

**AME Elite Consortium Berhad**

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

**Interim Financial Report**  
**First quarter ended 30 June 2023**

## AME Elite Consortium Berhad

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

### Unaudited condensed consolidated statement of financial position As at 30 June 2023

	unaudited 30.6.2023 RM'000	audited 31.3.2023 RM'000
<b>Assets</b>		
Property, plant and equipment	148,052	149,341
Right-of-use assets	12,625	12,740
Investment properties	548,594	548,400
Inventories	8,662	8,662
Investment in joint ventures	5,023	2,335
Deferred tax assets	9,296	11,251
Loan to a joint venture	10,000	10,000
<b>Total non-current assets</b>	<u>742,252</u>	<u>742,729</u>
Inventories	453,089	534,068
Contract costs	68,332	49,146
Contract assets	72,837	60,158
Trade and other receivables	72,208	111,395
Due from a joint venture	317	193
Current tax assets	2,665	3,166
Cash and cash equivalents	399,092	326,924
<b>Total current assets</b>	<u>1,068,540</u>	<u>1,085,050</u>
<b>Total assets</b>	<u><u>1,810,792</u></u>	<u><u>1,827,779</u></u>
<b>Equity</b>		
Share capital	620,140	620,140
Retained earnings	668,452	645,223
Other reserves	(454,367)	(454,367)
<b>Equity attributable to owners of the Company</b>	<u>834,225</u>	<u>810,996</u>
Non-controlling interests	311,981	309,799
<b>Total equity</b>	<u>1,146,206</u>	<u>1,120,795</u>
<b>Liabilities</b>		
Loans and borrowings <sup>(i)</sup>	52,843	64,710
Trade and other payables	240,644	231,678
Lease liabilities	340	106
Deferred tax liabilities	5,854	6,537
<b>Total non-current liabilities</b>	<u>299,681</u>	<u>303,031</u>

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

**AME Elite Consortium Berhad**

Registration No. 201801030789 (1292815-W)  
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**Unaudited condensed consolidated statement of financial position**  
**As at 30 June 2023 (continued)**

	<b>unaudited</b> <b>30.6.2023</b> <b>RM'000</b>	<b>audited</b> <b>31.3.2023</b> <b>RM'000</b>
Loans and borrowings <sup>(i)</sup>	121,909	119,170
Trade and other payables	205,580	229,873
Contract liabilities	27,557	37,361
Due to minority shareholders	933	1,980
Lease liabilities	187	473
Current tax liabilities	8,739	15,096
<b>Total current liabilities</b>	<u>364,905</u>	<u>403,953</u>
<b>Total liabilities</b>	<u>664,586</u>	<u>706,984</u>
<b>Total equity and liabilities</b>	<u>1,810,792</u>	<u>1,827,779</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>1.31</u>	<u>1.27</u>

(i) See Note B8.

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

**AME Elite Consortium Berhad**  
 Registration No. 201801030789 (1292815-W)  
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**Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the first quarter ended 30 June 2023**

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
Revenue	222,510	136,895	222,510	136,895
Cost of sales	(167,422)	(113,626)	(167,422)	(113,626)
<b>Gross profit</b>	55,088	23,269	55,088	23,269
Other income	838	1,412	838	1,412
Distribution expenses	(4,085)	(740)	(4,085)	(740)
Administrative expenses	(13,093)	(8,655)	(13,093)	(8,655)
Other expenses	(101)	(59)	(101)	(59)
<b>Results from operating activities</b>	38,647	15,227	38,647	15,227
Finance income	2,578	650	2,578	650
Finance costs <sup>(i)</sup>	(4,617)	(4,375)	(4,617)	(4,375)
<b>Net finance costs</b>	(2,039)	(3,725)	(2,039)	(3,725)
Share of profit/(loss) of equity-accounted joint ventures, net of tax	2,689	(167)	2,689	(167)
<b>Profit before tax</b>	39,297	11,335	39,297	11,335
Tax expense	(9,242)	(3,794)	(9,242)	(3,794)
<b>Profit for the period/ Total comprehensive income for the period</b>	30,055	7,541	30,055	7,541
<b>Profit attributable to:</b>				
Owners of the Company	23,269	6,085	23,269	6,085
Non-controlling interests	6,786	1,456	6,786	1,456
<b>Profit for the period Total comprehensive income for the period</b>	30,055	7,541	30,055	7,541
<b>Basic earnings per ordinary share (sen) <sup>(ii)</sup></b>	3.64	0.95	3.64	0.95
<b>Diluted earnings per ordinary share (sen) <sup>(ii)</sup></b>	3.64	0.95	3.64	0.95

