

AME Elite Consortium Berhad

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

**Interim Financial Report
Second quarter ended 30 September 2024**

AME Elite Consortium Berhad

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

Unaudited condensed consolidated statement of financial position As at 30 September 2024

	unaudited 30.9.2024 RM'000	As re-stated 31.3.2024 RM'000
Assets		
Property, plant and equipment	145,980	146,912
Right-of-use assets	12,282	12,280
Investment properties	613,609	607,500
Inventories	8,662	8,662
Investment in joint ventures ^(b)	16,158	17,392
Deferred tax assets	9,664	9,172
Loan to a joint venture ^(b)	--	--
Total non-current assets	<u>806,355</u>	<u>801,918</u>
Inventories	457,565	436,551
Contract costs	145,759	73,423
Contract assets	37,814	25,638
Trade and other receivables	179,303	142,754
Due from a joint venture ^(b)	38	6
Current tax assets	3,286	1,942
Deposits, cash and bank balances	264,493	279,743
Total current assets	<u>1,088,258</u>	<u>960,057</u>
Total assets	<u><u>1,894,613</u></u>	<u><u>1,761,975</u></u>
Equity		
Share capital	620,140	620,140
Retained earnings	719,462	708,124
Other reserves	(454,367)	(454,367)
Equity attributable to owners of the Company	<u>885,235</u>	<u>873,897</u>
Non-controlling interests	320,496	318,530
Total equity	<u>1,205,731</u>	<u>1,192,427</u>
Liabilities		
Loans and borrowings ^(a)	32,998	37,006
Lease liabilities	367	257
Trade and other payables	20,265	58,527
Deferred tax liabilities	9,103	9,425
Total non-current liabilities	<u>62,733</u>	<u>105,215</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 2024 and the accompanying explanatory notes attached to this interim financial report)

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**Unaudited condensed consolidated statement of financial position
As at 30 September 2024 (continued)**

	unaudited 30.9.2024 RM'000	As re-stated 31.3.2024 RM'000
Loans and borrowings ^(a)	212,255	137,700
Lease liabilities	111	109
Trade and other payables	348,630	275,909
Contract liabilities	56,721	42,273
Due to minority shareholders	886	1,884
Current tax liabilities	7,546	6,458
Total current liabilities	<u>626,149</u>	<u>464,333</u>
Total liabilities	<u>688,882</u>	<u>569,548</u>
Total equity and liabilities	<u>1,894,613</u>	<u>1,761,975</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.39</u>	<u>1.37</u>

(a) See Note B8.

(b) See Note B14.

(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 2024 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 second quarter ended 30 September 2024

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
Revenue ^(a)	187,174	233,335	329,554	455,845
Cost of sales	<u>(137,172)</u>	<u>(183,178)</u>	<u>(241,324)</u>	<u>(350,600)</u>
Gross profit	50,002	50,157	88,230	105,245
Other income	639	876	1,488	1,714
Distribution expenses	(1,143)	(756)	(1,995)	(4,841)
Administrative expenses	(11,789)	(10,299)	(23,518)	(23,392)
Other expenses	<u>(241)</u>	<u>(935)</u>	<u>(253)</u>	<u>(1,036)</u>
Results from operating activities	37,468	39,043	63,952	77,690
Finance income	3,459	2,904	7,195	5,482
Finance costs	<u>(3,909)</u>	<u>(4,659)</u>	<u>(7,394)</u>	<u>(9,276)</u>
Net finance costs	(450)	(1,755)	(199)	(3,794)
Share of (loss)/profit of equity-accounted joint ventures, net of tax	<u>(666)</u>	<u>158</u>	<u>(851)</u>	<u>2,847</u>
Profit before tax	36,352	37,446	62,902	76,743
Tax expense ^(b)	<u>(8,087)</u>	<u>(9,636)</u>	<u>(14,211)</u>	<u>(18,878)</u>
Profit after tax	<u>28,265</u>	<u>27,810</u>	<u>48,691</u>	<u>57,865</u>
Profit attributable to:				
Owners of the Company	22,411	21,832	37,134	45,101
Non-controlling interests	<u>5,854</u>	<u>5,978</u>	<u>11,557</u>	<u>12,764</u>
Profit for the period				
Total comprehensive income for the period	<u>28,265</u>	<u>27,810</u>	<u>48,691</u>	<u>57,865</u>
Basic earnings per ordinary share (sen) ^(c)	<u>3.51</u>	<u>3.42</u>	<u>5.81</u>	<u>7.06</u>
Diluted earnings per ordinary share (sen) ^(c)	<u>3.51</u>	<u>3.42</u>	<u>5.81</u>	<u>7.06</u>

(a) See Note B12.

