

AME Elite Consortium Berhad

Registration No. 201801030789 (1292815-W)
(Incorporated in Malaysia)

**Interim Financial Report
Fourth quarter ended 31 March 2024**

AME Elite Consortium Berhad

Registration No. 201801030789 (1292815-W)
(Incorporated in Malaysia)

Unaudited condensed consolidated statement of financial position As at 31 March 2024

	unaudited 31.3.2024 RM'000	audited 31.3.2023 RM'000
Assets		
Property, plant and equipment	146,912	149,341
Right-of-use assets	12,281	12,740
Investment properties	607,500	548,400
Inventories	8,662	8,662
Investment in joint ventures	1,777	2,335
Deferred tax assets	8,474	11,251
Loan to a joint venture	15,000	10,000
Total non-current assets	<u>800,606</u>	<u>742,729</u>
Inventories	436,551	534,068
Contract costs	73,423	49,146
Contract assets	25,638	60,158
Trade and other receivables	142,754	111,395
Due from a joint venture	621	193
Current tax assets	1,751	3,166
Cash and cash equivalents	279,743	326,924
Total current assets	<u>960,481</u>	<u>1,085,050</u>
Total assets	<u><u>1,761,087</u></u>	<u><u>1,827,779</u></u>
Equity		
Share capital	620,140	620,140
Retained earnings	708,126	645,223
Other reserves	(454,367)	(454,367)
Equity attributable to owners of the Company	<u>873,899</u>	<u>810,996</u>
Non-controlling interests	318,530	309,799
Total equity	<u>1,192,429</u>	<u>1,120,795</u>
Liabilities		
Loans and borrowings ^(a)	37,005	64,710
Trade and other payables	58,812	231,678
Lease liabilities	257	106
Deferred tax liabilities	8,727	6,537
Total non-current liabilities	<u>104,801</u>	<u>303,031</u>

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report)

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**Unaudited condensed consolidated statement of financial position
As at 31 March 2024 (continued)**

	unaudited 31.3.2024 RM'000	audited 31.3.2023 RM'000
Loans and borrowings ^(a)	137,700	119,170
Trade and other payables	275,625	229,873
Contract liabilities	42,273	37,361
Due to minority shareholders	1,884	1,980
Lease liabilities	109	473
Current tax liabilities	6,266	15,096
Total current liabilities	<u>463,857</u>	<u>403,953</u>
Total liabilities	<u>568,658</u>	<u>706,984</u>
Total equity and liabilities	<u>1,761,087</u>	<u>1,827,779</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.37</u>	<u>1.27</u>

(a) See Note B8.

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report)

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Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the fourth quarter ended 31 March 2024

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Revenue	84,821	157,202	716,876	575,912
Cost of sales	(54,437)	(121,643)	(544,722)	(459,157)
Gross profit	30,384	35,559	172,154	116,755
Other income ^(c)	25,242	61,996	41,018	120,702
Distribution expenses	(549)	(1,490)	(6,515)	(6,440)
Administrative expenses	(11,735)	(14,132)	(44,443)	(43,690)
Other expenses	(1)	(3,653)	(1,232)	(4,065)
Results from operating activities	43,341	78,280	160,982	183,262
Finance income	4,007	2,000	12,377	4,993
Finance costs ^(d)	(3,931)	(5,091)	(17,843)	(18,488)
Net finance costs	76	(3,091)	(5,466)	(13,495)
Share of (loss)/profit of equity-accounted joint ventures, net of tax	(98)	(77)	2,664	3,153
Profit before tax	43,319	75,112	158,180	172,920
Tax expense ^(a)	(3,626)	(10,938)	(32,165)	(30,906)
Profit after tax	39,693	64,174	126,015	142,014
Profit attributable to:				
Owners of the Company	26,084	40,381	93,102	101,555
Non-controlling interests	13,609	23,793	32,913	40,459
Profit for the period/year/ Total comprehensive income for the period/year	39,693	64,174	126,015	142,014
Basic earnings per ordinary share (sen) ^(b)	4.08	6.32	14.57	15.85
Diluted earnings per ordinary share (sen) ^(b)	4.08	6.32	14.57	15.85

(a) See Note B5.

(b) See Note B11.

(The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report)

Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the fourth quarter ended 31 March 2024 (continued)

- (c) Included in other income was the fair value gain of RM23.48 million and RM36.60 million during the current quarter and financial year under review respectively.

The total fair value changes of investment properties are as follows:

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Industrial properties sold to AME REIT (realised)	--	^18,455	^11,834	^66,509
Fair value gain on investment properties	*23,477	**42,897	*24,761	**49,755
Total fair value changes on investment properties	<u>23,477</u>	<u>61,352</u>	<u>36,595</u>	<u>116,264</u>

^ The fair value gain net of tax and share by non-controlling interest arising from the sale of 1 plot of industrial property was RM8.99 million during the financial year under review.