(The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Audited Annual Financial Report 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 first quarter ended 30 June 2023 (continued)

(i) The finance costs are as follows:

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
Unwinding of discount on the deferred purchase consideration for land acquisitions	*2,513	**2,675	*2,513	**2,675
Loans and borrowings				
Finance costs	2,104	1,700	2,104	1,700
	<u>4,617</u>	<u>4,375</u>	<u>4,617</u>	<u>4,375</u>

\* The unwinding cost of discount on the deferred purchase consideration for land acquisition net of tax were RM1.91 million during the current quarter and financial period under review.

\*\* The unwinding cost of discount on the deferred purchase consideration for land acquisition net of tax were RM2.03 million during the corresponding quarter and corresponding financial period.

(ii) See Note B11.

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

## AME Elite Consortium Berhad

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### Unaudited condensed consolidated statement of changes in equity for the period ended 30 June 2023

	← 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		
<b>At 1 April 2022</b>	620,140	--	(452,311)	538,186	706,015	40,666	746,681
Profit and total comprehensive income for the period	--	--	--	6,085	6,085	1,456	7,541
Acquisition of a subsidiary	--	--	--	--	--	299	299
<b>At 30 June 2022</b>	620,140	--	(452,311)	544,271	712,100	42,421	754,521
<b>At 1 April 2023</b>	620,140	(2,056)	(452,311)	645,223	810,996	309,799	1,120,795
Profit and total comprehensive income for the period	--	--	--	23,269	23,269	6,786	30,055
<i>Contributions by and distribution to owners of the Company</i>							
- Changes in ownership interests in a subsidiary that does not result in a loss of control	--	--	--	(40)	(40)	40	--
<b>Total transaction with owners of the Company</b>	--	--	--	(40)	(40)	40	--
Dividend to non-controlling interests in a subsidiary	--	--	--	--	--	(4,644)	(4,644)
<b>At 30 June 2023</b>	620,140	(2,056)	(452,311)	668,452	834,225	311,981	1,146,206

**AME Elite Consortium Berhad**  
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**Unaudited condensed consolidated statement of cash flows for the period ended 30 June 2023**

	3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	39,297	11,335
Adjustments for:		
Property, plant and equipment:		
- depreciation	1,491	1,435
- gain on disposal	(164)	(268)
Depreciation of right-of-use assets	89	62
Share of (profit)/loss of equity-accounted joint ventures, net of tax	(2,689)	167
Finance costs	4,617	4,375
Finance income	(2,578)	(650)
Unrealised loss/(gain) on foreign exchange	26	(7)
<b>Operating profit before changes in working capital</b>	<u>40,089</u>	<u>16,449</u>
Changes in inventories	80,979	26,782
Changes in trade and other receivables	39,161	1,780
Changes in trade and other payables	(17,839)	(7,377)
Changes in contract assets/(liabilities)	(22,483)	(30,179)
Changes in contract costs	(19,186)	(31,430)
Changes in amount due from joint ventures	(22)	--
<b>Cash used from/(used in) operations</b>	<u>100,699</u>	<u>(23,975)</u>
Interest received	2,476	650
Interest paid	(2,052)	(1,600)
Tax paid	(13,826)	(2,387)
<b>Net cash from/(used in) operating activities</b>	<u>87,297</u>	<u>(27,312)</u>
<b>Cash flows from investing activities</b>		
Acquisition of:		
- property, plant and equipment	(289)	(8,698)
- investment properties	(194)	(186)
- a subsidiary, net of cash & cash equivalents	--	219
Proceeds from disposal of:		
- property, plant and equipment	313	371
Dividends received from a joint venture	--	7,500
Changes in pledged deposits	881	2,862
<b>Net cash used in investing activities</b>	<u>711</u>	<u>2,068</u>

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Annual Financial Report 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 period ended 30 June 2023 (continued)