(b) See Note B5.

(c) 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 2024 and the accompanying explanatory notes attached to this interim financial report)

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Unaudited condensed consolidated statement of changes in equity for the period ended 30 September 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 2023 (Audited)	620,140	(2,056)	(452,311)	645,223	810,996	309,799	1,120,795
Profit and total comprehensive income for the period	--	--	--	45,101	45,101	12,764	57,865
<i>Contributions by and distribution to owners of the Company</i>							
- Dividends to owners of the Company	--	--	--	(19,173)	(19,173)	--	(19,173)
- Changes in ownership interests in a subsidiary that does not result in a loss of control	--	--	--	(122)	(122)	122	--
Total transaction with owners of the Company	--	--	--	(19,295)	(19,295)	122	(19,173)
Issuance of shares to non-controlling interests	--	--	--	--	--	49	49
Dividends to non-controlling interests in subsidiaries	--	--	--	--	--	(9,230)	(9,230)
At 30 September 2023	620,140	(2,056)	(452,311)	671,029	836,802	313,504	1,150,306
At 1 April 2024 (Audited)	620,140	(2,056)	(452,311)	708,124	873,897	318,530	1,192,427
Profit and total comprehensive income for the period	--	--	--	37,134	37,134	11,557	48,691
<i>Contributions by and distribution to owners of the Company</i>							
- Dividends to owners of the Company	--	--	--	(25,564)	(25,564)	--	(25,564)
- Changes in ownership interests in a subsidiary that does not result in a loss of control	--	--	--	(232)	(232)	232	--
Total transaction with owners of the Company	--	--	--	(25,796)	(25,796)	232	(25,564)
Dividends to non-controlling interests in subsidiaries	--	--	--	--	--	(9,823)	(9,823)
At 30 September 2024	620,140	(2,056)	(452,311)	719,462	885,235	320,496	1,205,731

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Unaudited condensed consolidated statement of cash flows for the period ended 30 September 2024

	6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000
Cash flows from operating activities		
Profit before tax	62,902	76,743
Adjustments for:		
(Reversal of impairment loss)/Impairment loss on:		
- Trade receivables	(2)	883
- Other receivables	(5)	--
Depreciation of:		
- Property, plant and equipment	3,080	2,979
- Right-of-use assets	233	230
Property, plant and equipment:		
- Gain on disposal	(65)	(189)
Share of loss/(profit) of equity-accounted joint ventures, net of tax	851	(2,847)
Finance costs	7,394	9,276
Finance income	(7,195)	(5,482)
Operating profit before changes in working capital	<u>67,193</u>	<u>81,593</u>
Changes in inventories	(21,014)	73,681
Changes in trade and other receivables	(33,142)	1,030
Changes in trade and other payables	32,273	31,765
Changes in contract assets/(liabilities)	2,272	(49,855)
Changes in contract costs	(72,336)	11,991
Changes in amount due from joint ventures	(32)	(14)
Cash (used in)/generated from operations	<u>(24,786)</u>	<u>150,191</u>
Interest received	3,678	5,277
Interest paid	(5,109)	(4,120)
Tax paid	(15,281)	(19,847)
Net cash (used in)/from operating activities	<u>(41,498)</u>	<u>131,501</u>
Cash flows from investing activities		
Acquisition of:		
- Property, plant and equipment	(2,095)	(725)
- Investment properties	(6,109)	(5,871)
Proceeds from disposal of:		
- Property, plant and equipment	432	338
Dividends received from a joint venture	500	1,550
Changes in pledged fixed deposits	5,502	1,162
Net cash used in investing activities	<u>(1,770)</u>	<u>(3,546)</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 2024 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 September 2024 (continued)