* The fair value of investment properties is determined by external independent property valuers. The fair value gain on investment properties net of tax and share by non-controlling interest were RM12.74 million and RM13.33 million during the current quarter and financial year under review.

^^ The fair value gain on the 2 plots and 12 plots of industrial properties net of tax and share by non-controlling interests were RM13.34 million and RM46.73 million during the corresponding quarter and corresponding financial year.

** The fair value gain net of tax and share by non-controlling interest on investment properties were RM20.71 million and RM25.92 million during the corresponding quarter and corresponding financial year.

- (d) The finance costs are as follows:

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Unwinding of discount on the deferred purchase consideration for land acquisitions	*1,702	**2,401	*9,246	**10,043
Loans and borrowings Finance costs	<u>2,229</u>	<u>2,690</u>	<u>8,597</u>	<u>8,445</u>
	<u>3,931</u>	<u>5,091</u>	<u>17,843</u>	<u>18,488</u>

* The unwinding cost of discount on the deferred purchase consideration for land acquisition net of tax was RM1.29 million and RM7.03 million during the current quarter and financial year under review.

** The unwinding cost of discount on the deferred purchase consideration for land acquisition net of tax was RM1.82 million and RM7.63 million during the corresponding quarter and corresponding financial year.

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Unaudited condensed consolidated statement of changes in equity for the year ended 31 March 2024

	← Non-distributable →			Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 April 2022 (Audited)	620,140	--	(452,311)	538,186	706,015	40,666	746,681
Profit and total comprehensive income for the year	--	--	--	101,555	101,555	40,459	142,014
<i>Contributions by and distribution to owners of the Company</i>							
- Own shares acquired	--	(2,056)	--	--	(2,056)	--	(2,056)
- Dividends to owners of the Company	--	--	--	(22,424)	(22,424)	--	(22,424)
- Transaction arising from listing of a subsidiary	--	--	--	28,009	28,009	253,015	281,024
	--	(2,056)	--	5,585	3,529	253,015	256,544
- Changes in ownership interests in a subsidiary that does not result in a loss of control	--	--	--	(103)	(103)	103	--
Total transaction with owners of the Company	--	(2,056)	--	5,482	3,426	253,118	256,544
Acquisition of a subsidiary	--	--	--	--	--	299	299
Issuance of shares to non-controlling interests	--	--	--	--	--	490	490
Redemption of redeemable preference shares in a subsidiary	--	--	--	--	--	(19,200)	(19,200)
Dividends to non-controlling interests in subsidiaries	--	--	--	--	--	(6,033)	(6,033)
At 31 March 2023 (Audited)	620,140	(2,056)	(452,311)	645,223	810,996	309,799	1,120,795

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**Unaudited condensed consolidated statement of changes in equity for the year ended 31 March 2024
 (continued)**

	← Non-distributable →			Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 April 2023 (Audited)	620,140	(2,056)	(452,311)	645,223	810,996	309,799	1,120,795
Profit and total comprehensive income for the year	--	--	--	93,102	93,102	32,913	126,015
<i>Contributions by and distribution to owners of the Company</i>							
- Dividends to owners of the Company	--	--	--	(31,955)	(31,955)	--	(31,955)
- Changes in ownership interests in a subsidiary that does not result in a loss of control	--	--	--	(744)	(744)	744	--
Total transaction with owners of the Company	--	--	--	(32,699)	(32,699)	744	(31,955)
Issuance of shares to non-controlling interests	--	--	--	--	--	49	49
Disposal of a subsidiary interest	--	--	--	2,500	2,500	10,000	12,500
Dividend to non-controlling interests in subsidiaries	--	--	--	--	--	(34,975)	(34,975)
At 31 March 2024 (Unaudited)	620,140	(2,056)	(452,311)	708,126	873,899	318,530	1,192,429

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Unaudited condensed consolidated statement of cash flows for the year ended 31 March 2024