	3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000
<b>Cash flows from financing activities</b>		
Repayment of hire purchase liabilities	(480)	(342)
Net proceeds/(repayment) from short term borrowings	6,490	(15,335)
Repayment of term loans	(11,452)	(7,210)
Drawdown from term loans	--	6,399
Hire purchase interest paid	(47)	(29)
Due to minority shareholders	(1,052)	490
Payment of lease liabilities	(26)	--
Dividends paid to non-controlling interests	(4,644)	(1,000)
<b>Net cash used in financing activities</b>	<u>(11,211)</u>	<u>(17,027)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	76,797	(42,271)
<b>Cash and cash equivalents as at 1 April</b>	<u>306,269</u>	<u>169,665</u>
<b>Cash and cash equivalents as at 30 June</b>	<u><u>383,066</u></u>	<u><u>127,394</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:

	3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000
Cash and cash equivalents:		
- cash and bank balances	135,972	75,894
- fixed deposits with licensed banks	235,803	60,916
- money market fund with a licensed institution	27,317	6,441
	<u>399,092</u>	<u>143,251</u>
Less: Pledged deposits	(16,026)	(13,741)
Bank overdrafts	--	(2,116)
	<u><u>383,066</u></u>	<u><u>127,394</u></u>

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the Audited Annual Financial Report 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 and Classification of Liabilities as Current or Non-current*
- 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 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.

#### 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.

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

### **A5. Unusual items**

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

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

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

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

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

### **A8. Dividends paid**

There were no dividends paid during the current quarter and financial period under review.

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

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



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

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

<b>1.4.2022 to 30.6.2022 (1Q2023)</b>	<b>Construction RM'000</b>	<b>Property development RM'000</b>	<b>Engineering RM'000</b>	<b>Investment holding/ Property investment and management services RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
Revenue from external customers	87,892	32,340	5,214	11,449	136,895	--	136,895
Inter-segment revenue	18,277	3,256	6,354	3,060	30,947	(30,947)	--
<b>Total revenue</b>	<b>106,169</b>	<b>35,596</b>	<b>11,568</b>	<b>14,509</b>	<b>167,842</b>	<b>(30,947)</b>	<b>136,895</b>
Segment results from operating activities	2,845	5,357	319	9,181	17,702	(2,475)	15,227
Share of loss of a joint venture							(167)
Finance income							650
Finance costs							(4,375)
<b>Profit before tax</b>							<b>11,335</b>
Tax expense							(3,794)
<b>Profit after tax</b>							<b>7,541</b>

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

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

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

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

There were no changes in the composition of the Group for the current quarter and financial period under review.

### A14. Contingent assets and contingent liabilities

#### Contingent liability not considered remote

##### a) Claim

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

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

##### 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.

	<b>30.6.2023</b> <b>RM'000</b>	<b>31.3.2023</b> <b>RM'000</b>
Performance guarantee to a customer of the Group	<u>37,024</u>	<u>45,393</u>

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

### A15. Capital commitments

	<b>30.6.2023</b> <b>RM'000</b>	<b>31.3.2023</b> <b>RM'000</b>
<b>Capital expenditure commitment</b>		
<b>Contracted but not provided for</b>		
Property, plant and equipment (Two new blocks of workers' dormitories in iTechValley)	<u>41,906</u>	<u>41,906</u>

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

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

### A16. Significant related party transactions

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

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
<b>A. Joint ventures</b>				
Rental income	5	24	5	24
Interest income	102	--	102	--
<b>B. Minority shareholder of subsidiaries</b>				
Interest expenses	(5)	(71)	(5)	(71)
<b>C. Firm in which a Director has financial interest</b>				
Professional fees	(44)	(42)	(44)	(42)
<b>D. Related company of a subsidiary's shareholders</b>				
Contract income	32	--	32	--
<b>E. Company in which close family of a subsidiary's Director has financial interest</b>				
Professional fees	(10)	--	(10)	--
<b>F. Company in which certain Directors have financial interest</b>				
Contract income	27	--	27	--
<b>G. Company in which a Director of a subsidiary has financial interest</b>				
Service income	86	--	86	--

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

### B1. Review of performance

#### Current quarter against corresponding quarter

	Individual quarter 3 months ended		Changes %
	30.6.2023 RM'000	30.6.2022 RM'000	
Revenue	222,510	136,895	63
Gross profit	55,088	23,269	137
Share of profit/(loss) of equity-accounted joint ventures, net of tax	2,689	(167)	1,710
Earnings before interest and taxes	41,336	15,060	174
Profit before tax	39,297	11,335	247
Profit after tax	30,055	7,541	299
Profit attributable to owners of the Company	<u>23,269</u>	<u>6,085</u>	<u>282</u>

The Group's revenue increased by RM85.62 million due to the increase in property development revenue of RM111.03 million, engineering services revenue of RM10.06 million, rental and service income of RM3.44 million, partially offset by the decrease in construction services revenue of RM38.91 million.

