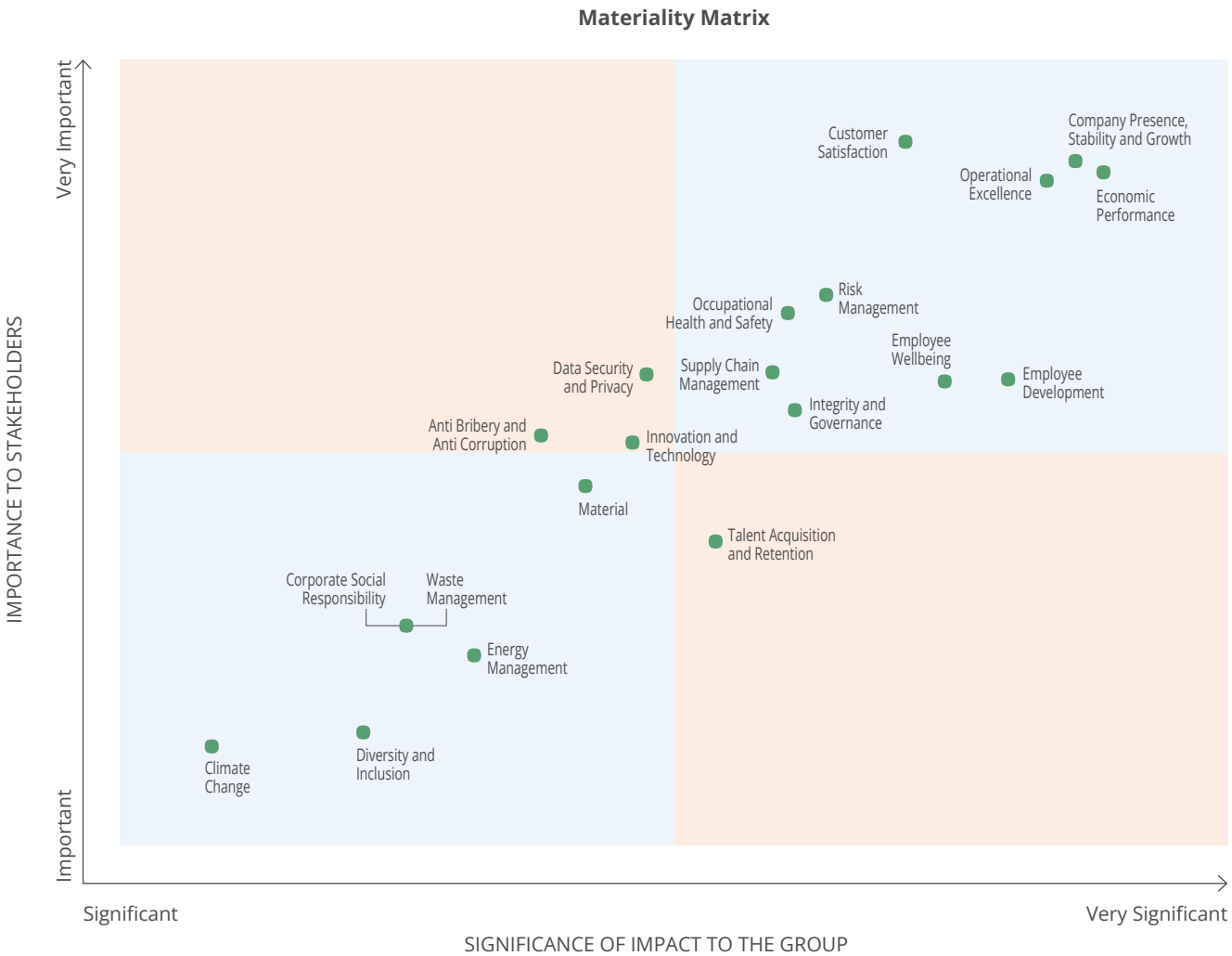
The materiality assessment process of AME considers the perspectives of diverse stakeholders, including clients, employees, partners and suppliers in which the Company works with. By considering a wide range of voices, the Company ensures that its sustainability initiatives align with stakeholder expectations and contribute positively to the well-being of the broader community.

Furthermore, the assessment examines a broad spectrum of EESG factors that directly or indirectly impact the Company's performance and sustainability. By analysing these factors comprehensively, the Company gains a deeper understanding of the risks and opportunities associated with its operations, allowing it to make informed decisions and take proactive measures to enhance sustainability performance.

The materiality assessment for AME is anchored in a four-step process:



After conducting its comprehensive materiality assessment process, AME has identified and prioritised the top 10 material matters that are of significant importance to its stakeholders and have the potential to impact the Company's business and sustainability. These matters are guiding pillars for the Company's ongoing sustainability efforts, driving strategic decision-making and shaping its approach to sustainable growth.



| Key Material Topics at AME | | |
|--|--|----------|
| Material Matters | Description | SDG |
| Economic Performance | Value creation, financial performance and growth | |
| Company Presence, Stability and Growth | Company reputation, market share, sustainable revenue and income growth | |
| Operational Excellence | Efficient processes, quality output, and continuous improvement, leading to enhanced customer satisfaction and competitive advantage | |
| Customer Satisfaction | Ensuring customer satisfaction, quality product and services, and timely delivery of products/services | |
| Employee Development | Training, education and career development | |
| Risk Management | Management of business risks, minimising downside risks and capturing opportunities facing the company | |
| Employee Wellbeing | Promoting a positive work environment, enhancing productivity, and fostering employee engagement and satisfaction | |
| Occupational Health and Safety | Health, safety and environmental management | |
| Supply Chain Management | Robust procurement capabilities and reliable supply chain, contribution to the development of the local economy (local procurement) | |
| Integrity and Governance | Conducting business dealings with integrity, ethical decision-making, transparent rules and controls | |

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 FY2023, AME has strengthened its reporting against the UN SDGs by identifying key contributions in line with the specific targets of the SDGs relevant to the nature of its businesses and supports those goals through:

| SDG | Targets | AME's Contributions in FY2023 |
|-----|---|---|
| | Target 1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters. | More than RM40,000 contributed to communities affected by disasters and the poor who are in need. |
| | Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. | Donated to Yayasan Food Bank Malaysia and NGOs to benefit the needy, children and poor families that suffer hardship. |

| SDG | Targets | AME's Contributions in FY2023 |
|---|---|---|
|  | Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. | Employees are provided with access to fitness facilities and complimentary fitness classes at i-Privilege Club and i-Park's recreational park. The Company has taken a proactive step by hosting PERKESO's Health Screening Program (HSP) for AME's eligible employees. |
|  | 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. | 12.67 hours average training hours per employee (excluding foreign workers). RM124,728.91 invested in general and specialised training courses. In FY2023, a total of 31 interns were trained under the guidance of experienced employees at AME. |
|  | Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels. | Adopted a Diversity and Inclusion Policy which outlined the Company's commitment to ensuring everyone in the Company is treated fairly and has equal access to opportunities. |
|  | Target 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all. | Conducted quarterly drinking water testing at i-Stay dormitories and river water inspection for i-Park. |
|  | Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. | Solar panels installed at AME's headquarters generated 223,602.68 kWh, equivalent to approximately RM113,229.71 in electricity cost savings. AME provides renewable energy services to its clients. |
|  | Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. | Providing employment to 286 new recruits. 1,428 hours of OHSE-related training including risk and hazard identification. Achieved zero fatalities across all divisions. |
|  | Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being. | Obtained Provisional Green Building Index (GBI) Silver Rating for AME's Corporate Office HQ and i-Park Experience Centre. |
|  | Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard. | Practices a merit-based compensation and advancement system with no discrimination on race, religion, age, disability, nationality, or other demographic criteria. Achieved zero incident of human rights violation. Strictly adhere to Malaysia's Employment Act 1955 and promote human rights in Sustainability Policy. |
|  | Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums. | i-Stay workers dormitories uphold high living standards for the workers' better quality of living, and health and safety. |
|  | Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. | Promote recycling awareness among its employees and conducted recycling programmes and activities. Recycled 696.93 tonnes of scrap metal, 1,354 pieces of mattress, 1,125 pieces of pillows, 104 kg of textile, 6 pieces of electrical items, 830 kg of paper & books, 12 kg of plastics and 147 kg of cardboard in FY2023. |
|  | Target 16.5: Substantially reduce corruption and bribery in all their forms. | 100% of AME's employees were trained/briefed on its Anti-Bribery and Anti-Corruption Policy with zero cases of non-compliance. |

MEMBERSHIP ASSOCIATIONS

| Division | Membership Associations |
|--|--|
| Property Development | <ul style="list-style-type: none"> Real Estate & Housing Developers' Association Malaysia Federation of Malaysian Manufacturers FIABCI-Malaysia International Real Estate Federation |
| Engineering | <ul style="list-style-type: none"> Malaysian Photovoltaic Industry Association Federation of Malaysian Manufacturers Malaysian Fire Protection Association Construction Industry Development Board G7 |
| Construction | <ul style="list-style-type: none"> Master Builders Association Malaysia Construction Industry Development Board G7 Malaysian International Chambers of Commerce & Industry Johor Bahru Chinese Chamber of Commerce and Industry Johor Master Builders Association |
| Property Investment & Management Services | <ul style="list-style-type: none"> Federation of Malaysian Manufacturers Malaysian REIT Managers Association (MRMA) Johor Bahru Chinese Chamber of Commerce and Industry |

AWARDS AND ACCOLADES

Winner of Industrial Category for Malaysia Property Award 2022 – i-Park@Senai Airport City

In FY2023, AME achieved a milestone with its flagship development, i-Park@Senai Airport City, earning the esteemed Malaysia Property Award 2022 in the Industrial Category.

The Malaysia Property Award, often compared to the “Oscar” of the property development industry, has been recognising project of excellence since its inception in 1992. The award acknowledges superior real estate developments that set the gold standard in the industry.

The criteria for the award include a comprehensive assessment of various aspects such as architecture and design, development and construction, financials, marketing, environmental impact, safety and maintenance, and community benefits.

This triumph underscores AME's commitment to maintaining the highest standards in quality, innovation, and sustainability across its developments.



Past Sustainability-Related Accolades



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



EdgeProp Malaysia's
Responsible Developer
**Building Sustainable
Development Award 2018**
AME Development Sdn Bhd



Starproperty.my
Jewels of Johor Awards 2018
**Best Sustainable
Development "Honours"**
i-Park@Indahpura



The Iskandar Malaysia
Accolades (TIMA) 2016/2017
**Platinum Winner
"Most Conducive
Workplace"**
i-Park@Indahpura



A CULTURE OF GOOD GOVERNANCE

As an integrated and comprehensive industrial space solutions provider, AME is committed to upholding the highest standards of corporate governance and sustainability, recognising the pivotal role they play in the long-term success and viability of the Company. Building upon the foundation established in the previous years, AME prioritises good governance, integrity, and ethical business practices across all facets of its operations.

SUSTAINABILITY FRAMEWORK

Within the context of an evolving global economy, it is imperative for organisations to strategically align their operations with sustainable practices. This year marks an outstanding milestone in AME's sustainability journey through the adoption of a newly established Sustainability Framework. The Sustainability Framework outlines clear guidelines, sustainability targets, and practical strategies to drive sustainable growth across all levels of AME. From environmental conservation, energy efficiency, waste management, to community development and employee wellbeing, the Sustainability Framework touches upon diverse sustainability aspects. The Sustainability Framework is evidence of AME's determination to embed sustainability at the core of its business model.

The Sustainability Framework development process involved a rigorous step-wise approach which ensures alignment to AME's organisational context, industry's best practices and reporting standards (such as Bursa Malaysia's Sustainability Reporting Guide, GRI Sustainability Reporting Standards and indicators in FTSE Russell's ESG Ratings).

The steps taken to develop the Sustainability Framework are as follows:

Step 1 Materiality Mapping

Clustering and prioritising AME's different material sustainability topics that were previously identified into several focus areas. The material topics are sustainability matters that are significant to both AME's internal and external stakeholders and reflect AME's business operations.

Step 2 Alignment to AME's Vision and Mission

The Sustainability Framework was developed with close reference to AME's vision and mission statements to ensure alignment with the overarching strategy.

Step 3 Benchmarking and Gap Analysis

Thorough study of relevant reporting standards and regulatory requirements to ensure alignment of the Sustainability Framework. To validate the relevance of the Sustainability Framework, targeted industry benchmarking was also conducted.

Step 4 Value Chain Thinking

Taking into account the full chain of AME's business activities in the creation of value, the Sustainability Framework can strategically address various sustainability pain points throughout the operations.

Step 5 Stakeholder Listening

The key personnel from different divisions have taken part in co-developing the Sustainability Framework ensued through several engagement sessions to provide inputs.

As an outcome of the development processes, the Sustainability Framework, pillared by environmental, economic, social and governance themes was developed. The Sustainability Framework shall act as a guide in enhancing AME's sustainability-related disclosure and tie into AME's strategy in embedding sustainability, as it drills down into sustainability topics that are material to AME, highlights pertinent quantitative and qualitative data to track, manage and improve, and provides guiding strategies towards implementing targeted sustainability initiatives.



Adopting this Sustainability Framework does not mark the end of AME's sustainability journey, but rather a new chapter in its ongoing commitment to sustainable business practices. The Sustainability Framework offers a roadmap for future initiatives, with clear benchmark for progress.



For more details on AME's Sustainability Framework, please refer to the following link
<https://ame-elite.investor.net.my/wp-content/uploads/2023/03/AME-Sustainability-Framework.pdf>.

SUSTAINABILITY POLICY

AME formally adopted its Sustainability Policy in February 2022. The Sustainability Policy serves as the foundation for AME's sustainability commitment, guiding its business strategies, processes, and decisions across four key focus areas: (1) Economic, (2) Environment, (3) Social and (4) Governance. AME believes that the Sustainability Policy reflects its initiative to maintain transparency, accountability, safety, ethics and integrity as core values of its 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 AME's business operations. AME is continuously looking to improve its efforts and is confident that this Sustainability Policy will provide guidance and create awareness amongst employees on the Company's strategic direction on sustainability in the years to come.

MORE For more details on AME's Sustainability Policy, please refer to the following link
<https://ame-elite.com/wp-content/uploads/2022/03/Sustainability-Policy.pdf>.

DIVERSITY AND INCLUSION POLICY

AME is dedicated to fostering a diverse and inclusive work environment that celebrates the uniqueness of every individual. In line with this commitment, AME adopted a Diversity and Inclusion Policy ("**D&I Policy**") on 25 July 2022 that guides the Company's practices and decisions. The D&I Policy reflects AME's core values of respect, fairness, and equal opportunities for all.