	12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000
Cash flows from operating activities		
Profit before tax	158,180	172,920
Adjustments for:		
Property, plant and equipment:		
- depreciation	5,955	5,562
- gain on disposal	(752)	(527)
- written off	1	153
Depreciation of right-of-use assets	355	441
Share of profit of equity-accounted joint ventures, net of tax	(2,664)	(3,153)
Impairment loss on:		
- trade receivables	883	3,563
- other receivables	--	5
Finance costs	17,843	18,488
Finance income	(12,377)	(4,993)
Unrealised gain on foreign exchange	(67)	(307)
Changes in fair value of investment properties	(36,595)	(116,264)
Operating profit before changes in working capital	130,762	75,888
Changes in inventories	91,088	16,307
Changes in trade and other receivables	(30,475)	(31,759)
Changes in trade and other payables	(136,360)	(14,367)
Changes in contract assets/(liabilities)	39,432	(934)
Changes in contract costs	(24,277)	(1,321)
Changes in amount due from joint ventures	(6)	--
Cash from operations	70,164	43,814
Interest received	10,677	4,800
Interest paid	(8,401)	(8,124)
Tax paid	(34,613)	(34,271)
Net cash from operating activities	37,827	6,219
Cash flows from investing activities		
Acquisition of:		
- property, plant and equipment	(2,369)	(16,980)
- investment properties	(16,076)	(8,767)
- a subsidiary, net of cash & cash equivalents	--	219
Proceeds from disposal of:		
- property, plant and equipment	992	829
- investment in a subsidiary	12,500	--
Investment in a joint venture	--	(500)
Loan to a joint venture	(5,000)	(10,000)
Dividends received from a joint venture	2,800	16,500
Changes in pledged fixed deposits	4,026	(304)
Net cash used in investing activities	(3,127)	(19,003)

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report)

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Unaudited condensed consolidated statement of cash flows for the year ended 31 March 2024 (continued)

	12 months ended	
	31.3.2024	31.3.2023
	RM'000	RM'000
Cash flows from financing activities		
Repayment of hire purchase liabilities	(1,544)	(988)
Net proceeds from short term borrowings	22,053	94,270
Repayment of term loans	(27,334)	(175,172)
Drawdown from term loans	--	10,488
Subscription of shares by non-controlling interests	--	281,514
Payment for repurchase of treasury shares	--	(2,056)
Hire purchase interest paid	(175)	(165)
Payment of lease liabilities	(109)	(181)
Due to minority shareholders	(68)	(10,666)
Settlement of redemption of redeemable preference shares to non-controlling interest	--	(19,200)
Dividends paid to:		
- owners of the Company	(31,955)	(22,424)
- non-controlling interests	(34,975)	(6,033)
Net cash (used in)/from financing activities	<u>(74,107)</u>	<u>149,387</u>
Net (decrease)/increase in cash and cash equivalents	(39,407)	136,603
Cash and cash equivalents as at 1 April	<u>306,269</u>	<u>169,665</u>
Cash and cash equivalents as at 31 March	<u><u>266,862</u></u>	<u><u>306,268</u></u>

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

	12 months ended	
	31.3.2024	31.3.2023
	RM'000	RM'000
Cash and cash equivalents:		
- cash and bank balances	114,589	160,422
- fixed deposits with licensed banks	124,075	150,331
- money market fund with a licensed institution	41,079	16,171
	<u>279,743</u>	<u>326,924</u>
Less: Pledged fixed deposits	(12,881)	(16,907)
Bank overdrafts	--	(3,749)
	<u><u>266,862</u></u>	<u><u>306,268</u></u>

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report)

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Notes to the interim financial report

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

A1. Basis of preparation

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

This interim financial report should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2023 and the accompanying notes attached to the interim financial report.

A2. Significant accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 March 2023.

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

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

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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

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

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

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

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

A3. Auditors' report

The audited consolidated financial statements for the financial year ended 31 March 2023 were not subject to any qualifications.

A4. Seasonal or cyclical factors

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

A5. Unusual items

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

A6. Changes in estimates

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

A7. Debt and equity securities

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

A8. Dividends paid

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

- i) In respect of the financial year ended 31 March 2023
 - an interim single-tier dividend of 3.0 sen per ordinary share totalling RM19.17 million declared on 26 May 2023 and paid on 7 July 2023 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 16 June 2023.
- ii) In respect of the financial year ended 31 March 2024
 - an interim single-tier dividend of 2.0 sen per ordinary share totalling RM12.78 million declared on 23 November 2023 and paid on 5 January 2024 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 15 December 2023.

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

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

A10. Impairment losses

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

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

A11. Segmental information

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

1.1.2024 to 31.3.2024 (4Q2024)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	11,526	41,854	14,126	17,315	84,821	--	84,821
Inter-segment revenue	27,836	--	3,012	6,357	37,205	(37,205)	--
Total revenue	39,362	41,854	17,138	23,672	122,026	(37,205)	84,821
Segment results from operating activities	(354)	6,275	1,653	33,273 ⁽ⁱ⁾	40,847	2,494	43,341
Share of loss of joint ventures							(98)
Finance income							4,007
Finance costs							(3,931)
Profit before tax							43,319
Tax expense							(3,626)
Profit after tax							39,693

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

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)**A11. Segmental information (continued)**