	6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000
Cash flows from financing activities		
Repayment of hire purchase liabilities	(913)	(817)
Repayment of term loans	(3,792)	(22,367)
Net proceeds from/(repayment) short term borrowings	74,832	(7,485)
Hire purchase interest paid	(88)	(91)
Due to minority shareholders	(1,009)	(1,058)
Payment of lease liabilities	(123)	(106)
Dividends paid to:		
- Owners of the Company	(25,564)	(19,173)
- Non-controlling interests	(9,823)	(9,230)
Net cash from/(used in) financing activities	33,520	(60,327)
Net (decrease)/increase in cash and cash equivalents	(9,748)	67,628
Cash and cash equivalents as at 1 April	266,862	306,269
Cash and cash equivalents as at 30 September	257,114	373,897

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

	6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000
Cash and cash equivalents:		
- cash and bank balances	131,582	123,903
- fixed deposits with licensed banks	91,536	238,243
- money market fund with licensed institutions	41,375	27,496
	264,493	389,642
Less: Pledged deposits	(7,379)	(15,745)
	257,114	373,897

(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 2024 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 2024 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 2024.

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 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 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosure – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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*

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

A2. Significant accounting policies (continued)

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 2024 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 the 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

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

A8. Dividends paid

The amount of dividends paid by the Company during the current quarter and financial period under review were as follows:

- (i) In respect of the financial year ended 31 March 2024
 - an interim single-tier dividend of 4.0 sen per ordinary share totalling RM25.56 million was declared on 30 May 2024 and paid on 12 July 2024 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 21 June 2024.

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:

1.7.2023 to 30.9.2023 (2Q2024)	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	53,265	138,776	25,227	16,067	233,335	--	233,335
Inter-segment revenue	43,399	--	29,126	7,344	79,869	(79,869)	--
Total revenue	96,664	138,776	54,353	23,411	313,204	(79,869)	233,335
Segment results from operating activities	1,513	22,531	5,392	11,736	41,172	(2,129)	39,043
Share of profit of joint ventures							158
Finance income							2,904
Finance costs							(4,659)
Profit before tax							37,446
Tax expense							(9,636)
Profit after tax							27,810

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

1.4.2024 to 30.9.2024 (Cumulative 2Q2025)	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	100,495	133,771	59,731	35,557	329,554	--	329,554
Inter-segment revenue	59,269	--	21,731	11,838	92,838	(92,838)	--
Total revenue	<u>159,764</u>	<u>133,771</u>	<u>81,462</u>	<u>47,395</u>	<u>422,392</u>	<u>(92,838)</u>	<u>329,554</u>
Segment results from operating activities	7,355	23,898	4,820	25,211	61,284	2,668	63,952
Share of loss of joint ventures							(851)
Finance income							7,195
Finance costs							<u>(7,394)</u>
Profit before tax							62,902
Tax expense							<u>(14,211)</u>
Profit after tax							<u><u>48,691</u></u>

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

1.4.2023 to 30.9.2023 (Cumulative 2Q2024)	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	102,242	282,150	40,493	30,960	455,845	--	455,845
Inter-segment revenue	70,877		41,785	14,480	127,142	(127,142)	--
Total revenue	173,119	282,150	82,278	45,440	582,987	(127,142)	455,845
Segment results from operating activities	2,173	46,020	6,585	23,820	78,598	(908)	77,690
Share of profit of joint ventures							2,847
Finance income							5,482
Finance costs							(9,276)
Profit before tax							76,743
Tax expense							(18,878)
Profit after tax							57,865

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

(i) Proposed acquisition of part of two (2) parcels of freehold agricultural land from Kuala Lumpur Kepong Berhad