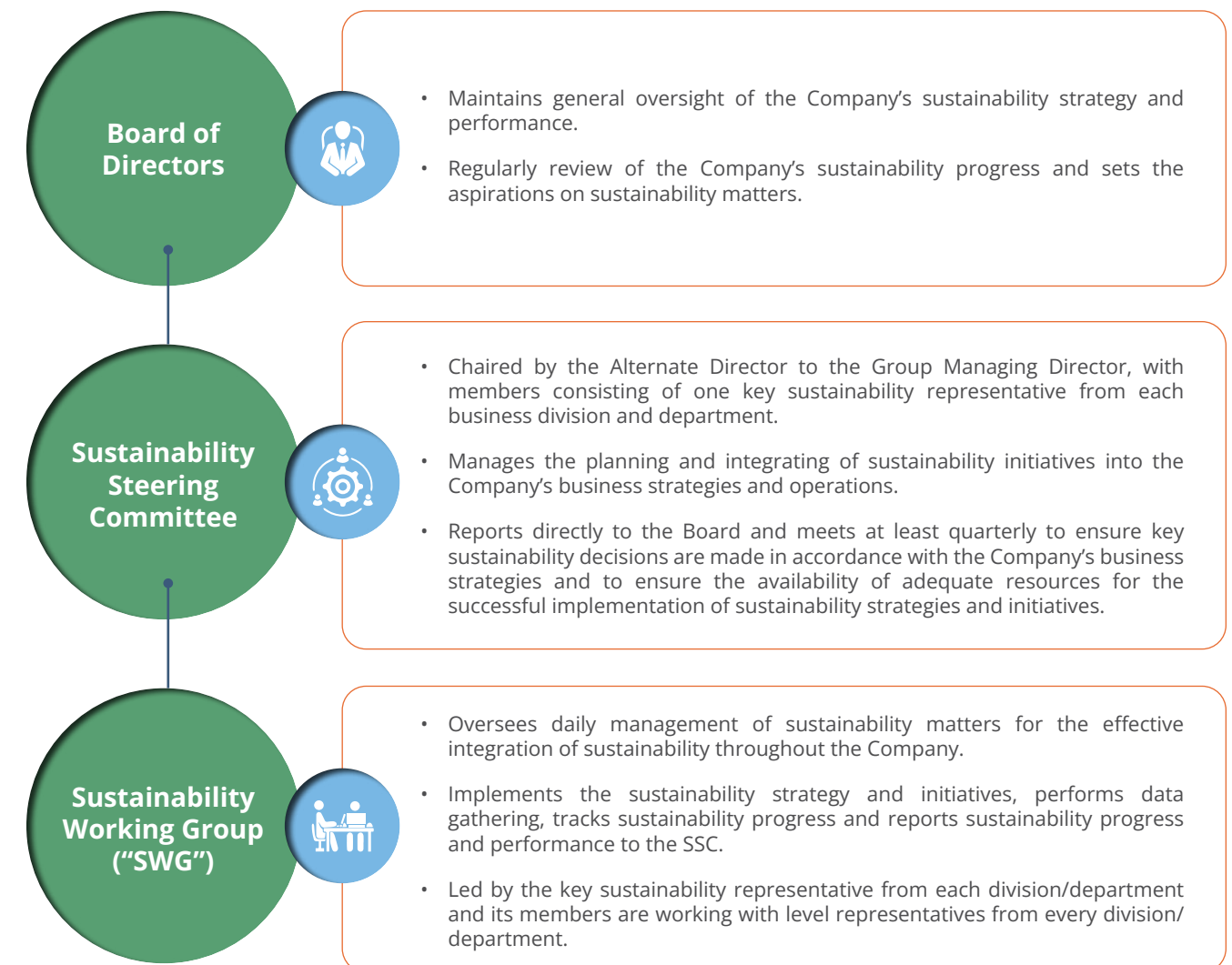
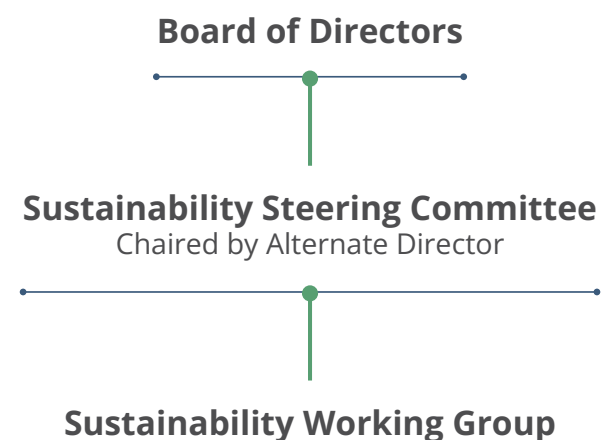
AME's D&I Policy promotes a workplace that values and leverages the diverse backgrounds, experiences, perspectives, and talents of its employees. AME firmly believes that embracing diversity and fostering an inclusive culture not only enhances employee engagement and well-being, but also drives innovation and enables the Company to better serve its customers and stakeholders.

AME acknowledges that diversity and inclusion are integral to its long-term sustainability and success. AME will continue to champion these principles throughout the Company and actively monitor its progress towards achieving its diversity and inclusion objectives.

MORE For more details on AME's D&I Policy, please refer to the following link
<https://ame-elite.investor.net.my/wp-content/uploads/2022/07/AME-Diversity-and-Inclusion-Policy.pdf>.

SUSTAINABILITY GOVERNANCE

AME firmly believes that a strong and effective sustainability governance structure serves as the cornerstone of AME's journey towards a more sustainable future. By integrating clear definitions of accountability, roles and responsibilities, AME ensures that its sustainability efforts are guided by a well-structured and transparent governance structure. This sustainability governance structure facilitates the implementation of AME's Sustainability Framework and Sustainability Policy, allowing the Company to make tangible progress towards its sustainability goals.



To reinforce AME's commitment to sustainability, the Company has enhanced its sustainability governance structure within the latest financial year. AME meticulously re-evaluated and refined the sustainability governance structure to ensure that it aligns with AME's expanding business operations, evolving sustainability landscape and industry best practices. In line with the latest business structure of AME, key representatives from I REIT Managers Sdn Bhd, the management company of the newly listed AME Real Estate Investment Trust ("**AME REIT**"), AME's Human Resources ("**HR**") Department and AME's Information Technology ("**IT**") Department were added to the SSC in FY2023. The composition of the SWG was also updated to ensure that the SWG comprises individuals who possess the requisite expertise and represent the diverse areas of AME's business operations, enabling the Company to address sustainability challenges effectively.

In addition, as part of AME's ongoing effort to improve its sustainability performance, a dedicated sustainability professional was hired to drive sustainability initiatives across AME's business operations.

AME remains dedicated to continuous improvement and will continually refine its governance structure to adapt to the evolving sustainability priorities. By fostering a culture of sustainability and integrating it into every aspect of AME's operations, the Company strives to make a lasting positive impact on the environment, society and the long-term success of AME's business.

UPHOLDING INTEGRITY AND BUSINESS ETHICS

AME holds itself to the highest ethical standards, ensuring that all business operations align with relevant laws, regulations and guidelines. AME's unwavering belief is that fostering a culture of accountability among employees and stakeholders is pivotal in reinforcing AME's dedication to conducting businesses with integrity and ethical practices at its core. The fundamental principle is effectively conveyed through AME's comprehensive set of company codes and policies.

Code of Conduct and Ethics



AME's CoC establishes the tone and expectations for ethical behaviour, and guides AME's operations to guarantee compliance with all applicable laws, rules, and regulations. The CoC is communicated to all of AME's workers through AME's 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.

For more details on AME's Code of Conduct and Ethics, please refer to the following link: <https://ame-elite.investor.net.my/wp-content/uploads/2023/03/AME-Code-of-Conduct-and-Ethics-v1.1.pdf>

In FY2023: 100% of AME's employees were informed of 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 AME's 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.

For more details on AME's Anti-Bribery and Anti-Corruption Policy, please refer to the following link: <https://ame-elite.investor.net.my/wp-content/uploads/2023/03/AME-Anti-bribery-and-Anti-corruption-Policy-v1.1.pdf>

In FY2023: 100% of AME's new employees were informed of 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 Company to anonymously raise their concerns on possible non-compliance or concerns that violate the CoC and ABAC Policy within the Company 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

 <https://ame-elite.com/>

For more details on AME's Whistleblowing Policy, please refer to the following link: <https://ame-elite.investor.net.my/wp-content/uploads/2023/03/AME-Whistleblowing-Policy-v1.1.pdf>

In FY2023: Zero cases of non-compliance were reported through the whistleblowing platforms.

MORE Further information on AME's policies above can be accessed on AME's website <https://ame-elite.com/>.

RISK MANAGEMENT

Risk management remains as a fundamental part of AME's business operations. AME adopted a Risk Management Framework ("RMF") developed based on the principles and guidelines of internationally recognised standards such as the ISO 31000 Risk Management and the Committee of Sponsoring Organisations Enterprise Risk Management 2017. The resilient RMF allows AME to identify, evaluate, and address crucial risks, thereby safeguarding the interests of stakeholders and shareholders.

AME significantly emphasises on EESG risks, acknowledging their importance in achieving sustainable operations and long-term value creation. Given the ever-evolving global landscape and the increasing importance of EESG issues, AME has focused on identifying the most pertinent and current EESG risks to manage and mitigate them effectively with adequate systems and actions. These include risks associated with climate change, environmental pollution, waste management, human capital management and governance.

The key to AME's success in meeting the needs of its shareholders and investors is to maintain financial growth and increase economic productivity while assuring long-term value creation.

With economic performance, AME faces 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 AME's employees, contractors, communities, and other stakeholders, AME focuses on maintaining strong safety and health standards. This is especially crucial in AME's construction and engineering divisions, where workers are exposed to dangerous and hazardous situations.

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

For more details on AME's Risk Management Framework, please refer to the following link: <https://ame-elite.investor.net.my/wp-content/uploads/2023/03/AME-Risk-Management-Framework-v1.1.pdf>

DATA SECURITY AND PRIVACY

In today's progressively digital and interconnected landscape, advanced IT solutions augment business efficiency, facilitate hybrid work models, and safeguard data security against growing cyber threats. AME, recognising the transformative potential of IT, strategically capitalises on these technologies to optimise its operations.

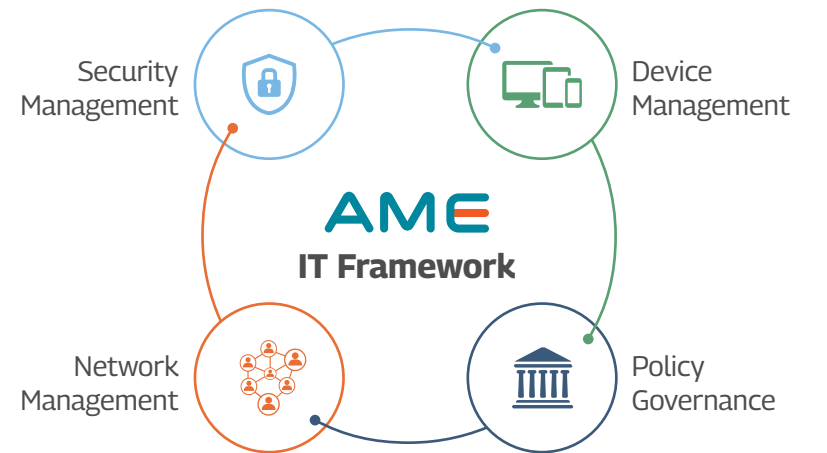
AME has proactively incorporated advanced collaboration tools in response to the ever-changing working environment, evolving work patterns and the emergence of hybrid work models. These tools have significantly boosted AME's business efficiency and employee productivity. From improved communication to streamlined workflows, they have enabled employees to operate more efficiently and provided the flexibility to work seamlessly from remote locations. This flexibility fosters a conducive work environment and attracts top-tier talent.

Moreover, AME is steadfast in its digital transformation journey, demonstrating this commitment through adopting automation solutions. They can swiftly adapt to ever-changing market conditions or novel business requirements by digitising manual processes and physical documentation. This reduction in reliance on physical documentation aligns with AME's environmental sustainability goals by minimising paper usage and wastage.

Beyond operational efficiency and work flexibility, AME is acutely cognisant of the escalating cyber threats in today's digital landscape. AME has prioritised the implementation of robust cybersecurity measures to ensure data security and privacy of AME. The centralised management system deployed by AME combines various essential IT and cybersecurity functions into a unified platform, allowing AME to effectively monitor and optimise its IT infrastructure and services. This system is designed to mitigate potential damage and reduce the risk of data breaches. Recognising the criticality of email communication in daily operations, AME prioritised enhancing email protocol security by implementing additional layers of protection. These measures aim to safeguard sensitive information and reduce the likelihood of successful phishing attacks, malware infections, and other email-based threats that could compromise AME's system and data.

To fortify its cybersecurity posture, AME has enhanced its comprehensive set of IT policies and procedures. These guidelines cover various topics, such as access control, incident response, employee training, data protection, disaster recovery and network security. By strictly adhering to these policies, AME can consistently maintain a robust security framework, effectively protecting AME from potential business risk.

AME's IT framework encompasses four main digital protection measures to ensure the proper handling of information and personal data.



As a guiding framework, AME follows five principles to practice 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 FY2023, AME recorded **zero cases** concerning breaches of customer and employee privacy or loss of data.



Award for early participation of AME's online cybersecurity awareness course



DELIVERING WITH QUALITY AND PURPOSE



AME's HQ



Street view of i-Park@Senai Airport City



Street view of i-Park@Senai Airport City

AME prides itself on exceeding customers' expectations by providing exceptional services and top-quality products. AME's unwavering commitment to delivering excellence is evident through its strong emphasis on teamwork, professionalism, and dedication to ensuring an outstanding customer experience. The relentless pursuit of quality enhances AME's reputation and drives its market value growth as AME consistently delivers solutions that meet customers' needs and even surpass their expectations.

Operational excellence is of great importance to AME as it serves as the foundation for long-term value creation. A strong emphasis is placed on quality assurance, fine-tuning the mechanism to ensure efficiency, productivity, and seamless collaboration throughout AME's business operations. AME also prioritises regulatory compliance, adhering to industry-specific guidelines and best practices, to maintain the highest level of integrity and trust with AME's stakeholders. To streamline and optimise processes, AME has embarked on a digitalisation journey, to deliver innovative and efficient services that provide added value to AME's customers.