1.1.2023 to 31.3.2023 (4Q2023)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	52,933	77,430	13,098	13,741	157,202	--	157,202
Inter-segment revenue	30,841	--	14,688	10,451	55,980	(55,980)	--
Total revenue	83,774	77,430	27,786	24,192	213,182	(55,980)	157,202
Segment results from operating activities	673	14,842	160	69,167 ⁽ⁱ⁾	84,842	(6,562)	78,280
Share of loss of joint ventures							(77)
Finance income							2,000
Finance costs							(5,091)
Profit before tax							75,112
Tax expense							(10,938)
Profit after tax							64,174

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

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)**A11. Segmental information (continued)**

1.4.2023 to 31.3.2024 (Cumulative 4Q2024)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	148,957	422,495	80,463	64,961	716,876	--	716,876
Inter-segment revenue	132,965	--	60,165	28,199	221,329	(221,329)	--
Total revenue	281,922	422,495	140,628	93,160	938,205	(221,329)	716,876
Segment results from operating activities	3,064	66,281	12,618	82,666 ⁽ⁱ⁾	164,629	(3,647)	160,982
Share of profit of joint ventures							2,664
Finance income							12,377
Finance costs							(17,843)
Profit before tax							158,180
Tax expense							(32,165)
Profit after tax							126,015

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

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)**A11. Segmental information (continued)**

1.4.2022 to 31.3.2023 (Cumulative 4Q2023)	Construction RM'000	Property development RM'000	Engineering RM'000	Investment holding/ Property investment and management services RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	281,486	213,602	35,184	45,640	575,912	--	575,912
Inter-segment revenue	89,321	3,256	32,212	31,530	156,319	(156,319)	--
Total revenue	370,807	216,858	67,396	77,170	732,231	(156,319)	575,912
Segment results from operating activities	7,626	36,235	1,730	147,165 ⁽ⁱⁱ⁾	192,756	(9,494)	183,262
Share of profit of joint ventures							3,153
Finance income							4,993
Finance costs							(18,488)
Profit before tax							172,920
Tax expense							(30,906)
Profit after tax							142,014

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

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

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

On 13 May 2024, the wholly-owned subsidiaries of the Company, Pentagon Land Sdn. Bhd. ("Pentagon") and Greenhill SILC Sdn. Bhd. ("Greenhill") entered into the following agreements with Digital Hyperspace Malaysia Sdn. Bhd. ("DHM" or "Purchaser"):

- a) a conditional sale and purchase agreement to sell seven (7) plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor, all located in i-TechValley within Phase 3 of SILC, measuring approximately 22.42 acres in total land area ("Land 1"), to DHM for a total cash consideration of RM134,794,536 ("Sale Consideration 1") ("SPA 1"); and
- b) a conditional sale and purchase agreement to sell four (4) plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor, all located in i-TechValley within Phase 3 of SILC, measuring approximately 12.49 acres in total land area ("Land 2"), to DHM for a total cash consideration of RM75,049,920 ("Sale Consideration 2") ("SPA 2").

(Land 1 and Land 2 are hereinafter collectively referred to as the "Subject Lands". Sale Consideration 1 and Sale Consideration 2 are hereinafter collectively referred to as the "Total Sale Consideration". SPA 1 and SPA 2 are hereinafter collectively referred to as the "SPAs".)

(collectively referred to as the "Proposed Sale")

The Proposed Sale is subject to the following approvals being obtained:

- 1) from the Johor State Authority in respect of the acquisition of the Subject Lands by DHM pursuant to Section 433B of the National Land Code (Revised 2020), after its application to the Johor State Authority being submitted within an estimated period of 14 days from DHM's solicitors' receipt of all documents required for such application; and
- 2) any other relevant authorities and/or parties, if required (including if the relevant land registry requires a no-objection letter from the Economic Planning Unit (whose role and responsibilities have now been taken over by the Ministry of Economy) ("EPU") for the transfer of the Subject Lands to DHM before registering the relevant instruments of transfer, DHM shall at its own costs apply for and procure the letter from the EPU).

Save as disclosed above, there were no material events subsequent to the end of the current quarter and financial year under review that have not been reflected in the interim financial report.

A13. Changes in the composition of the Group

On 8 November 2023, a new entity, Golden Symphony Sdn. Bhd. was incorporated with an initial share capital of RM2. The principal activity of the entity consists of those relating to property development, investment holding and management of real estate.

On 1 January 2024, the Company acquired 100% shares in Ipark Holdings Sdn. Bhd. The principal activity of the entity consists of those relating to property development, investment holding and management of real estate.