The Group's property development revenue increased from RM32.34 million to RM143.37 million, which was an increase of approximately 343.3%. 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 RM5.21 million to RM15.27 million, which was an increase of approximately 193.09%. 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 and service income increased from RM11.45 million to RM14.89 million, which was an increase of approximately 30.04%. The increase in the rental and service income 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 RM87.89 million to RM48.98 million, which declined by approximately 44.27%. The decrease in revenue was mainly due to the progression in the stage of completion of the on-going construction projects.

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

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

Overall, the Group recorded higher earnings before interest and taxes, profit before tax, profit after tax and profit attributable to owners of the Company mainly due to higher contributions from property development, engineering services, property investment and management services segment, as well as the Group's share of profit from the equity accounted joint ventures.

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

### B2. Comparison with immediate preceding quarter

	Current quarter 30.6.2023 RM'000	Preceding quarter 31.3.2023 RM'000	Changes %
Revenue	222,510	157,202	42
Gross profit	55,088	35,559	55
Share of profit/(loss) of equity-accounted joint ventures, net of tax	2,689	(77)	3,592
Earnings before interest and taxes	41,336	78,203	(47)
Profit before tax	39,297	75,112	(48)
Profit after tax	30,055	64,174	(53)
Profit attributable to owners of the Company	<u>23,269</u>	<u>40,381</u>	<u>(42)</u>

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

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 the fair value gain on investment properties recognised in the preceding quarter.

### B3. Prospects for the Group for the financial year ending 31 March 2024 ("FY 2024")

Johor continues to attract strong interest from domestic and foreign investors and remains the top investment destination in Malaysia. In 2022, Johor had secured foreign direct investment of RM70.6 billion which accounted for 43% of the total foreign direct investment of RM163.3 billion, the highest approved figure in the country.

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 have also commenced the development of our new industrial park, namely i-TechValley in quarter 1 of 2023 and we will continue developing i-Park @ Senai Airport City (Phase 3) to improve the Group's profitability.

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

The listing of AME REIT on the main market of Bursa Malaysia Securities Berhad was completed on 20 September 2022. The strong net cash position bodes well for future industrial property development and investment projects.

Overall, the Board of Directors expects the Group to achieve satisfactory financial performance for the FY 2024 premised on the abovementioned factors.



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

### B4. Profit forecast

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

### B5. Tax expense

Income tax expenses on continuing operations comprise the following:

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
<b>Current</b>				
Tax expense	7,970	2,708	7,970	2,708
Deferred tax expenses	1,272	1,086	1,272	1,086
	<u>9,242</u>	<u>3,794</u>	<u>9,242</u>	<u>3,794</u>

The Group's effective tax rate for the current quarter and current financial period under review was lower than the corresponding quarter mainly due to a subsidiary, AME Real Estate Investment Trust ("AME REIT"). As AME REIT expects to distribute more than 90% of its distribution income, its distribution income will be tax exempt.

### B6. Status of corporate proposals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On 28 June 2023, it was announced that the parties to SPA 2 mutually agreed to extend the cut-off date to 30 August 2023 for the Vendor to obtain the Bumi Release for the remaining 1 Bumi Plot under SPA 2.

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

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

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

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

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

- (ii) On 18 August 2022, Suling Hill Development Sdn. Bhd. (“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 (“Proposed Acquisition”), 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.

On 18 August 2023, Purchaser and Vendor have mutually agreed to further vary and substitute the terms of the SPA (“Variations”). In view of the variation, the Board of Directors are of the view that the Proposed Acquisition is expected to be completed on or before 18 June 2025.