Additionally, AME is deeply committed to contributing to the growth of the local economy through its products and services. In FY2023, a total economic value of RM575.91 million is generated, RM577.82 million was distributed via operational costs, employees' wages and benefits, payments to providers of capital, payments to governments and community investment.

SUPPORTING COMPANY GROWTH VIA OPERATIONAL EXCELLENCE

The success of AME can be attributed to stewardship of processes at every level of AME's integrated business model encompassing industrial property development, construction and engineering services, as well as property investment and rental and management of workers' dormitories. To ensure operational excellence and service quality, several industry specific regulations, guidelines and framework were adhered to and adopted across the divisions.

Regulatory and Quality Management Systems at AME

| Upstream | | Downstream | |
|--|--|--|---|
| Property Development | Construction | Engineering | Property Investment & Management Services |
| ISO 9001:2015 Quality Management System | | | |
| <ul style="list-style-type: none">Uniform Building By-Laws 1984Town and Country Planning Act 1976 | <p>Construction Industry Development Board ("CIDB") Act 1994</p> <ul style="list-style-type: none">Malaysian Construction Industry Standards ("CIS")ISO 45001:2018 Occupational Health and Safety Management System | <ul style="list-style-type: none">Uniform Building By-Laws 1984Electricity Supply Act 1990 (Act 447)Environmental Quality Act 1974Occupational Safety and Health Act 1994MS 1837:2018 Installation of Grid-Connected PhotovoltaicMS IEC 60364-7-712:2017 Requirements for special installations or locations – Solar photovoltaic (PV) power supply systemIEC 61724: Photovoltaic system performance monitoring – Guidelines for measurement, data exchange and analysis | <ul style="list-style-type: none">Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)Department of Labour RequirementsResponsible Business Alliance Requirements |

The ISO 9001:2015 Quality Management System certification serves as a guiding framework that AME strictly adheres to across its value chain encompassing the property development, construction, and engineering divisions. AME's ISO 9001:2015 standards have been certified by SIRIM QAS International, affirming AME's commitment to maintaining exceptional quality throughout its business operations. Furthermore, ensuring top-notch workmanship for AME's projects remains a top priority, as the Company adhere to the CIS set by CIDB to ensure construction quality.

AME implemented, an end-to-end quality assurance process that encompasses material inspection, client particulars, project performance evaluation, and quality assurance procedures from project commencement to completion.

In AME's construction division, a Quality Control Plan ("QCP") was adopted to ensure that each projects' requirements were fulfilled in accordance with the designated plans and specifications. The development division follows a Project Quality Plan ("PQP") that serves as a comprehensive guideline, ensuring the project is delivered with quality and fulfils the requirements of the approved plan. Regular monitoring, inspection, and effective communication with consultants are conducted throughout the project to maintain alignment with established guidelines and fulfil individual project needs.

As part of its commitment to service excellence, AME's construction division provides dedicated assistance during the Defects Liability Period ("DLP") through digital channels, enabling clients to raise concerns and seek resolution. Any concerns raised by clients during the DLP are aimed to be resolved and rectified within 14 days and a Certificate of Making Good Defects will be issued once all issues have been resolved.

As a trusted provider of engineering expertise in the steel structure and precast concrete industry, AME's engineering division holds great importance in ensuring the highest quality in their projects from business development, procurement, fabrication, and testing to inspection activities. To ensure a successful delivery of project, a well-defined and efficient standard of procedures that integrate value engineering and a project quality report is generated to evaluate the quality of projects.

AME's property investment and management division comprises AME's leasing assets, i-Stay workers' dormitories and I REIT Managers Sdn Bhd, the management company of AME REIT. AME strives to uphold the best quality of leasing and management services to meet the needs of clients and tenants.

Creating Comfortable Living Environments

i-Stay dormitories prioritise fair and equal treatment towards tenants and employees, ensuring their health and safety while fostering a comfortable living environment, in line with AME's Sustainability Policy. AME goes above and beyond local regulatory compliance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446) and meet the requirements of the Department of Labour and Responsible Business Alliance ("RBA").

Facilities and Services Provided by i-Stay Dormitories to Enhance Living Environment

Community Mart and Canteen

Tenants can enjoy a diverse selection of products and delicacies from various countries, catering to their cultural preferences and culinary needs from the community mart and canteen. The upgraded community mart aims to offer a premium shopping experience at an affordable pricing.



Community Mart

Health and Safety Measures

Regular measures such as quarterly drinking water testing, monthly pest control, and fortnightly fogging are conducted to ensure a clean and safe environment for the tenants' well-being.



Canteen

Free Wi-Fi and Astro TV

Common areas are equipped with free Wi-Fi access and Astro TV programmes, providing tenants with entertainment options and connectivity.

Treatment room

Treatment room is conveniently located near the living areas, ensuring quick access to medical assistance. Certified First Aiders from the i-Stay team are readily available to respond to any emergencies.



Treatment Room and Doctors' Consultation

Doctors' Consultation

Scheduled periods are designated for doctors' consultations, providing tenants with access to medical professionals for any health concerns or check-ups.



Badminton court at Indahpura Dormitory

Badminton Court

i-Stay's new dormitory in Indahpura features badminton court, providing tenants with the opportunity to engage in physical activities and recreation.

Laundry Corner

A 24-hour self-service laundry is available, allowing tenants to conveniently take care of their laundry needs at any time.



Laundry Corner

DIGITAL SOLUTIONS FOR BUILDING BETTER FUTURES

Digital solutions offer immense potential for shaping a better future by improving operational efficiency, enable efficient resource management, addressing various societal challenges and enhancing overall well-being. AME is embarking on a journey to pave the way for a more sustainable future, where technology and environmental stewardship go hand in hand. The adoption of technology and digitalisation accelerates the process of building a more efficient, equitable, and sustainable future, thereby enhancing the lives of individuals.

To enhance operational resilience and business growth, AME's construction division has embraced new digital-based solutions to optimise overall planning and execution processes, resulting in cost savings, improved efficiency and waste reduction.

Industrialised Building System ("IBS")

AME strives to reduce wastage by adopting sustainability practices, and leveraging technology such as the IBS. This technology is employed for steel fabrication and precast concrete facilities at AME. Integrating highly mechanised technology within a controlled environment enhances the capabilities to achieve a better design flexibility, efficiency, and quality control. This system has improved operational efficiency through data monitoring and analysis, enabling better process control, waste reduction and decreased construction cost and time.



Building Information Modelling ("BIM")

BIM facilitates 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 technology enhances collaboration between multiple stakeholders to collaborate and share information seamlessly. The ability to visualise the project in a virtual environment increases productivity during the design stage, reduces construction phase errors, minimises the need for modifications, and ensures timely delivery.



In addition to IBS and BIM tools, AME's construction division utilises Enterprise Resource Planning ("ERP") to manage various aspects of daily business operations within a single system, enabling comprehensive control over the entire construction project life cycle. This includes precise cost management and contract quoting and resource allocation, thereby providing full visibility into project management. By using ERP, AME optimises processes, streamlines collaboration with suppliers and contractors, and accelerates company growth.

The construction division also leverages BIM (Building Information Modelling) technology throughout construction management processes. 3D BIM technology is used in design detailing, precise shop drawings generation and accurate material list for procurement purposes. 4D BIM technology is used in constructability study, construction sequencing, and reporting. These

BIM deliverables serve as valuable references for contractors, engineers and other stakeholders involved in the construction process, facilitating streamline communication, and minimizing errors and discrepancies. By harnessing these BIM tools, the construction division has significantly improved in time and cost management; and enabled the completion of more projects within designed timelines. The integration of these software solutions has transformed the process of designing and constructing building structures, leading to streamlined work progress, shorter project timelines, improved cost management, and heightened accuracy, ultimately resulting in successful and efficient construction processes.

To ensure project timelines remain on track, project personnel utilise an adaptable and scalable application to update project progress regularly.

This efficient digital solution enables project managers to closely monitor the project's status by accessing real-time updates and records. By having comprehensive information readily available, project managers can promptly identify areas that require improvement or attention. Project-related information, such as equipment functionality, machinery performance, workforce allocation, testing inspections, and external conditions, is meticulously monitored by project personnel to ensure the highest quality delivery of the project. This approach also allows project managers to assign the appropriate personnel to the respective tasks and adjust resources as necessary. This proactive approach helps prevent unnecessary delays and disruptions, keeping the project on track and within the planned timeline.

i-Stay dormitories also use various digital solutions to enhance the safety, security and convenience of their tenants in the dormitories.

Biometric Security System

The biometric turnstile access control system provides a higher level of security for i-Stay's tenants, ensuring only registered tenants can access the dormitory blocks. To maintain a harmonious living environment and safety of its tenant, individuals who are found to be intoxicated are prohibited from entering the dormitory premises, thus preventing social issues. Incidents of this nature are recorded and documented in the system for reference and monitoring purposes.

Additionally, i-Stay is developing an application ("app") for maintenance and security purpose.



Defects Reporting

To digitalise the defects complaint and reporting system, i-Stay has introduced an e-form where the tenants can submit their complaints and reports of defects in the dormitories from the convenience of their mobile devices instead of manually filling in the physical form. This allows reduction in paper usage, as well as increase response and rectification time.

Parcel Distribution

To improve the efficiency and convenience of parcel distribution within i-Stay, an investment has been made in developing a mobile app which sends notifications to its tenants when their parcels have been delivered. Additionally, tenants can schedule an appointment for parcel collection through the app.

Cashless Vending Machine

i-Stay introduced cashless vending machines, conveniently located in the common area of the dormitories, providing tenants easy access to various food and drink options. These vending machines are equipped with cashless payment systems, ensuring a seamless and hassle-free experience for their tenants, eliminating the need for physical cash transactions.

Hostel Management System

i-Stay utilises a hostel management system to digitalise recording its tenants' personal information including details such as work permit expiry and passport identification.

The system sends a reminder to i-Stay's staff when the workers' documentation are expiring. Upon receiving the alert, i-Stay's staff informs and requests that the clients update the workers' permits and/or passports.

MEETING CUSTOMER EXPECTATIONS

AME acknowledges that customers are at the heart of its success. AME strives to build lasting relationships, promote loyalty and contribute to a sustainable future with its customers. To gain a deeper understanding of customers' needs and expectations, AME actively seeks customers' feedback and engages in continuous improvement initiatives to enhance its products, services and processes.

Digital channels have been implemented to facilitate better communication throughout AME's project. These channels also enable customers to provide feedback after project completion and handover. Customers' opinions on various aspects, including the quality of workmanship, timeliness of defect rectification, professionalism and responsiveness to their inquiries are actively sought and listened to. Any concerns raised by customers are promptly addressed, and necessary improvements are made to enhance overall service delivery. These digital channels serve as a vital platform for open communication, allowing AME to strengthen its commitment to customer satisfaction and align the customer experience with its highest standards. Feedbacks are compiled and presented to Senior Management annually for further improvement.

The Quality Assurance Quality Control ("QAQC") Annual Conference 2022 marked the third instalment of this event organised by AME's construction division's QAQC Department. This event serves the purpose of promoting quality awareness among the entire construction team, fostering a culture of quality consciousness, and enhancing teamwork spirit to achieve high-quality work outcomes.

The theme for the 2022 QAQC Annual Conference was "Building QLASSIC Compliant Projects". The event was attended by assistant manager and above from all departments, along with representatives from Project, Safety and QAQC personnel from various project sites. The conference featured an awareness briefing on QLASSIC assessment delivered by CIDB's SHEQ section. Additionally, the QAQC department presented the QLASSIC score analysis for past assessments of AME's projects, highlighting action plans to achieve the target score of AME.

During the conference, the person in charge of projects that achieved QLASSIC score target in previous assessments were recognised and presented with appreciation plaques. Furthermore, 20 essential subcontractors were acknowledged for their unwavering support and commitment to quality, with appreciation plaques being presented to them as well. The conference provided a platform for knowledge sharing, celebration of achievements, and reinforcement of AME's commitment to delivering QLASSIC-compliant projects.

For AME's construction division, the Quality Assessment System in Construction ("QLASSIC") remains a key industry standard for evaluating the quality of construction in Malaysia. This assessment is carried out by the CIDB and measures and evaluates the workmanship quality of completed construction work. It is based on CIS 7:2021 Quality Assessment System for Building Construction Works. The quality of the product and workmanship of completed construction project will be assessed and provided with final scores.

AME leverages QLASSIC standards to establish performance benchmarks for its construction projects, ensuring that the quality requirements are met and maintained. Each project undergoes internal evaluation by employees who have received training from the QLASSIC Academy, in accordance with QLASSIC's standard scoring requirements. This enables the identification of areas for improvement. To further enhance project quality and promote a culture of quality, briefings, bi-weekly quality control trainings, and quality awareness programmes are conducted to develop workers' competency. Frequent mock-up sessions, briefings and project coordination meetings are also held to familiarise the team with project requirements, understand desired outcomes, and address any doubts or concerns.



AME's engineering division operates as an individual and integrated service, similar to the construction division. The division serves two customer segments, comprising internal AME divisions and contracts from external parties. Customer satisfaction surveys are conducted on a project basis, where the evaluation criteria include quality, cost-effectiveness, timeliness, and safety of the projects.

As a housing provider, i-Stay is determined to ensure transparency and mutual trust with its clients, particularly in caring for workers residing in its dormitories. To facilitate effective communication, i-Stay has implemented designated group chats with its clients as a feedback and communication platform. Additionally, its tenants can address any defects and concerns by scanning QR code to access a designated e-form. The primary objective is to cultivate a respectful and constructive environment where its clients and tenants feel at ease expressing their thoughts and sharing any complaints. To uphold this commitment, dedicated representatives promptly acknowledge the feedbacks and complaints received, actively working towards resolving the issues at hand.



i-Park@Indahpura's Dormitory

Considering the diverse group of tenants from various nationalities and races, i-Stay greatly emphasises on providing a welcoming and inclusive atmosphere at the dormitories, fostering a sense of belonging and comfort in their new home. To achieve this, i-Stay has taken the initiative to produce an introductory video, and post notices on the information board using its tenants' national language. This proactive approach is perfectly aligned with the Company's commitment to promoting a diverse and inclusive culture, as outlined in the Sustainability Policy.