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

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

A14. Contingent assets and contingent liabilities

Contingent liability not considered remote

a) Claim

The Inland Revenue Board conducted a tax audit on a subsidiary and raised an assessment together with a penalty totalling approximately RM7.16 million on 30 June 2021 for Year of Assessment 2018. The Directors believe the subsidiary has a good reasonable ground to defend its position and is currently appealing against the assessment.

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

b) Guarantee

The Company provided a performance guarantee to a customer of a subsidiary to secure an advance payment. A liability from the performance guarantee would only arise in the event the Group fails to fulfill its contractual obligations.

	31.3.2024	31.3.2023
	RM'000	RM'000
Performance guarantee to a customer of the Group	--	45,393
	<u> </u>	<u> </u>
	--	45,393
	<u> </u>	<u> </u>

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

A15. Capital commitments

	31.3.2024	31.3.2023
	RM'000	RM'000
Capital expenditure commitment		
Contracted but not provided for		
Property, plant and equipment		
(Two new blocks of workers' dormitories in iTechValley)	38,445	41,906
	<u> </u>	<u> </u>

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

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

A16. Significant related party transactions

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

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
A. Joint ventures				
Rental income	9	15	44	99
Interest income	110	105	422	193
Loan receivable	5,000	--	5,000	10,000
Contract income	--	54	--	54
Purchase of investment properties	--	(7,440)	--	(7,440)
B. Minority shareholder of subsidiaries				
Interest expenses	(4)	--	(20)	(156)
C. Firm in which a Director has financial interest				
Professional fees	(347)	(381)	(535)	(1,014)
D. Related company of a subsidiary's shareholders				
Contract income	--	274	32	352
E. Company in which close family of a subsidiary's Director has financial interest				
Professional fees	(10)	(8)	(40)	(205)
F. Company in which certain Directors have financial interest				
Contract income	--	--	27	70
G. Company in which a Director of a subsidiary has financial interest				
Service income	--	84	384	293

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

B1. Review of performance

Current quarter against corresponding quarter

	Individual quarter 3 months ended		Changes %
	31.3.2024 RM'000	31.3.2023 RM'000	
Revenue	84,821	157,202	(46)
Gross profit	30,384	35,559	(15)
Share of loss of equity-accounted joint ventures, net of tax	(98)	(77)	27
Earnings before interest and taxes	43,243	78,203	(45)
Profit before tax	43,319	75,112	(42)
Profit after tax	39,693	64,174	(38)
Profit attributable to owners of the Company	<u>26,084</u>	<u>40,381</u>	<u>(35)</u>

The Group's revenue decreased by RM72.38 million due to the decrease in property development revenue of RM35.58 million, construction services revenue of RM41.40 million, partially offset by the increase in engineering services revenue of RM1.03 million and, rental, service income and sale of goods of RM3.57 million.

The Group's property development revenue decreased from RM77.43 million to RM41.85 million, a decrease of approximately 45.95%. The decrease in the revenue was mainly due to the lower stages of work completed and the timing of income recognition.

The Group's construction services revenue decreased from RM52.93 million to RM11.53 million, a decrease of approximately 78.22%. The decrease in revenue was mainly due to the progression in the stage of completion of the on-going construction projects and construction segment's reallocation of resources focusing on industrial property development activities.

The Group's engineering services revenue increased from RM13.10 million to RM14.13 million, which was an increase of approximately 7.86%. The increase in revenue was mainly due to the progression in the stage of completion of the on-going engineering projects.

The Group's rental, service income and sale of goods increased from RM13.74 million to RM17.31 million, which was an increase of approximately 25.98%. The increase in the rental, service income and sale of goods was due to the additional units of factory leased by tenants, higher rental income generated from workers' dormitories and management services income from industrial park tenants.

In line with the lower revenue, the Group recorded a lower gross profit.

The Group's share of loss from equity-accounted joint ventures was due to no sale of industrial properties recorded by the joint ventures.

Overall, the Group recorded lower earnings before interest and taxes, profit before tax, profit after tax and profit attributable to owners of the Company mainly due to lower contributions from property development and construction services and also lower fair value gain on investment properties recognised in the current quarter, whilst RM61.5 million was recognised in the corresponding quarter.

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

B1. Review of performance (continued)

Current financial year against corresponding financial year

	Cumulative quarter 12 months ended		Changes %
	31.3.2024 RM'000	31.3.2023 RM'000	
Revenue	716,876	575,912	24
Gross profit	172,154	116,755	47
Share of profit of equity-accounted joint ventures, net of tax	2,664	3,153	(16)
Earnings before interest and taxes	163,646	186,415	(12)
Profit before tax	158,180	172,920	(9)
Profit after tax	126,015	142,014	(11)
Profit attributable to owners of the Company	<u>93,102</u>	<u>101,555</u>	<u>(8)</u>

The Group's revenue increased by RM140.97 million due to the increase in property development revenue of RM208.90 million, engineering services revenue of RM45.28 million, rental, service income and sale of goods of RM19.32 million, partially offset by the decrease in construction services revenue of RM132.53 million.