- (iii) On 5 December 2022, AME Development Sdn. Bhd. and Ipark Development Sdn. Bhd., subsidiaries of the Company have entered into three conditional sale and purchase agreements with RHB Trustees Berhad, being the trustee of AME Real Estate Investment Trust (“AME REIT”) to dispose of Plot 15 Indahpura, Plot 16 Indahpura and Plot 43 SAC for a total cash consideration for RM69.25 million.

The three sale and purchase agreements became unconditional on 27 February 2023 upon the approval obtained by AME REIT from its unitholders for the acquisition of the three properties.

The disposal of Plot 15 Indahpura and Plot 43 SAC was completed on 24 March 2023 whilst barring any unforeseen circumstances, the disposal of Plot 16 Indahpura is expected to be completed by the 4<sup>th</sup> quarter of calendar year 2023 (i.e.3Q2024).

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

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

### 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 <sup>(i)</sup> 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	--	174,404
Repayment of borrowings	Within 3 months	110,000	110,000	(110,000)	--
Estimated listing expenses	Within 1 month	4,455	3,520	(3,520) <sup>(ii)</sup>	--
		<u>287,924</u>	<u>287,924</u>	<u>(113,520)</u>	<u>174,404</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.

- 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	Proposed utilisation <sup>(i)</sup> 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 <sup>(ii)</sup>	--	64,987
Repayment of borrowings for Plot 43 SAC	Within 1 month	4,063	(4,063)	--
Estimated expenses for the Disposals	Within 1 month	200	(108)	92
		<u>69,250</u>	<u>(4,171)</u>	<u>65,079</u>

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

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

- (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 balance disposal consideration of RM25.97 million of Plot 16 Indahpura is expected to be received by the fourth quarter of calendar year 2023 (i.e.3Q2024).

### B8. Borrowings and debt securities

	30.6.2023 RM'000	31.3.2023 RM'000
<b>Secured</b>		
<b>Non-current</b>		
Term loans	50,316	61,774
Hire purchase liabilities	2,527	2,936
	52,843	64,710
<b>Current</b>		
Term loans	3,560	3,554
Revolving credit	117,016	110,526
Hire purchase liabilities	1,333	1,342
Bank overdrafts	--	3,748
	121,909	119,170
	174,752	183,880

### 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 26 May 2023, the Board of Directors declared an interim single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 March 2023, which was paid on 7 July 2023 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 16 June 2023.

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

### B11. Earnings per share (“EPS”)

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

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
Net profit attributable to the owners of the Company (RM'000)	23,269	6,085	23,269	6,085
Weighted average number of ordinary shares in issue ('000)	639,093	640,673	639,093	640,673
Basic EPS (sen) <sup>(i)</sup>	3.64	0.95	3.64	0.95
Diluted EPS (sen) <sup>(ii)</sup>	3.64	0.95	3.64	0.95

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

(ii) The Company has no outstanding dilutive potential ordinary shares as at end of the current quarter and financial period under review. The existing warrants have not been included in the calculation of diluted EPS as these warrants are anti-dilutive.

### B12. Revenue

#### Disaggregation of revenue

	Individual quarter 3 months ended		Cumulative quarter 3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
<b>Revenue from contracts with customers</b>				
Construction contract - over time	64,243	93,106	64,243	93,106
Sales of properties under development - over time	97,467	15,340	97,467	15,340
Sales of completed properties and land - at a point in time	45,907	17,000	45,907	17,000
Service income - over time	322	246	322	246
Sales of goods - at a point in time	773	--	773	--
	208,712	125,692	208,712	125,692
<b>Other revenue</b>				
Rental income	13,798	11,203	13,798	11,203
<b>Total revenue</b>	<b>222,510</b>	<b>136,895</b>	<b>222,510</b>	<b>136,895</b>

## 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 3 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
<b>Profit before tax is arrived at after charging/(crediting):</b>				
Depreciation of:				
- property, plant and equipment	1,491	1,435	1,491	1,435
- right-of-use assets	89	62	89	62
Expenses relating to short term leases of:				
- equipment	5,303	3,130	5,303	3,130
- premises	359	344	359	344
Rental income of premises	(68)	(54)	(68)	(54)
Gain on disposal of:				
- property, plant and equipment	(164)	(268)	(164)	(268)
Loss/(Gain) on foreign exchange:				
- realised	(51)	(4)	(51)	(4)
- unrealised	26	(7)	26	(7)
Late payment interest income from purchasers	(61)	(44)	(61)	(44)