Furthermore, i-Stay appoints tenant representatives, known as nationality leaders, through an election process to foster effective communication with tenants. These leaders act as intermediaries between the tenants and i-Stay, gathering feedback and comments to be considered for continuous service improvement. Additionally, i-Stay organises cultural programs during national festivals, to foster a sense of community among tenants, allowing them to come together and celebrate the festivities collectively.



i-Stay's Nationality Leader Election

AME ensures that the quality of the project goes beyond mere regulatory compliance, as the Company recognises that customer satisfaction and well-being play a crucial role in driving business success. Customer satisfaction, a key metric for measuring the quality of products and services has also been associated with factors such as cost, performance and project duration. AME is dedicated to enhancing the Company's reputation, maintaining strong customer relationships, and making meaningful contributions to a more sustainable and equitable world. Customer satisfaction forms are sent out to customers after project completion, and customers feedbacks will be taken into account for future improvement.

AME's Customer Satisfaction Rating for FY2023



SUPPLY CHAIN MANAGEMENT

At AME, responsible supply chain management plays a critical role in sustaining a long-term partnership, promoting the growth of the local economy and achieving sustainability goals. AME is firmly dedicated to collaborating with suppliers who align with the Company's values and principles, particularly upholding ethical standards and embracing environmentally sustainable practices. AME's focus lies in establishing a resilient and transparent supply chain that ensures the delivery of quality products and minimises the Company's carbon footprint.

AME's supply 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. Additionally, AME has adopted a Sustainability Framework incorporating EESG criteria into the new supplier screening process for all divisions.

When selecting contractors for tenders, AME places significant emphasis on meticulous evaluation to ensure they meet the Company's expectations and standards. This includes stringent safety obligations and requirements, and the implementation of good practices in upholding human rights. AME has a zero-tolerance policy towards exploitative practices such as child

labour, forced labour, and any form of exploitation within its business operations. The Company is unwavering in its commitment to upholding ethical and responsible practices throughout its supply chain, safeguarding the well-being and dignity of all individuals involved.

Furthermore, AME prioritises the local supply chain during procurement and continually improve its supplier screening process to reduce potential disruptions. By supporting local suppliers, AME accelerates the growth and progress of the local manufacturing industry, contributing to the creation of modern industrial spaces. This approach also effectively reduces the Company's carbon footprint as the need for transportation is significantly minimised. This dual approach drives the local economy and aligns with its commitment to environmental sustainability.

AME promotes local suppliers and economic development, aiming to create better value and generate more positive impacts for the local community. This approach reduces the adverse social and environmental impacts in the supply chain and helps reduce Scope 3 greenhouse gas ("GHG") emissions.

In FY2023, AME spent 98.97% of its procurement budget on local suppliers and contractors for all business divisions' operations.

| | FY2021 | FY2022 | FY2023 |
|--|----------------------|----------------------|----------------------|
| Proportion of expenditure on local suppliers and contractors (%) | 98.30 ⁽¹⁾ | 98.60 ⁽¹⁾ | 98.97 ⁽²⁾ |

Note:
⁽¹⁾ Only including suppliers and contractors from the construction and engineering divisions.
⁽²⁾ Including suppliers and contractors for all business divisions.



INVESTING IN PEOPLE AND EMPOWERING COMMUNITIES

AME recognises the importance of establishing and maintaining trust with both internal and external stakeholders, to generate sustained value. AME is dedicated to fostering lasting relationships with its workforce, local communities, customers, business partners, and investors.

OHSE is another area where AME demonstrates its commitment. AME implements rigorous safety measures and promotes wellness initiatives aimed at safeguarding employee health and wellbeing.

Moreover, AME places considerable emphasis on community development. Understanding the significant impact a business can have on the communities it operates in, the Company is engaged in various initiatives that contribute to the social and economic development of these communities. By integrating such a focus into its business model, AME strengthens its relationships with local communities and contributes to the broader sustainability goals.

In conducting its business, AME places the workforce at the heart of its operations, viewing it as its most valuable asset. As a testament to this, the Company stresses equal opportunities and cultivates a dynamic talent pipeline backed by its D&I Policy. AME strives to ensure fair compensation, and a secure, safe and inclusive working environment, which the Company believes is essential for enabling employees to thrive and contribute effectively.

Human Rights

As highlighted in AME's Sustainability Policy, the Company recognises its responsibility to respect human rights across its business operations. The Company does not tolerate child labour and any form of forced labour or exploitation in its operations. AME strictly adhere to Malaysia's Employment Act 1955 and as a result of AME's strong stance on respecting human rights, AME successfully achieved zero incident of human rights violations in all the places AME operated in FY2023.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

OHSE is a matter of high significance at AME. AME is acutely aware of potential hazards and risks inherent to the jobs of its employees, particularly those working at project sites. To prioritise their safety and well-being, AME maintains a vigilant approach, implementing many practices and initiatives to promote safety and health in the workplace.

This focus on OHSE extends beyond the direct employees of AME. The Company firmly recognises the vital importance of safety. It displays a firm commitment to ensuring the safety and well-being of all individuals involved in their day-to-day operations, especially at construction sites. AME's holistic consideration of safety encompasses everyone, from its employees to contractors, suppliers, clients and visitors, thereby solidifying its commitment to maintaining a safe and secure operational environment.

Robust Health and Safety Management

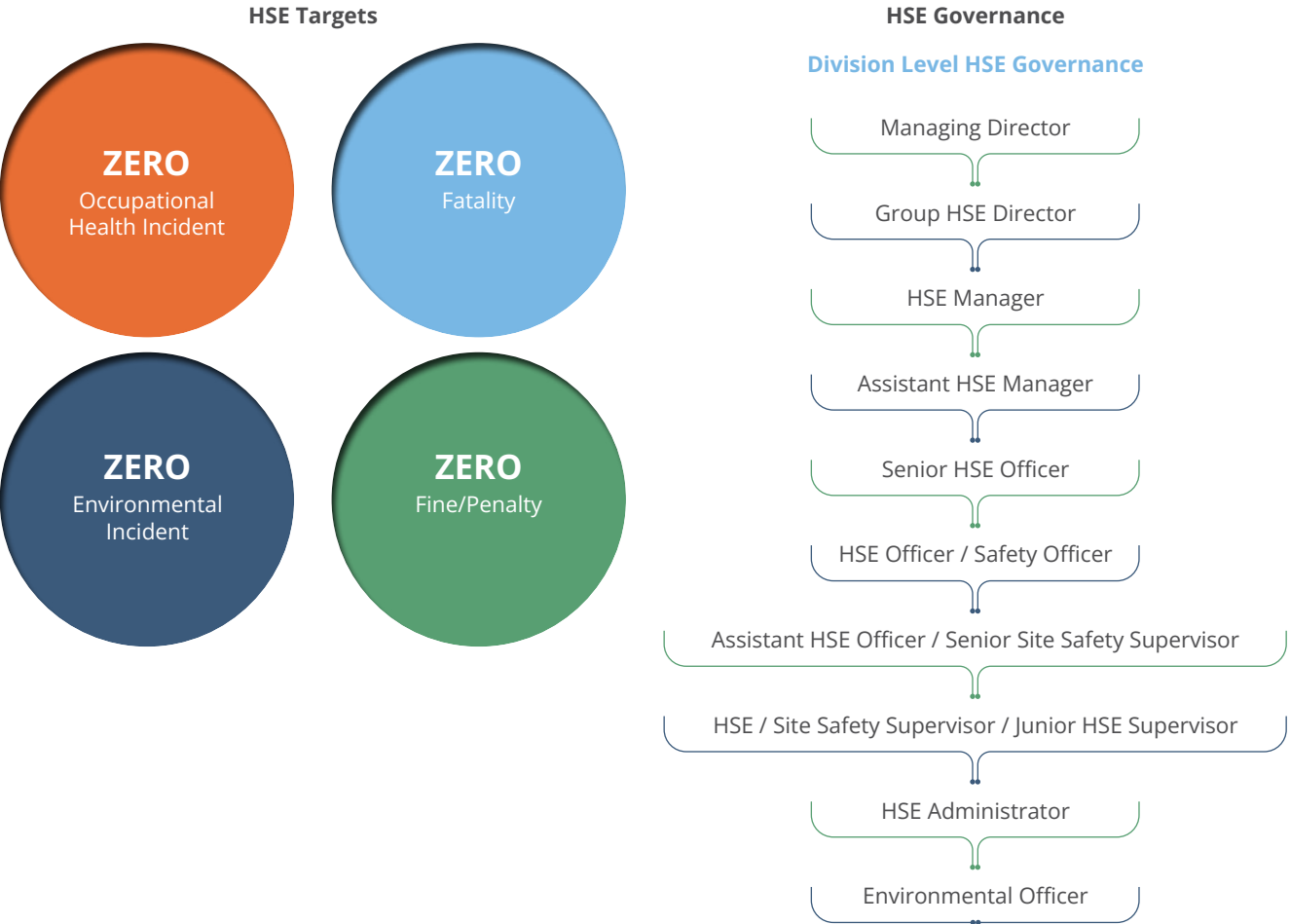
AME believes that inculcating good governance and management of health, safety and welfare will most importantly safeguard the health and wellbeing of its workforce and be a pivotal element towards strengthening AME's brand value and reputation.

As AME's construction and engineering divisions have the most urgent need for comprehensive health and safety measures – the Health, Safety and Environment ("HSE") Management System covers all employees in these divisions. Additionally, AME is guided by an HSE governance framework at its project sites, in line with its commitment to prioritise employee health and safety.

In every project or site AME is responsible for, AME establishes 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, trainings etc.
- Carry out regular site inspections to detect any unsafe conditions or unsafe practices

Additionally, the construction and engineering divisions are ISO 45001:2018 Occupational Health and Safety Management System certified and have implemented stringent internal Key Performance Indicators to achieve zero occurrences on project sites. To this end, AME ensures that a management review of HSE performance is conducted monthly in line with initiatives to put forward proposals for improvement through an HSE monthly report prepared by the Safety Officer and the Safety Supervisor and endorsed by the Project Manager.



Safety Toolbox Meeting

A Weekly Safety Toolbox Meeting is conducted at each project site, gathering all individuals including the project management team, site engineers, other on-site employees, and general workers. This crucial meeting serves as a platform to emphasise, discuss, and clarify safety requirements while addressing unsafe acts. During these sessions, the team actively highlights important safety measures, engages in open discussions, and provides necessary clarifications to ensure a comprehensive understanding of safety protocols.



Hazard Identification, Risk Assessment and Risk Control (HIRARC)

Before starting a new development or construction project/activity, 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 and 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.

OHSE-related Training

OHSE-related training and development programmes are essential for equipping AME's workforce with the necessary knowledge to complete their activities safely while staying updated to current regulatory standards. In FY2023, AME provided 1,428 hours of OHSE training to AME's employees, contract workers and contractor personnel.



OHSE Feedback Mechanisms

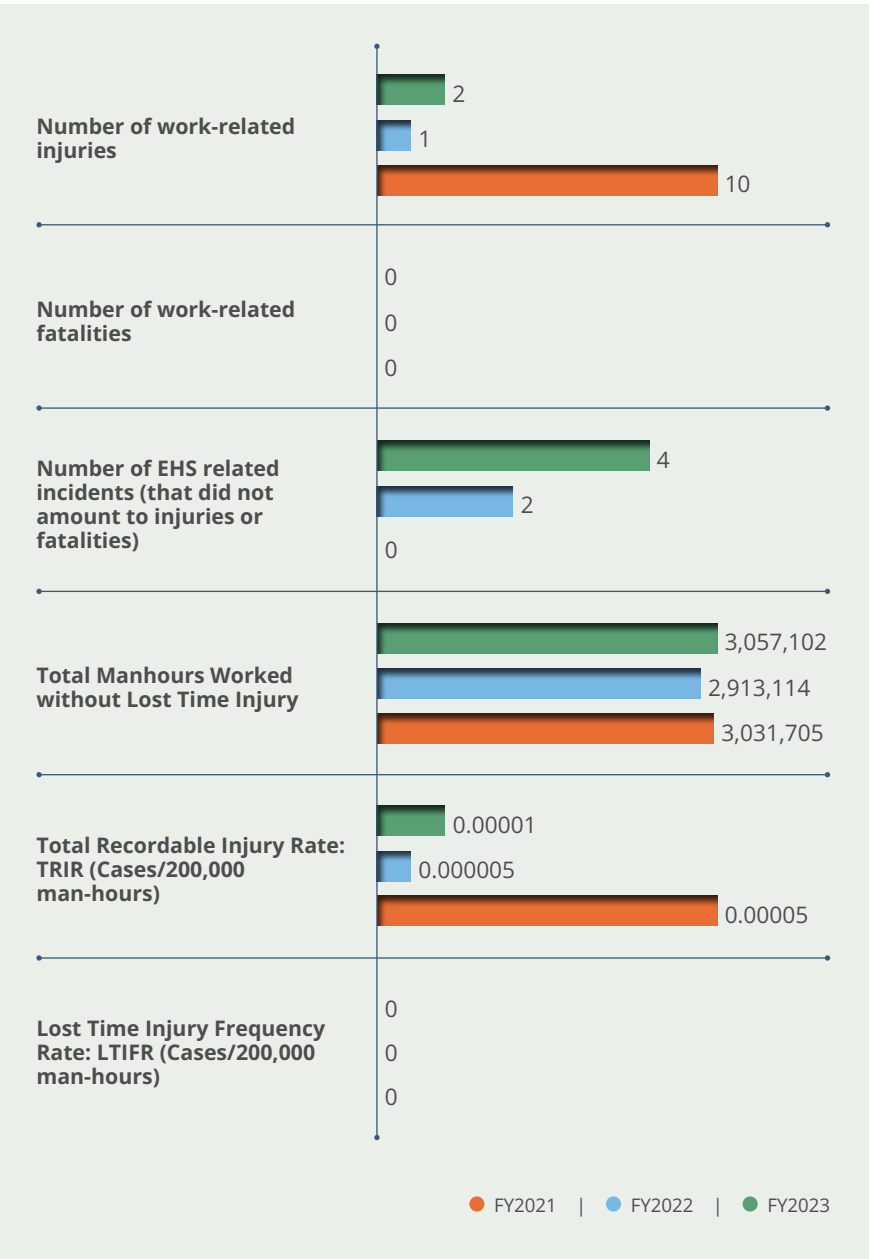
AME strives to ensure zero accidents by encouraging the reporting of health and safety-related incidents, complaints, and non-compliance through AME's dedicated anonymous OHSE-incident reporting channel. AME's You See You Response (UCUR) programme is a proactive process that allows employees to report potential workplace hazards. UCUR acts as a platform to identify/point out the near-miss incidents which may lead to accidents at construction sites by any individuals. This reporting channel allows employees to provide input without fear of reprisal and drives safety enhancement in line with continually improving workplace health and safety performance. 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.