The Group's property development revenue increased from RM213.60 million to RM422.50 million, which was an increase of approximately 97.80%. The increase in the revenue was mainly due to the higher stages of work completed and the timing of income recognition.

The Group's engineering services revenue increased from RM35.18 million to RM80.46 million, which was an increase of approximately 128.71%. The increase in revenue was mainly due to the progression in the stage of completion of the on-going engineering projects.

The Group's rental, service income and sale of goods increased from RM45.64 million to RM64.96 million, which was an increase of approximately 42.33%. The increase in the rental, service income and sale of goods was due to the additional units of factory leased by tenants, higher rental income generated from workers' dormitories and management services income from industrial park tenants.

The Group's construction services revenue decreased from RM281.49 million to RM148.96 million, which declined by approximately 47.08%. The decrease in revenue was mainly due to the progression in the stage of completion of the on-going construction projects and construction segment's reallocation of resources focusing on industrial property development activities.

In line with the higher revenue, the Group recorded a higher gross profit.

The Group's share of profit from the equity-accounted joint ventures for the current financial year was mainly due to the revision of cost for the completed projects.

Despite higher revenue, the Group recorded lower earnings before interest and taxes, profit before tax, profit after tax and profit attributable to owners of the Company mainly due to lower fair value gain on investment properties recognised in the current financial year, whilst RM116.26 million was recognised in the corresponding financial year.

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

B2. Comparison with immediate preceding quarter

	Current quarter 31.3.2024 RM'000	Preceding quarter 31.12.2023 RM'000	Changes %
Revenue	84,821	176,210	(52)
Gross profit	30,384	36,525	(17)
Share of loss of equity-accounted joint ventures, net of tax	(98)	(85)	15
Earnings before interest and taxes	43,243	39,866	8
Profit before tax	43,319	38,118	14
Profit after tax	39,693	28,457	39
Profit attributable to owners of the Company	<u>26,084</u>	<u>21,917</u>	<u>19</u>

The decrease in the Group's revenue was mainly due to the decrease in property development revenue, construction services revenue and engineering services revenue. In line with the lower revenue, the Group recorded lower gross profit.

The Group's share of loss from equity-accounted joint ventures was due to no sale of industrial properties recorded by the joint ventures.

Despite lower revenue, the Group recorded higher earnings before interest and taxes, profit before tax, profit after tax and profit attributable to owners of the Company as there were no fair value gain on investment properties recognised in the preceding quarter.

B3. Prospects for the Group for the financial year ending 31 March 2025 ("FY 2025")

The upcoming connectivity projects in Johor such as JB-SG Rapid Transit System Link (RTS), potential revival of the KL-SG High-Speed Rail (HSR) and establishment of Johor-Singapore Special Economic Zone (SEZ), the industrial property sector is expected to remain active, supported by the domestic and foreign direct investment inflows.

Our industrial parks are located at a strategic locations near to the expressway making it an ideal choice for companies seeking to expand in Johor. We have experienced strong demand for our industrial properties, as well as growth in rental income and value of our investment properties. We have also been able to attract more Multinational Corporations ("MNCs") to operate in our industrial parks which we believe has helped to attract other MNCs and local enterprises to purchase or lease property units within our industrial parks.

We will continue developing i-TechValley at SILC and i-Park @ Senai Airport City (Phase 3) to improve the Group's profitability. The joint venture entity, Suling Hill Development Sdn Bhd ("Suling Hill") targets to develop an integrated 175 acres industrial park in Perai, Penang during FY 2025 which will sustain the Group's long-term growth.

The strong net cash position bodes well for future industrial property development and investment projects. We continue to identify and transform suitable landbank, to replicate our i-Park model in the southern, central and northern regions of Peninsular Malaysia.

Overall, the Board of Directors expects the Group to achieve better financial performance for the FY 2025 premised on the abovementioned factors.