AME is also engaged in constant communication about health and safety issues through email, digital channels, videos and have notices posted strategically locations across AME's project sites. AME disseminates this information in English and Bahasa Malaysia. To be more inclusive, AME is mindful of the diverse languages spoken by foreign workers at its construction sites and take meaningful considerations when engaging with them. To ensure what is communicated is done so effectively, critical information (such as health and safety updates) is communicated in the native language of its foreign workers and subcontractors.

OHSE Performance

AME conducts HSE Committee meetings regularly to monitor the overall safety and health conditions at its work sites. Due to its proactive and frequent safety training, awareness programmes, safety standards, and risk assessments – AME accomplished 3,057,102 manhours worked without Lost-Time Injury (“LTI”) and was not affected by any incidences of non-compliance with environmental rules due to effective preventive and preparedness in FY2023.



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. AME constantly reminds its employees to prioritise their safety at work sites and encourage reporting of unsafe working conditions to their representatives or the HSE department directly as an action towards solving the issue.

WORKFORCE

The talent of its workforce lies at the very heart of AME's mission and purpose. Recognising this, AME is committed to encouraging and promoting employee engagement and development, as these are the key drivers of AME's value creation strategy. AME's three-pronged approach focuses on the essential areas of talent development, retention and attraction, underscoring its long-term vision of productivity and success.

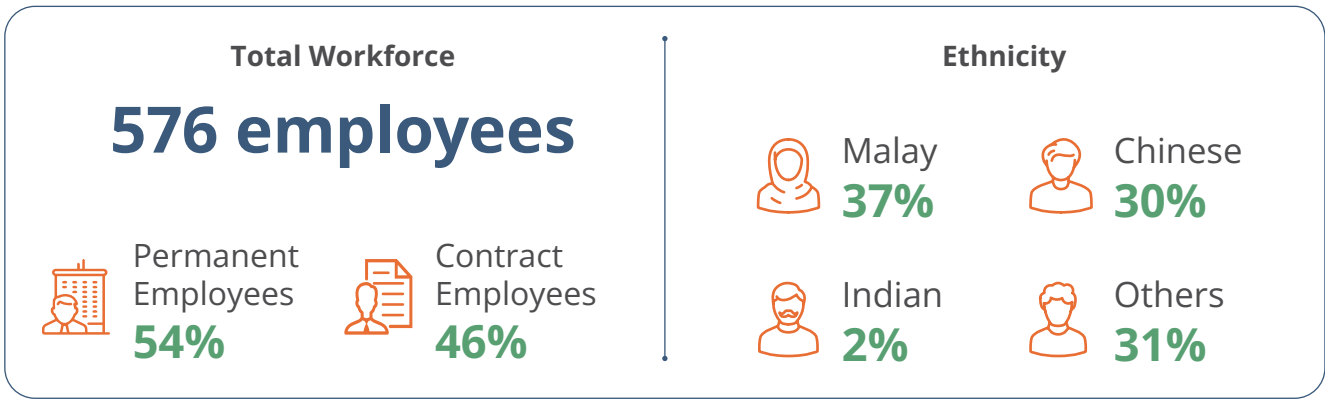
AME's dedication to employee satisfaction is embedded in its culture. By recognising that company productivity is intrinsically tied to employee satisfaction, the Company has made a strategic commitment to enhancing talent retention. Through a competitive employee benefits package, comprehensive professional development programs, and an inclusive work environment, AME fosters a culture that values, nurtures, and challenges its employees.

The Company's strategy extends beyond retention, attracting fresh talent with innovative ideas and perspectives. The commitment to diversity, equity and inclusion is a fundamental to AME's culture.

In essence, AME views its employees not merely as workforce members, but as AME's most valuable asset, the bedrock of the Company's ability to create and sustain value. This commitment to the well-being and development of its employees enhances productivity, bolsters social sustainability, and contributes meaningfully to a more equitable society. The concerted effort to develop, retain and attract talent is a testament to AME's commitment to social sustainability, paving the way for a mutually beneficial future for its workforce, the Company, and the wider communities it serves.



AME At a Glance



Developing Talent

AME encourages a proactive spirit among its employees, understanding that their individual development enriches their career trajectories and equips the Company with the talent necessary to thrive in a competitive business landscape.

In FY2023, AME invested nearly twice as much in training and development initiatives as compared to FY2022, amounting to RM124,728.91. This heightened commitment to learning led to a total of 5,143.5 training hours, averaging 12.67 hours per employee (excluding foreign workers). Spanning a diverse array of topics, these training programs, both internal and external are delivered via physical and virtual workshops, focusing on equipping employees with the skills and knowledge needed to stay relevant and contribute meaningfully to the Company's success.

Recognising that talent development is more than just training, AME employs a robust performance evaluation system. AME's systematic approach to performance reviews encourages open communication between employees and supervisors,

fostering a culture of feedback and improvement. These annual reviews allow employees to engage in self-assessment, while their direct superior evaluates performance against key indicators, skills, abilities, interests, and personality traits. This system also aids AME in identifying potential leaders within its ranks who are then provided with additional resources and opportunities to hone their leadership skills.

In line with AME's dedication to continuous learning, AME also facilitates a knowledge-sharing environment. Newer employees are paired with seasoned professionals, enhancing the transfer of industry knowledge, fostering collegial relationships, and facilitating professional development.

At AME, the development of its workforce is in a symbiotic relationship – the simultaneous growth of the Company and the improvement of its employees are inextricably linked. It is this mutual growth that aligns perfectly with AME's vision and mission and reaffirms AME's commitment towards social sustainability.



Retaining Talent & Attracting Talent

Retention of talent is seen as a strategic necessity within AME, contributing to a stable workforce, mitigating recruitment and onboarding costs, and retaining invaluable expertise within the Company. Equally, the Company acknowledges the importance of attracting new talent to ensure competitiveness and infuse the team with novel perspectives.

To create an environment that both nurtures current employees and attracts prospective ones, AME focuses on four main strategic areas:

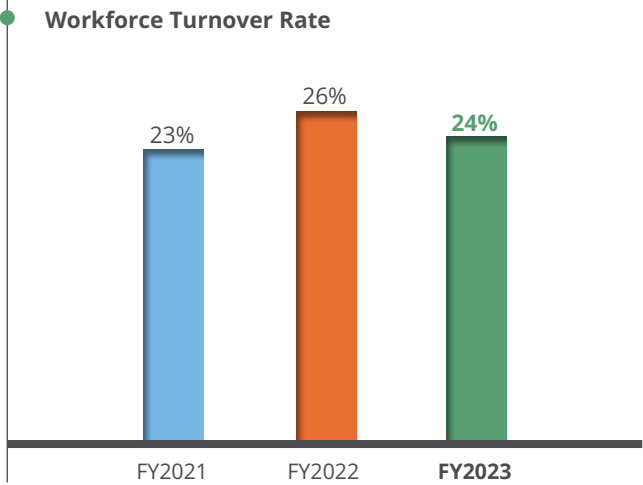
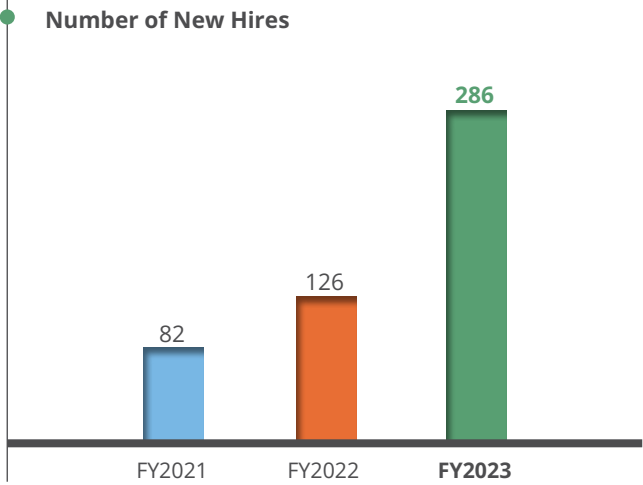
- 1. Provision of Competitive Employee Benefits
- 2. Promotion of Employee Well-being
- 3. Advocacy for Diversity, Equity and Inclusion in the Workplace
- 4. Promotion of Employee Engagement

Employee Benefits

AME is firmly committed to cultivating a supportive work environment where employees feel valued and respected. Integral to this commitment is a comprehensive and competitive benefits package that acknowledges the loyalty, capability, and unity of its workforce and helps attract and retain top talent.

Understanding the importance of staying competitive and meeting the changing needs of its employees, the Company regularly reviews and adjusts its benefits package. This dynamic approach aligns with its corporate vision and values, ensuring the Company remains an employer of choice within the industry.

| Benefits | Details |
|------------------------|---|
| Leave | Annual Leave, No Pay Leave, Sick or Hospitalisation Leave, Marriage Leave, Maternity Leave, Compassionate Leave, Convocation Leave, Replacement Leave, Paternity 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 Expense 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 Service Employees |
| Others | Recreational Park Facility (Fitness Facilities and Clubhouse), Employee Share Option Scheme |



i-Park, an Industrial Resort

AME holds a forward-thinking philosophy in its industrial park design, with an emphasis on fostering a balanced work-life dynamic and a community-centric environment. This approach, evident in its i-Park industrial parks, also termed as 'industrial resorts', marks a significant shift from the conventional industrial park concept that prioritise work and productivity above all else.

Instead of purely functional spaces, i-Park incorporate expansive green spaces and amenities designed to promote a harmonious 'work and play' lifestyle. The thoughtfully designed facilities serve as inviting communal spaces where operators and employees can engage, form deeper relationships, and bond with the broader local community.

Adding to the unique appeal of i-Park is the i-Privilege Club, a clubhouse brimming with amenities to enhance work-life balance. From a saltwater swimming pool to a fully equipped gym, these amenities are currently open to operators of i-Park and AME's employees.

In essence, AME's industrial park design philosophy embraces a more holistic approach, viewing industrial parks not just as places of work, but as vibrant, inclusive communities. By promoting social cohesion and employee wellbeing, AME's innovative approach is redefining what industrial parks can be.



Recreational park at i-Park@Senai Airport City



Recreational park at i-Park@Senai Airport City



Aerial view of recreational park at i-Park@Senai Airport City

Facilities at i-Park@Senai Airport City

Clubhouse Amenities and Facilities



Classes and Programmes at i-Privilege Club



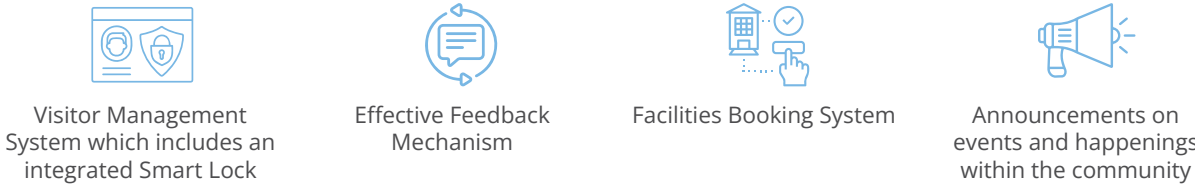
i-Park's Community Recreational Park



To effectively communicate with all operating within i-Park, AME has 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 operators must register for i-Park access through the application.

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

Community App



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

Employee Wellbeing

AME understands the profound impact of a conducive work environment on employee productivity, talent retention, and attraction. To that end, AME's HQ has been strategically placed within easy reach of the recreational park in i-Park@Senai Airport City and i-Privilege Club, with employees actively encouraged to make full use of these facilities.

i-Privilege Club plays a significant role in this strategy. It provides a wide array of amenities and complimentary classes, enabling employees to enhance their fitness levels, maintain a healthy lifestyle, and ultimately, bolster their overall well-being and productivity. Moreover, these amenities allow employees to socialise and form connections outside the traditional office setting. Group classes, such as Pilates, Zumba, and Circuit Training, provide a relaxed and enjoyable platform for team interaction, fostering a sense of

community and promoting positive workplace relationships. Such interactions nurture a healthy and supportive work culture.

Complementing i-Privilege Club is the community recreational park, an oasis for employees to engage in physical activities or unwind during breaks or after work. The access to outdoor parks and fitness equipment encourages employees to break away from their work routines and immerse themselves in nature, thus contributing positively to their mental and physical health.

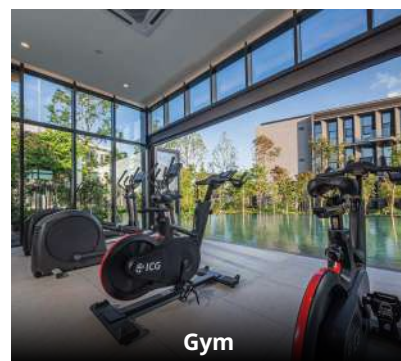
By promoting a healthy, balanced lifestyle, AME effectively enhances employee productivity and job satisfaction. This multifaceted approach to employee well-being indicates AME's commitment to creating an environment where employees work, grow and thrive.



50m-long saltwater swimming pool



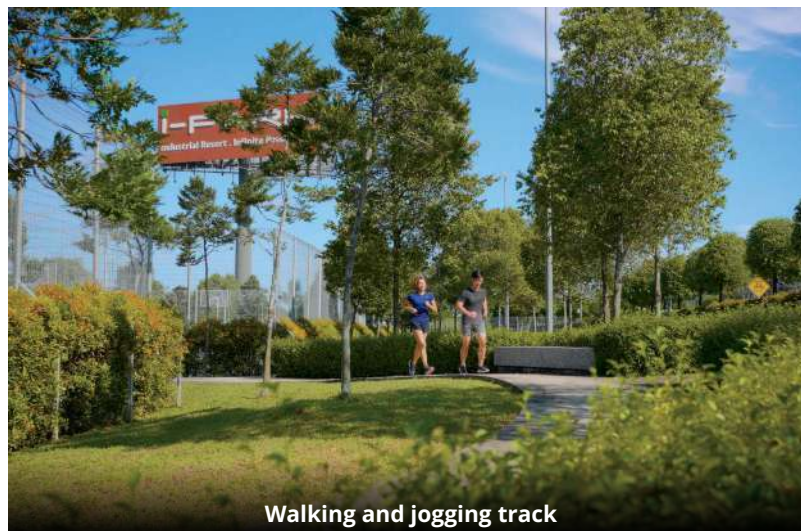
Badminton court



Gym



Multipurpose court



Walking and jogging track



Multifunctional hall



Sand volleyball court



Health studio

PERKESO Health Screening Program

In line with AME's commitment to prioritise employee wellbeing and ensuring their overall health, the Company has taken a proactive step by hosting PERKESO's Health Screening Program (HSP) for eligible employees. This program, which is a free health screening initiatives offered by PERKESO, aims to identify individuals at high risk for Non-Communicable Diseases (NCDs) among eligible SOCSO Insured Persons.