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

B4. Profit forecast

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

B5. Tax expense

Income tax expenses on continuing operations comprise the following:

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Current				
Tax expense	1,727	10,066	27,198	35,562
Deferred tax expenses/(income)	(273)	(3,296)	2,795	(8,824)
Real Property Gains Tax	2,172	4,168	2,172	4,168
	<u>3,626</u>	<u>10,938</u>	<u>32,165</u>	<u>30,906</u>

The Group's effective tax rate for the current quarter under review and financial year under review were lower than the statutory tax rate mainly due to deferred tax liabilities on the fair value gain on investment properties which was subject to RPGT at a rate of 10%

B6. Status of corporate proposals

(i) Acquisition of seventy-two (72) plots of freehold industrial land in Phase 3, Southern Industrial & Logistics Clusters (SiLC) in Iskandar Puteri, Johor

On 30 December 2020, wholly owned subsidiaries of the Company, Pentagon Land Sdn Bhd ("Pentagon") and Greenhill SiLC Sdn Bhd ("Greenhill") (Pentagon and Greenhill are collectively defined as "Purchaser") entered into the following agreements with UEM Land Berhad ("UEM") and Nusajaya Heights Sdn Bhd ("NHSB") (UEM and NHSB are collectively defined as "Vendor"), both being the subsidiaries of UEM Sunrise Berhad.

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

(Collectively referred to as the "Land Acquisitions")

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

B6. Status of corporate proposals (continued)

(i) Acquisition of seventy-two (72) plots of freehold industrial land in Phase 3, Southern Industrial & Logistics Clusters (SiLC) in Iskandar Puteri, Johor (continued)

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

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

The Vendor obtained the remaining 1 Bumi Plot on 13 March 2024. Pursuant thereto, the last condition precedent to SPA 2 has been obtained and SPA 2 became unconditional on the same date.

(ii) Acquisition and development of sixteen (16) pieces of freehold vacant land in Mukim 19, District of Seberang Perai Tengah, State of Penang

On 18 August 2022, Suling Hill Development Sdn. Bhd. (“Suling Hill” or “Purchaser”) entered into a conditional Sale and Purchase Agreement (“SPA”) with Waz Lian Holdings Sdn Bhd (“Waz Lian Holdings” or “Vendor”) for the proposed acquisition and development of sixteen (16) pieces of freehold vacant land in Mukim 19, District of Seberang Perai Tengah, State of Penang, measuring approximately 175.98 acres (“Lands”) for a total consideration of RM130 million, payable in following manner:

- a) RM80.0 million by way of cash (“Purchase Price”) to be paid based on following tranches:
 - i) RM4.0 million as the deposit;
 - ii) RM16.0 million as 20% of the Purchase Price; and
 - iii) Subject to salient terms of the SPA, RM60.0 million as 75% of the Purchase Price,
- b) Subject to the Vendor procuring the issuance of Form 5A, RM50.0 million by way of properties (“In-Kind Properties”).

The Vendor had informed Suling Hill that there are still persons occupying part of Lot 1362 and/or the structures erected by such persons are still present on part of Lot 1362 (Occupied Portion). On 19 October 2023, the Purchaser had mutually agreed that the sale and purchase of Lot 1362 shall exclude the Occupied Portion and following Clause 4.2 of the SPA,

- a) the aggregate area of the Lands is adjusted from 175.98 acres (712,179.1915 square meter) to 175.63 acres (710,763.1915 square meter);
- b) the purchase price in respect of Lot 1362 is adjusted from RM3.12 million to RM2.96 million;
- c) the aggregate Purchase Price of the Lands is adjusted from RM80.00 million to RM79.84 million; and
- d) the 75% Balance is adjusted from RM60.00 million to RM59.84 million.

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

B6. Status of corporate proposals (continued)

(ii) Acquisition and development of sixteen (16) pieces of freehold vacant land in Mukim 19, District of Seberang Perai Tengah, State of Penang (continued)

The In-Kind Properties delivery date shall be extended to within 34 months from the date of the SPA (i.e. 18 June 2025) or the date of receipt by the Purchaser of Conversion Approval (i.e. Form 5A), whichever is later.

On 6 February 2024, the Purchaser received Borang C1 (i.e. planning permission of the Intended Development). The completion period was 2 months from 6 February 2024.

The payment of 75% adjusted balance had been made on 3 April 2024 and the completion date of the SPA fell on the same date.

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

B7. Utilisation of proceeds from the Public Issue

- a) The gross proceeds raised from the Public Issue of AME REIT of approximately RM287.92 million is expected to be utilised in the following manner:

Details of use of proceeds	Estimated time frame for the use of proceeds upon Listing	Initial proposed utilisation ⁽ⁱ⁾ RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Future industrial property development and investment projects including and acquisitions and joint ventures	Within 24 months	173,469	174,404	(143,820)	30,584
Repayment of borrowings	Within 3 months	110,000	110,000	(110,000)	--
Estimated listing expenses	Within 1 month	4,455	3,520	(3,520) ⁽ⁱⁱ⁾	--
		<u>287,924</u>	<u>287,924</u>	<u>(257,340)</u>	<u>30,584</u>

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

- (ii) The actual listing expenses incurred of RM3.52 million is lower than the estimated amount of RM4.46 million, therefore the excess amount of RM0.94 million will be used for future industrial property development and investment.

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

B7. Utilisation of proceeds from the Public Issue (continued)

- b) On 5 December 2022, the Company announced that AME Development Sdn Bhd and Ipark Development Sdn Bhd, subsidiaries of the Company had on 5 December 2022 entered into three conditional sale and purchase agreements with RHB Trustees Berhad, being the trustee of AME REIT to dispose of 3 industrial properties, being Plot 15 Indahpura, Plot 16 Indahpura and Plot 43 SAC for a total consideration for RM69.25 million (“Disposals”).

The utilisation of proceed from the Disposals is as follows:

Details of use of proceeds	Estimated timeframe for the use of proceeds from the date of completion of the respective Disposals	Initial proposed utilisation ⁽ⁱ⁾ RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Future industrial property development and investment projects and working capital purposes	Within 36 months	64,987	65,066	--	65,066
Repayment of borrowings for Plot 43 SAC	Within 1 month	4,063	4,063	(4,063)	--
Estimated expenses for the Disposals	Within 1 month	200	121	(121) ⁽ⁱⁱ⁾	--
		69,250	69,250	(4,184)	65,066

- (i) The initial utilisation of the proceeds from the Disposals as disclosed above should be read in conjunction with the Announcement made on 5 December 2022.
- (ii) The actual expenses incurred of RM121,000 is lower than the estimated amount of RM200,000, therefore the excess amount of RM79,000 will be used for future industrial and property development and investment.

B8. Borrowings and debt securities

	31.3.2024 RM'000	31.3.2023 RM'000
Secured		
Non-current		
Term loans	34,442	61,774
Hire purchase liabilities	2,563	2,936
	37,005	64,710
Current		
Term loans	3,552	3,554
Revolving credit	132,579	110,526
Hire purchase liabilities	1,569	1,342
Bank overdrafts	--	3,748
	137,700	119,170
	174,705	183,880

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

B9. Material litigations

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

B10. Dividends payable

On 30 May 2024, the Board of Directors declared an interim single-tier dividend of 4.0 sen per ordinary in respect of the financial year ended 31 March 2024, which will be payable on 12 July 2024 to shareholders whose names appear in the Record of Depositors of the Company at the close of the business on 21 June 2024.

B11. Earnings per share (“EPS”)

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

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
Net profit attributable to the owners of the Company (RM'000)	26,084	40,381	93,102	101,555
Weighted average number of ordinary shares in issue ('000)	639,093	639,093	639,093	640,728
Basic EPS (sen) ⁽ⁱ⁾	4.08	6.32	14.57	15.85
Diluted EPS (sen) ⁽ⁱⁱ⁾	<u>4.08</u>	<u>6.32</u>	<u>14.57</u>	<u>15.85</u>

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

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

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

B12. Revenue

Disaggregation of revenue

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Revenue from contracts with customers				
Construction contract - over time	25,652	66,031	229,420	316,670
Sales of properties under development - over time	41,854	44,314	355,070	116,660
Sales of completed properties and land - at a point in time	--	33,117	67,425	96,941
Service income - over time	510	119	1,606	1,052
Sales of goods - at a point in time	995	457	3,903	457
	69,011	144,038	657,424	531,780
Other revenue				
Rental income	15,810	13,164	59,452	44,132
Total revenue	<u>84,821</u>	<u>157,202</u>	<u>716,876</u>	<u>575,912</u>

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

B13. Profit before tax

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of:				
- property, plant and equipment	1,521	1,324	5,955	5,562
- right-of-use assets	93	192	355	441
Expenses relating to short term leases ⁿ¹	1,447	10,779	17,989	25,772
Rental income of premises	(4)	(14)	(287)	(269)
Gain on disposal of:				
- property, plant and equipment	(326)	(35)	(752)	(527)
Loss/(Gain) on foreign exchange:				
- realised	(165)	30	(134)	(584)
- unrealised	(25)	(297)	(67)	(307)
Impairment loss on:				
- trade receivables	--	3,563	883	3,563
- other receivables	--	5	--	5
Late payment interest income from Purchasers or tenants	(13)	(36)	(245)	(146)
Income from forfeited deposits	(7)	(20)	(52)	(40)
Property, plant and equipment written off	--	--	1	153
Changes in fair value of Investment Properties ⁿ²	<u>(23,477)</u>	<u>(61,352)</u>	<u>(36,595)</u>	<u>(116,264)</u>

ⁿ¹ The Group leases office equipment, machineries, cranes, hostels and buildings with contract terms of less than 1 year. These leases are short-term. The Group has opted not to recognise right-of-use assets and lease liabilities for these leases.

ⁿ² See Page 4, note (ii).