In recent years, there has been a concerning rise in the number of workers who are unable to perform their duties due to lifestyle-related illness. By providing access to the health screening program, AME enables employees to identify any potential health risks they may face. This early detection allows individuals to seek proper treatment, take preventive measures, and make necessary lifestyle changes to avoid sickness and complications. By encouraging regular health screenings and supporting employees in managing their health, companies like AME can retain experienced workers and enhance productivity.

Typically, SOCSO Insured Persons would need to make their own appointments for health screenings with available panel clinics. However, recognising the value of convenience and prioritising the health of AME's employees, the Company has taken the initiative to host the health screening program at i-Privilege Club. By providing an accessible and convenient location for the health screenings, AME aims to facilitate participation and ensure the well-being of its employees.

Diversity and Equality

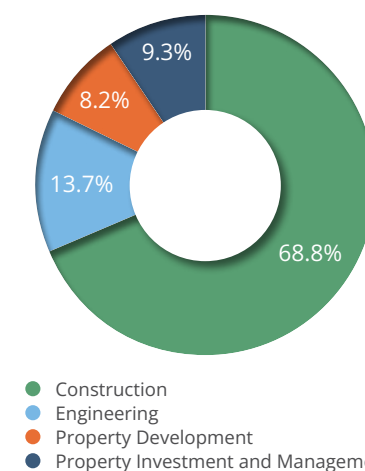
AME firmly believes in upholding diversity, inclusion and equality in the workplace. The Company practices a merit-based compensation and advancement system, with no discrimination based on race, religion, age, disability, nationality, or other demographic criteria. AME has also taken an extra step towards diversity and inclusivity in FY2023 by adopting a D&I Policy. This policy reaffirms AME's pledge to foster a work environment of mutual respect and appreciation, accentuating the vibrant and diverse culture at the heart of AME.

In FY2023, there were no reports of workplace discrimination at AME.

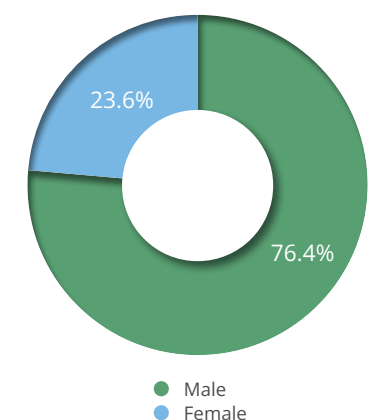
AME has a total workforce of 576 employees, of which 76% are male and 24% are female. The relatively lower percentage of female employees compared to male employees is mainly attributable to the male-dominated nature of the construction industry.

With regards to Board diversity, there is currently 25% women representation at the Board level. It is important to AME that its 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. To increase diversity at the top, AME strives to achieve a representation of at least 30% of women at the Board level.

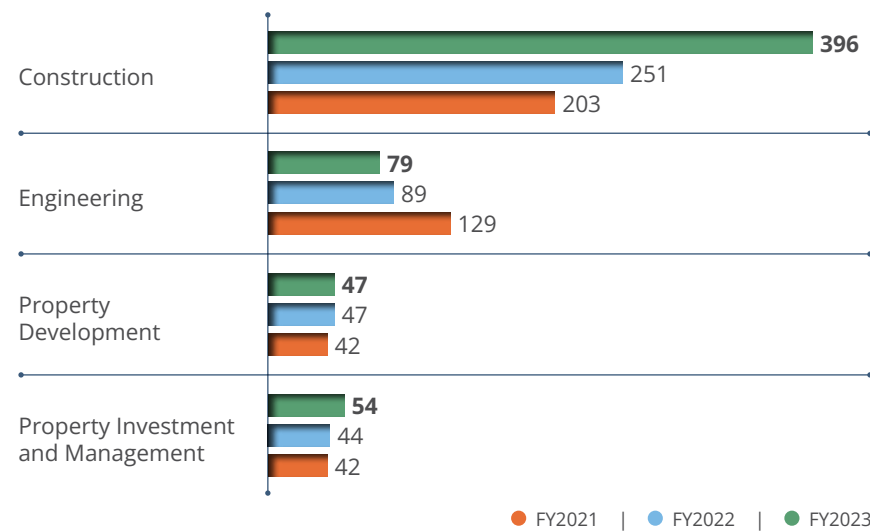
Breakdown of Workforce by Division in FY2023 (%)



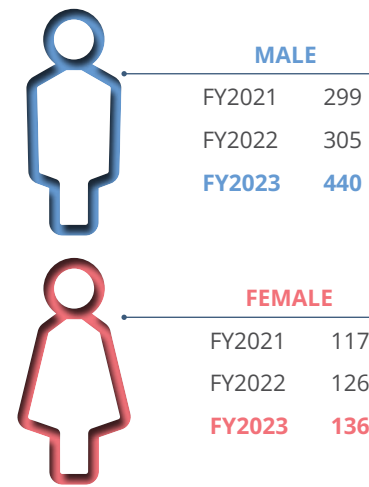
Breakdown of Workforce by Gender in FY2023 (%)



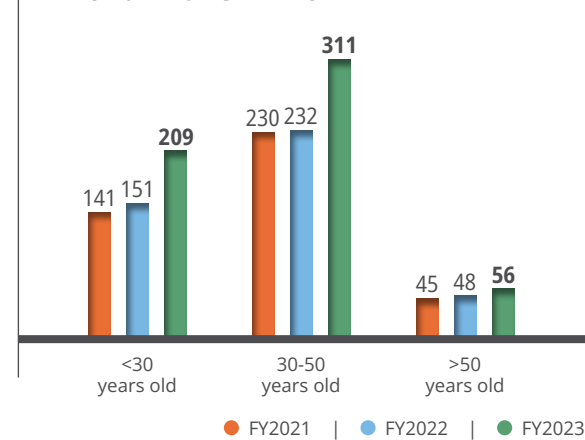
Breakdown of Workforce by Division



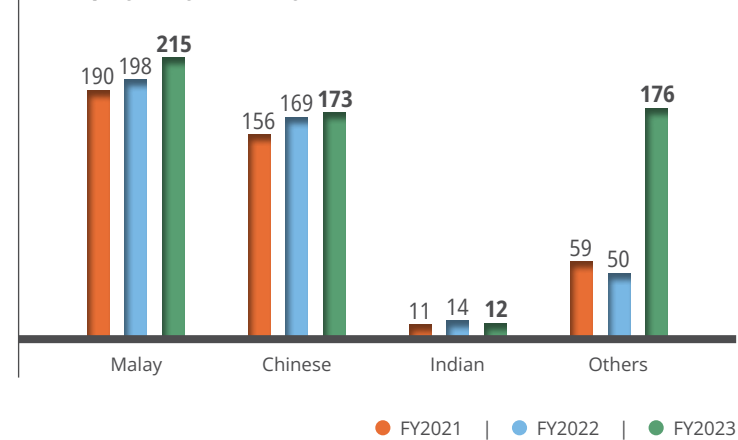
Employees by Gender



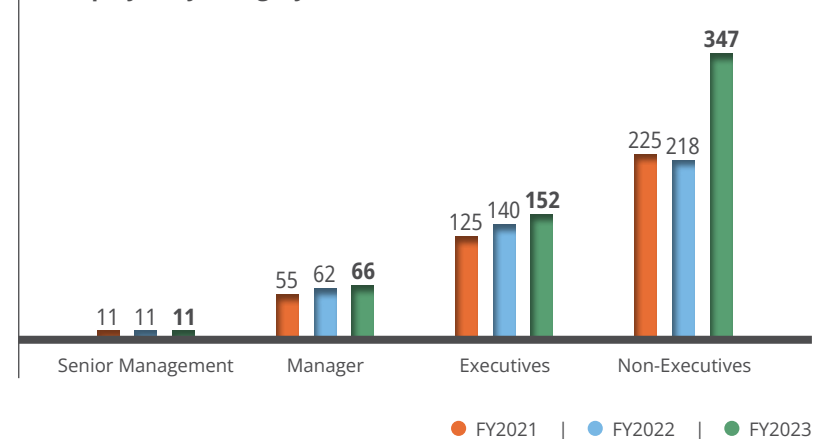
Employee by Age Group



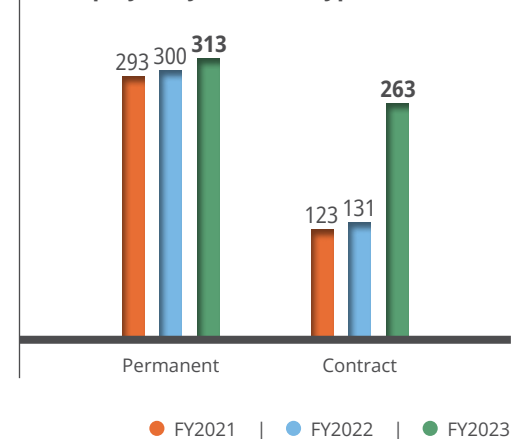
Employee by Ethnicity



Employee by Category



Employee by Contract Type



Across FY2023, a total of **31 students** joined AME in an internship to gain practical work experience in their respective fields of study they are undertaking.

Employee Engagement

AME places great emphasis on creating a vibrant and engaging workplace. Through carefully designed employee engagement initiatives, AME strives to provide its staff with opportunities to unwind, socialise and build meaningful relationships. This deep sense of engagement empowers AME's employees to take ownership of their roles and align themselves with the Company's mission, resulting in an even greater collective impact.



The Annual Dinner of AME was a remarkable occasion, with a captivating retro theme. Employees enthusiastically showcased their talents through engaging performances, vying to win exciting prizes. The event was a resounding success, complemented by delectable food, refreshing drinks, and live music that had everyone on their feet. This vibrant gathering celebrated the achievements of employees while fostering a strong sense of camaraderie.



AME's Ramadhan Dinner was organised to honor and celebrate AME's Muslim colleagues. Held at a local hotel, the event featured a delectable spread of food and drinks, creating a warm and inclusive atmosphere where colleagues could come together to break fast and share the blessings of the holy month of Ramadan.



As a gesture of appreciation for AME's hardworking employees, a Durian Party featuring more than 200kg of durian was held at the i-Privilege Club, allowing its employees to connect and bond over their shared passion for durian.



AME's 2022 Christmas Party brought together employees and i-Park operators, tenants and clients for a festive celebration. The event featured delectable food and drinks, accompanied by the lively tunes of a live band. This gathering was perfect occasion for employees to interact with i-Park operators and tenants, strengthening relationships and fostering a sense of community.



To promote teamwork and a healthy lifestyle, AME organised a friendly badminton match with its auditors in i-Privilege Club. The event was marked by spirited competition and camaraderie as employees and auditors engaged in friendly matches. This initiative fostered a sense of teamwork served as a platform for building connections and promoting a healthy work-life balance.



During Chinese New Year, AME visited i-Park's operators' and tenants' factories and offices to convey AME's warm wishes for a prosperous year. These visits allowed employees to personally connect with operators and tenants, fostering unity and understanding. The festivities were enhanced by enchanting dragon and lion dance performances, adding a touch of tradition and good fortune.



Dragon and lion dance crew performed at AME's HQ as part of the Chinese New Year celebration. The performance served as the centrepiece of the festivities, with firecrackers and traditional music enhancing the jubilant atmosphere. By integrating cultural traditions into workplace celebration, AME seeks to foster a sense of belonging and inclusivity within its diverse team.

EMPOWERING COMMUNITIES

AME is dedicated to improving the lives of the communities surrounding its operations as part of its commitment to sustainable development. The Company recognises that lasting progress can only be achieved when outcomes benefit all parties involved. With this in mind, AME actively engages with local communities to gather feedback and create opportunities for enhancing their living conditions and overall well-being.

One of the ways in which AME makes a positive impact on the local community is by contributing to its socio-economic growth. The Company achieves this by providing job opportunities, supporting the local supply chain, and generating tax revenues for state and federal government. AME's modern industrial spaces act as catalysts for the local manufacturing industry, stimulating economic growth and development. Moreover, i-Stay's high quality and respectable living spaces can house over 6,000 occupants, ensuring that residents from the local community are treated with equal respect and dignity.

AME also invests in community projects that foster social and economic development. AME's initiatives focus on disaster relief, community development, volunteering and charitable works. Before implementing these programs, AME carefully assesses the needs and priorities of the local community. By working closely with governments and non-governmental organisations, AME ensures that the supported initiatives bring maximum benefits to those who need them the most.

In the past year, AME contributed a total of RM343,951 to various community initiatives, including both financial assistance and in-kind offerings. These contributions encompass a wide range of programs, such as substantial contribution of RM100,000 to the Southern University College Fund, cash donation and sponsoring uniforms to Sekolah Kebangsaan Sedili Kecil in Kota Tinggi, Johor, donation of drinking water to residents in Johor Jaya affected by water supply disruptions, and establishment of flood response team that provides clean up assistance to flood-impacted houses, schools and mosques.

Through these collaborative efforts and contributions, AME strives to empower communities, foster social and economic progress, and improve the overall well-being of the local populations.

Financial Assistance to Former Employee of AME Suffering from Illness

AME deeply value the wellbeing and welfare of its employees, even after their tenure with the Company. In light of this, AME has extended its support to a former employee who faced a series of medical challenges that significantly impacted his health and livelihood.

The former employee was admitted to the intensive care unit due to a sudden heart attack and kidney problems. As his health deteriorated, he faced difficulties in continuing his work. This situation left him unable to provide for his family, which includes two dependent children and a pregnant wife.

Understanding the urgency and gravity of the situation, AME has stepped forward to offer financial aid to support the former employee and his family during this challenging time. The donation provided will assist with various essential needs, including house rent, medical equipment such as electrical nursing hospital bed for home use and a wheelchair, and expenses related to the upcoming birth of his child. These contributions aim to alleviate some of the financial burdens faced by the family, enabling them to focus on the former employee's recovery and the well-being of their growing family.



AME's Response to Flood

In response to the floods that occurred in Johor, AME swiftly established a dedicated flood response team. The aim was to provide assistance to affected households, offering much-needed support during this challenging time. The initiative covered several areas, including Segamat and Muar, which were severely impacted by the flood.

One key aspect of AME's response was to provide clean-up assistance to affected areas. AME's team worked tirelessly to help restore homes to their pre-flood condition, ensuring a safe and healthy environment for residents. This included tasks such as debris removal, sanitisation, and necessary repairs to damaged infrastructure.

Recognising the immediate needs of the affected communities, AME also extended support to the Batu Pahat flood evacuation centre. AME donated essential groceries items to assist in meeting the basic needs of those seeking refuge at the centre. By providing these supplies, AME aimed to alleviate some of the burdens faced by the flood-affected individuals and families.

To facilitate the relief efforts in Segamat and Muar, AME deployed machineries and equipment such as water jets, generator sets, and water pumps to aid in the removal of floodwater, expedite the restoration process and provide temporary relief to affected areas. This proactive approach allowed AME to contribute to the overall relief efforts to help communities recover more efficiently.



Donation of Drinking Water to Residents Affected by Water Disruption



In response to water supply disruptions affecting the Johor Jaya area, AME implemented a CSR initiative to distribute drinking water to affected residents. AME's effort focused on providing immediate relief by distributing 200 cartons of drinking water to ensure a sufficient supply of clean water for those facing the water disruption. Community representatives from Surau AlFalah Taman Molek, Majlis Perbandaran Pasir Gudang, and MCA Lead from Seri Alam were actively involved in receiving and distributing the drinking water to the affected residents.

Cash Donation and Uniform Sponsorship for School

AME is committed to making a positive impact on education, especially in underserved communities. Recognising the unique challenges faced by Sekolah Kebangsaan Sedili Kecil, a rural school where the majority of students come from fishing families belonging to the B40 group, AME selected it as the beneficiary of the Company's CSR efforts.

AME's support for Sekolah Kebangsaan Sedili Kecil aimed to align with the objectives set by the state education office and the school management. One of the pressing needs identified was the provision of KRJM uniforms for all students to participate in curriculum activities. Understanding the financial constraints faced by the students' families, AME's CSR team stepped forward to assist by providing necessary funds to ensure every student could have the required uniforms.

Additionally, AME's assessment revealed that several school facilities were in a non-functioning and dilapidated condition. Recognising the importance of having adequate infrastructure for students' educational experience, AME's CSR team made a cash donation to the school. This contribution will be utilised to improve the facilities, creating a safer and more conducive environment for students to learn and thrive.

Back to School Programme for Flood Affected Students

In addition to AME's support for Sekolah Kebangsaan Sedili Kecil, AME also extended its assistance to Sekolah Seri Benut as part of the Back to School program. In the aftermath of the Johor Flood, which affected the lives of many, including students, AME recognised the importance of ensuring a smooth transition back to school. Through this program, AME provided around 130 students with new uniforms for the new school term, enabling them to start afresh with dignity and pride. Additionally, recognising the water disruption issues faced by the school, AME donated a water pump to address the ongoing challenges to ensure that students have access to clean water for their daily needs.





MANAGING OUR ENVIRONMENTAL FOOTPRINT

AME is focused on effectively managing and mitigating its environmental impact while acknowledging the vital role of responsible environmental stewardship in ensuring the long-term success and resilience of the business. AME is committed to integrating sustainable practices across its operations, from sourcing raw materials to manufacturing processes, distribution, and waste management. Through adopting innovative technologies and implementing green initiatives, AME strives to minimise its carbon footprint, conserve precious natural resources, and preserve biodiversity. This steadfast dedication to managing environmental impact is reflected in its daily business operation, as AME collaborates with suppliers, customers, and stakeholders who share the goal of driving positive change and building a sustainable future for generations.

Furthermore, AME emphasises on implementing sustainability practices and prioritises performance data and reporting disclosure. This transparent approach enables stakeholders to better understand AME's efforts in managing environmental impacts. AME is committed to strengthening its ESG efforts and adhering to AME's Sustainability Framework to progress towards achieving sustainable development.



Recreational park at i-Park@Senai Airport City



Aerial view of recreational park at i-Park@Senai Airport City

WASTE & MATERIALS MANAGEMENT

AME is dedicated to driving a sustainable future by transitioning from using conventional resources to more sustainable resources with the aim of reducing carbon footprint. The construction of industrial properties in AME's industrial park focuses on fully and efficiently utilising all its components to minimise material consumption and avoid unnecessary wastage. Additionally, AME's sustainable raw material sourcing process ensures materials are produced from reliable vendors and reduce the volume of waste.

AME highly encourages the use of sustainable construction materials by optimising resource usage throughout their lifecycle, from production to consumption and disposal. By embracing these practices, AME aims to contribute to a greener and more sustainable future.

Sustainable Construction Materials

Utilising Recyclable and Reusable Materials

Material such as steel structure High Tensile Deformed (HTD) steel bars, plasterboard, mineral wool insulation, aluminium louvres and precast concrete (among others) are carefully 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 effectively reducing the carbon footprint.



Environmentally Friendly Materials

AME prioritises the use of green label products that consist of eco-friendly ingredients. Specifically, products with low volatile organic compounds (VOCs) are favoured to minimise the release of harmful emissions. Furthermore, for AME's landscaping efforts, environmentally friendly fertilisers are preferred. These fertilisers effectively nurture plants and support the well-being of pondwater living organisms, all while ensuring the protection of the environment.



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 the usage of natural resources.



AME recognises that managing waste effectively is important towards minimising negative environmental impacts. Moving forward, AME aspires to improve data tracking and monitoring efforts within its operations and actively educates its workforce on the importance of managing the waste and ensuring the waste disposals are properly handled. The construction division ensures compliance with relevant environmental regulatory and legal requirements, such as the Environmental Quality (Scheduled Waste) Regulation 2005, and industry certifications like the Green Building Index (for selected projects). These practices align with AME's Sustainability Policy, which emphasises responsible waste management and adherence to applicable environmental regulations.

The total waste generated in FY2023 was 5,293 tonnes. The waste includes domestic waste and construction waste generated from the project sites.

AME is highly aware of the consequences of improper waste disposal, emissions and discharges which can result in legal penalties and environmental pollution. In FY2023, there were no compounds and fines from authorities on environmental issues.



Commitment to Reduce, Reuse, Recycle (3R)

AME continuously practices effective waste management to avoid waste generation and reduce waste sent to landfills. Waste that can be diverted is sent for recycling, minimising the reliance on virgin resources for future application. Licensed contractors responsibly dispose of waste that cannot be recycled or reused at designated waste collection points.

Reduce

AME seeks to reduce paper usage by encouraging the use of electronic copies of documents and avoiding the unnecessary printing. AME also minimises the usage of single-use items by using refillable amenities, such as hand soap gel, at i-Privilege Club. Additionally, AME has also reduced paper towel usage in AME's HQ and i-Privilege Club by installing hand dryers in the common toilets. Building material wastage is minimised at the construction project sites by utilising applications such as Industrialised Building System (IBS) and Building Information Modelling (BIM) to improve project efficiency and cost saving.

Reuse

AME promotes reuse practices across all divisions to fully maximise the utilisation of waste material and provide a second life to functional materials.

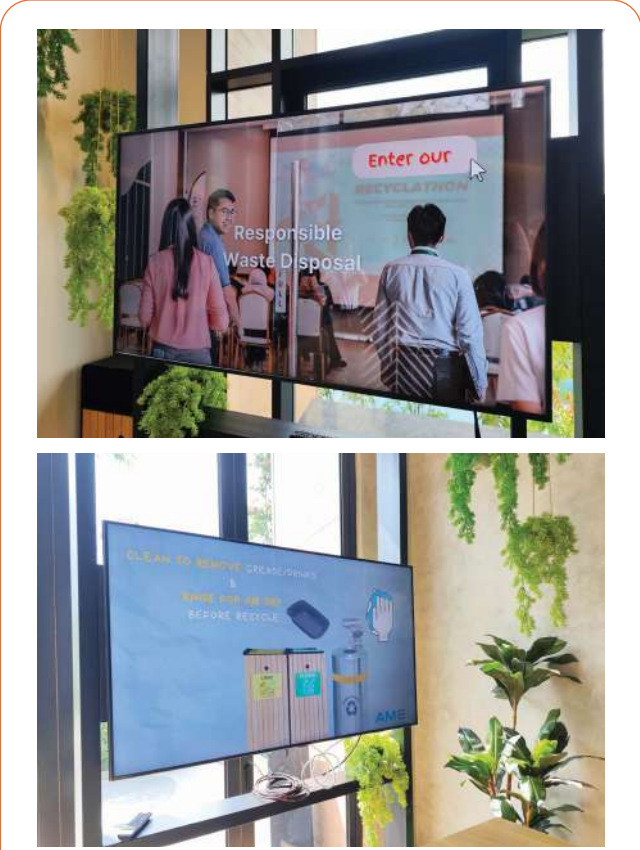
At AME's construction project sites, the formwork is reused at least 3 times to minimise material wastage. Concrete waste is repurposed as crusher run for access road and to cover potholes within project sites. Unusable concrete waste will be sent to a licensed landfill for disposal. Timber waste is predominantly reused for signage, storage facilities and other on-site facilities to prolong the material's life cycle.

In addition, natural waste such as trimmed branches and dry leaves are collected by AME's landscape maintenance team to be used as organic fertiliser for landscaping.

Recycle

Recycling is an essential practice that promotes sustainable living and is crucial in reducing waste and preserving the environment. To cultivate recycling awareness among AME's employees and customers, the Company organised various events and provides recycling bins within AME's offices and properties. AME's comprehensive waste management program involves on-site waste separation and collection. By categorising waste into recyclable and non-recyclable materials, the Company can divert recyclables from ending up in landfills.

Through its effort, AME has successfully recycled 696.93 tonnes of scrap metal from construction sites, contributing to reducing waste in these areas. Furthermore, for i-Stay dormitories, they have successfully diverted 1354 pieces of mattresses and 1125 pieces of pillows from landfills.



Waste No More Campaign

To raise recycling awareness among employees, informative video clips related to environmental awareness and general information on waste management are projected on televisions in the cafeteria area of AME's HQ. The aim is to educate and inform AME's employees about the importance of waste management and encourage active participation in recycling efforts.

Mobile Recycling Spot

AME, in collaboration with the Yellow Bin and United Park Management Sdn Bhd, organised the Mobile Recycling Spot event. The event took place at i-Privilege Club and had the primary goal of promoting the recycling of pre-loved items including textiles, accessories, homeware, empty bottles, books, cardboard, and other recyclables. The event successfully resulted in the recycling of more than 225kg of items.



Cloud Based Waste and Recycling Management System

To further enhance AME's waste management and monitoring effort, AME has implemented a cloud-based waste and recycling management system in its HQ. This system enables efficient data collection and provides valuable trend analysis. The output data can be used to improve AME's process efficiency, allowing for better waste management practices.



ENERGY MANAGEMENT

Carbon emissions resulting from the burning of fossil fuels, which are commonly used for energy generation, are widely acknowledged as one of the major contributors to climate change and global warming, posing significant threats to biodiversity and the overall health of the planet. AME recognises the importance of managing its environmental impact by monitoring and reducing energy consumption. By tracking and recording energy usage, the Company can identify areas where efficiency can be improved, and energy waste minimised.



Diesel Fuel Consumption ⁽¹⁾

Total Diesel Consumption in FY2022 ⁽²⁾

574,785.51 litres

Total Diesel Consumption in FY2023

794,513.49 litres

Purchased Electricity Consumption ⁽³⁾

FY2022

FY2023



Electricity Consumption from Construction Site

436,876.89 kWh

848,915.84 kWh ⁽⁴⁾



Electricity Consumption from Corporate Offices, Sales Galleries, i-Privilege Club and Common Areas Managed by AME

707,472.66 kWh

866,328.47 kWh ⁽⁵⁾

Total Purchased Electricity Consumption

1,144,349.55 kWh

1,715,244.31 kWh

Note:

⁽¹⁾ Estimation for diesel consumption in litres derived with reference to accounting data on volume of diesel purchased and weekly diesel prices specific to the operating locations.

⁽²⁾ FY2022 diesel consumption was restated to reflect the expansion of scope to include diesel consumption from all subsidiaries.

⁽³⁾ Actual purchased electricity consumption in kWh from TNB bill in FY2023.

⁽⁴⁾ Increase in electricity consumption from construction site in FY2023 is due to increase in construction activity.

⁽⁵⁾ Increase in electricity consumption from corporate offices, sales galleries, i-Privilege Club and common areas managed by AME is mainly due to expansion of scope to include additional offices.



Solar panels at i-Privilege Club

Towards Green Energy

In tandem with its effort to reduce energy consumption, AME has employed the strategy to invest in renewable energy sources to generate clean and sustainable energy, reducing reliance on traditional energy sources. Aside from installing solar panels to generate solar power on-site at selected buildings, AME is also utilising solar powered lighting at its construction sites for activities that need to run at night.

Solar Energy Generation at AME's HQ and i-Privilege Club

Solar energy generation
223,602.68 kWh

Savings from Solar Energy
RM113,299.71

Trees equivalent
2,612 trees

CO₂ saved
106.22 tonnes

Energy Saving Initiatives

Energy Efficient Industrial Building Design in AME's Industrial Park



Efficient Lighting Design

- Encouraging natural daylight in buildings by incorporating translucent sheetings
- Incorporating high ceiling, an up-lift jack roof system and low window height design 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 fixture devices that reduce direct sun glaze and unnecessary heating
- Utilising Zincalume metal with thick fibreglass in roofing for efficient thermal insulation
- Using thicker glass for windows and doors to reduce thermal transfer into the building



Energy efficient industrial building design of industrial properties in AME's industrial park

Energy Saving Initiatives and Features at AME’s HQ and i-Privilege Club

Efficient hot water system at i-Privilege Club's changing rooms, saves up to three times more energy than a conventional electrical resistance water heater.



Individual zone lighting at AME’s HQ, i-Privilege Club and i-Stay dormitories, all zones and enclosed spaces are individually switched and lit separately.



Variable refrigerant flow (VRF) air conditioning mechanical ventilation system at AME’s HQ provides better energy efficiency, zoned cooling and less downtime.



Centralised air conditioning and lighting at AME’s HQ are set with a timer to switch off the system at off-peak times to reduce energy wastage.

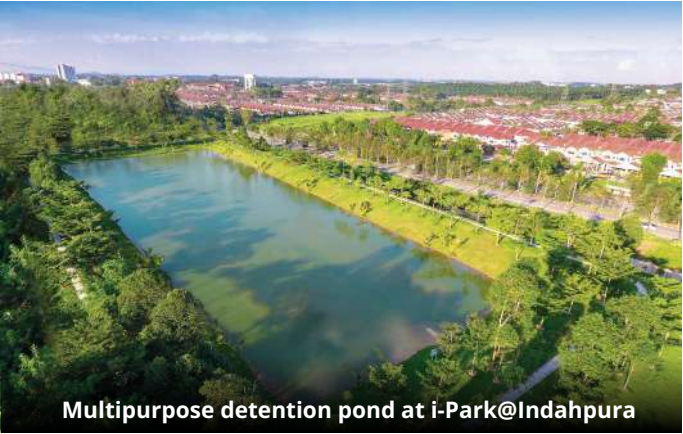


WATER MANAGEMENT



Water is widely consumed in various applications at construction sites including dust suppression, road-cleaning, personal hygiene, concrete curing, brickwork and cement rendering works. AME primarily relies on municipal potable water for its water consumption needs. However, the Company is committed to reducing reliance on municipal sources and increasing the use of recycled water, particularly for non-potable applications. To achieve this, AME implemented rainwater harvesting systems to collect and utilise water from precipitation for general cleaning purposes.

Water usage data from municipal potable water is recorded and monitored based on the monthly water bills, allowing AME to track its consumption patterns and identify areas for improvement.

In addition to water consumption, AME greatly emphasises managing wastewater effluent responsibly. Regular water quality inspections are conducted to ensure compliance with the standards set forth by the Environment Quality (Industrial Effluent) Regulations 2009, as guided by the Urban Stormwater Management Manual (MSMA). Before discharging wastewater into designated drainage locations and local waterways, AME ensures that the effluent meets the necessary requirements for environmental protection.



Multipurpose detention pond at i-Park@Indahpura

| Water consumption data ⁽¹⁾ | | | |
|---|---|--------------------------|---|
| | | FY2022 | FY2023 |
|  | Water Consumption from Construction Sites | 63,842.34 m ³ | 86,968.63 m ³ ⁽²⁾ |
|  | Water Consumption from Corporate Offices, Sales Galleries, i-Privilege Club and Common Areas Managed by AME | 7,807.48 m ³ | 7,365.13 m ³ |
| Total Water Consumption | | 71,649.82 m ³ | 94,333.76 m ³ |

Note:
⁽¹⁾ Actual water consumption in m³ from water bill.
⁽²⁾ Increase in water consumption from construction sites in FY2023 is due to increase in construction activity.

Water Saving Initiatives

AME is committed to reducing water consumption and preventing water pollution. Therefore, various water saving initiatives are made available at its corporate offices, sales galleries, development, and active construction sites.

Rainwater Harvesting System

The industrial buildings within i-Park have been equipped with a rainwater harvesting system with a capacity of 1000 litres. By capitalising on Malaysia's substantial annual rainfall, rainwater is collected, filtered, stored and recycled for various non-potable purposes such as watering gardens, flushing toilets and other similar activities.

Low Water Consumption Fixtures

The corporate offices, sales galleries and industrial buildings within i-Park have been fitted with low-water consumption fixtures to minimise water consumption.

Dust Suppression and Road Cleaning

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

Drought-tolerant Native Vegetation

Special considerations were taken during the selection of trees and shrubs for landscaping of AME's industrial park and properties. Drought-tolerant plants and vegetations that requires minimal irrigation are favoured, thereby minimising the requirement for extensive irrigation.

Reusing and Recycling Water

i-Park's landscape maintenance reuses non-potable water from the wetland pond for irrigating the landscapes. Furthermore, water from testing and commissioning of pump flow system is reused and recycled for essential non-potable consumption activities.

Other Water Saving Practices

Water saving awareness has been promoted among employees, encouraging them to adopt various water saving practices to reduce water consumption, such as:

- (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



Reusing non-potable water from wetland pond for irrigating the landscapes

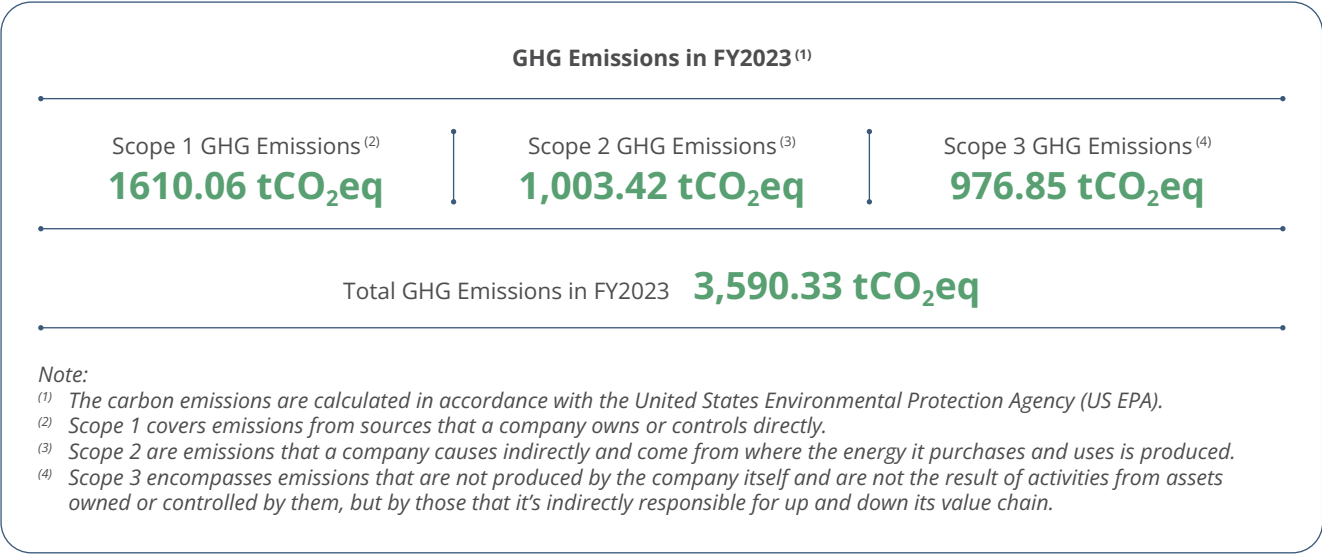


Rainwater harvesting system

ADDRESSING CLIMATE CHANGE

Climate change refers to long-term shifts in global or regional weather patterns, primarily attributed to human activities, particularly the emission of greenhouse gases into the atmosphere. Climate change has far-reaching effects on ecosystems, biodiversity, weather patterns, sea levels, and human societies. AME places great importance on monitoring its carbon footprint and addressing climate change issues. The Company is committed to regulatory compliance and adopts the best management practices to reduce its carbon footprint and impacts towards climate change.

Addressing climate change is a complex and multifaceted challenge that requires action at local, national, and international levels. By taking a proactive approach, companies like AME can contribute to mitigating the effect of climate change and creating a more sustainable future for generations to come. One important component of this effort is tracking and disclosing GHG emissions. This helps measure the environmental impact and set a baseline for further improvement efforts. AME recognises its role in mitigating the impacts of climate change and puts significant effort into managing energy use and efficiency as a call to action in reducing GHG emissions.



Street view of i-Park@Senai Airport City



i-Privilege Club and AME's HQ

Green Initiatives

As a leading integrated industrial park developer, AME is dedicated to tailoring its services to clients' specific needs and providing green solutions for their projects. Creating a sustainable future requires concerted efforts, so AME supports customers in their ambitions to minimise their carbon footprint. The Company is committed to fulfilling the requests from customers to develop green buildings, aligning with its sustainability goals.

Several AME's development projects have obtained the Green Building Index ("GBI") Design Assessment certification to further support its commitment to sustainability. This accreditation is an important marker of sustainability and indicates that the buildings have met rigorous environmental standards and criteria. By obtaining GBI certification, AME fulfils its operators'/tenant's needs for a GBI (or similar) accredited building. It provides them with the assurance that their work environment is designed with sustainability in mind.

Furthermore, AME prioritises the working environment of its employees and the experience of its visitors. This is evident in the construction of its Corporate HQ and i-Park Experience Centre, which were built in accordance with GBI and awarded the Provisional GBI Silver Rating.



AME's HQ and i-Privilege Club's saltwater swimming pool



AME HQ's green spaces



AME HQ's green spaces

Building Green Spaces

I-Park incorporates ESG aspects in its planning, development and management, at least 20% of its development is designated as green spaces to create nature-oriented working and living environments for operators/tenants, as well as preserving the flora species native to the development location. This emphasis on green spaces enhances the aesthetic appeal and contributes to environmental conservation.

Besides that, AME's HQ has conserved about 1 acre, accounting for approximately 26% of the overall development, as green open spaces. These areas serve as valuable green lungs within the property.

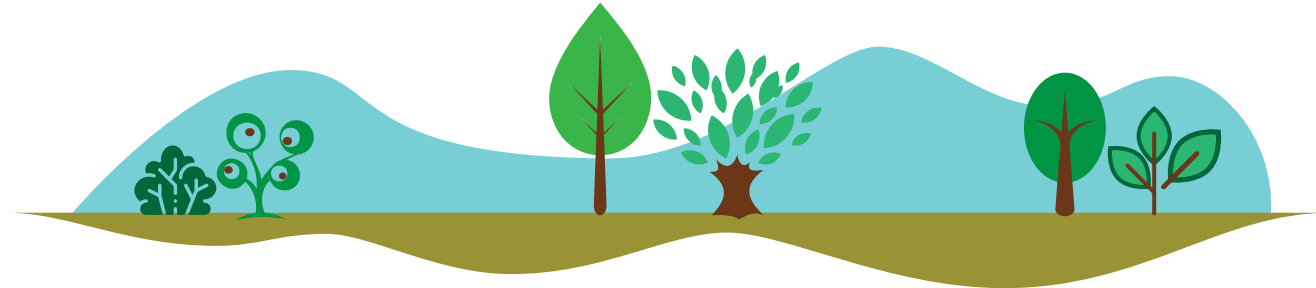
To further support its sustainability efforts, AME maintains a nursery in i-Park where various trees and plants are cultivated to produce seedlings for the landscaping of these green spaces. This approach avoids unnecessary transportation-based emissions associated with procuring seedlings from external sources.

Flora Highlights at AME's HQ

Shrubs & low plants
32 species

Trees and palm
32 species

Plants
81,927



Encouraging Green Transportation

The daily movement of people for work, recreation and general commuting contributes significantly to carbon emissions. Recognising this, AME strongly emphasises promoting green transportation during the design and development stages of its development, including encouraging low-carbon mobility options.

To actively support the reduction of carbon footprints, designated parking areas for green vehicles were provided in i-Park. These initiatives encourage business operators and their employees to choose eco-friendly transportation. Additionally, i-Park@Senai Airport City's properties are equipped with EV charging power points, which facilitate the future installation of charging station by tenants. This initiative promotes the use of electric vehicles as a sustainable transportation option.

Cycling is another mode of transportation strongly encouraged within i-Park. To facilitate this, relevant infrastructure, such as a dedicated cycling path, has been provided, enabling convenient and safe cycling within i-Park.

The i-Stay worker's dormitories have been strategically located within walking distance of the workplace in i-Park, reducing the need for transportation. This proximity allows workers to easily commute by foot, significantly reducing carbon emissions associated with transportation. In support of this initiative, a sheltered pedestrian walkway between the i-Stay worker's dormitories and i-Park, has been provided, further encouraging workers staying in the dormitories to walk to their workplace in i-Park.



Cycling path in i-Park@Senai Airport City



Designated parking areas for green vehicles

Multipurpose Detention Pond at i-Park@Indahpura

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 transformed into a recreational park for communities to enjoy. Considerable efforts have been implemented to beautify the detention pond which is the centrepiece of the park which is open to all.

The pond serves its functional role and provides a habitat for various freshwater fish. Surrounding the pond, a diverse array of trees has been planted, creating natural shading and further enhancing the park's beauty. To ensure the cleanliness and preservation of the park, i-Stay Management organises occasional Gotong-Royong events and invites its tenants to participate. During these events, participants join forces to pick up waste along the park and segregate it for recycling, fostering community engagement and environmental responsibility.



Tree Planting on Earth Day

Tree planting initiatives plays a vital role in mitigating climate change, enhancing biodiversity and improving air quality. Recognising the significance of these efforts, AME takes part in tree planting activities as a way to contribute to the restoration of ecosystems and promote a more vibrant, resilient, and harmonious relationship with nature. In conjunction of Earth Day, AME initiates tree planting activities that aim to create a positive impact on the environment and raise awareness about the importance of preserving our natural surroundings.



Environmental Compliance

Given that AME is engaged in construction, engineering, property development and property investment activities, AME must prioritise strict adherence to environmental laws and regulations. This commitment is essential in effectively managing risks and ensuring environmental sustainability. AME's dedication to this principle aligns with the guidelines set forth in its Sustainability Policy, which underscores the importance of environmental responsibility.

To uphold these commitments, AME implements best management practices that significantly reduce the likelihood of non-compliance issues stemming from its operations.

Whenever necessary, an Environmental Impact Assessment (EIA) is undertaken prior to property development to assess the possible environmental implications of the proposed development and to identify solutions to better manage and minimise environmental harm. AME recognises that instances of environmental non-compliance cases such as improper waste disposal or chemical leakages can cause long term environmental damage and pose a risk to the Company's reputation. Therefore, AME strives to prevent such occurrences at its project sites.

Environmental Management Plan (EMP)

At i-Park, an environmental monitoring report is prepared monthly according to the status inspection of river water quality, quarterly sampling of ambient air and boundary noise monitoring. The environmental monitoring report complements AME's monitoring and audit program, which evaluates the efficacy of existing mitigating measures and identifies opportunities to implement further measures to ensure full compliance 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

The Environmental Compliance Audit (ECA) is an independent third-party audit that investigates an organisation's level of compliance with environmental statutes, regulations, local laws and other criteria. I-Park conducts 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 AME. The audit report also outlines best management practices for specific environmental aspects where opportunities for improvement are identified.



Aerial view of i-Park@Senai Airport City