On 30 October 2024, Central Gateway Development Sdn. Bhd. ("CGD") formerly known as Oasis Innovation Sdn. Bhd., a 60%-owned subsidiary of AME Industrial Park Sdn. Bhd. ("AMEIP"), which in turn is a wholly-owned subsidiary of the Company together with AMEIP and KLK Land Sdn Bhd ("KLKL"), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad ("KLKB") which owns the remaining 40% equity interest in CGD, entered into a shareholders' agreement to govern and regulate their relationship as the shareholders of CGD and to govern the management of CGD in the manner as set out in the shareholders' agreement ("Shareholders' Agreement") for the purposes of the proposed acquisition by CGD of part of two (2) parcels of freehold agricultural land with industrial potential known as Lot 48510 and Lot 48511 currently held under Geran No. Hakmilik 318597, Lot 33683 in Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor, measuring approximately 61.193 hectares (equivalent to approximately 151.211 acres or 6,586,754 square feet) ("Land"), from KLKB for a total purchase consideration of RM230,536,390 to be satisfied fully in cash ("Proposed Acquisition") and development of the Land ("Proposed Joint Venture").

Simultaneously, CGD had also on even date entered into the following agreements:

- a) a conditional sale and purchase agreement ("SPA") with KLKB to acquire the Land from KLKB for a total purchase consideration of RM230,536,390 to be satisfied fully in cash ("Purchase Consideration") pursuant to the Proposed Acquisition; and
- b) a project management agreement with AME Development Sdn Bhd, a wholly-owned subsidiary of the Company ("AMED" or the "Project Manager") to exclusively engage and appoint AMED as a project manager to provide services for the development of the Land into a proposed industrial development together with any other ancillary facilities and buildings and may include workers' dormitory development and/or commercial development or component ("Project") ("Project Management Agreement").

In conjunction with the above, the Company is proposing to provide financial assistance to CGD to facilitate the Proposed Joint Venture and the Proposed Acquisition ("Proposed Provision of Financial Assistance")

The Proposed Acquisition and Proposed Provision of Financial Assistance are subject to the following approvals being obtained:

- 1) the approvals of the shareholders of the Company at the EGM to be convened by way of poll;
- 2) Following surrender of the Master Title, issuance by the relevant land registry of a qualified issue document for the Land, free from all encumbrances ("Document of Title"), having been obtained by KLKB at their own costs and expenses (including payment of all premium, fees, levy, contribution and charges), and CGD receipt from KLKB's solicitors of a certified true copy of the Document of Title, within two (2) months from the date of the SPA;
- 3) KLKB having obtained the unconditional written approval of the Estate Land Board ("ELB") for the transfer of the Document of Title by KLKB to CGD pursuant to Section 214A of the National Land Code (Act 828), or if issued with any condition(s), as acceptable by CGD or fulfilled by KLKB ("ELB Approval"), and OGC receipt from KLKB's solicitors of a certified true copy of the ELB Approval, all at KLKB's own costs and expenses, within six (6) months from the date of the SPA with an automatic extension period of two (2) months

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 (continued)

(i) Proposed acquisition of part of two (2) parcels of freehold agricultural land from Kuala Lumpur Kepong Berhad (continued)

- 4) KLKB having obtained the written approval of the appropriate authority to convert the zoning of the Land from "residential" to "industry" evidenced by the Majlis Perbandaran Kuala Selangor's written confirmation of the rezoning plan approval by the Selangor State Government addressed to KLKB ("Rezoning Approval"), and CGD receipt from KLKB's solicitors of a certified true copy of the Rezoning Approval, all at KLKB's own costs and expenses, within six (6) months from the date of the SPA with an automatic extension period of two (2) months; and
- 5) the approval of the shareholders of the Company for the Proposed Acquisition and the Shareholders' Loan to CGD within six (6) months from the date of the SPA with an automatic extension period of two (2) months.

(ii) Memorandum of Understanding between SD Guthrie Berhad and AME Industrial Park Sdn. Bhd.

On 4 November 2024, AME Industrial Park Sdn Bhd ("AMEIP"), a wholly owned subsidiary of the Company entered into a Memorandum of Understanding ("MOU") with SD Guthrie Berhad ("SDG") to jointly explore and evaluate a possible collaboration for industrial development on a parcel of land held under GRN 593030 Lot 48090 Mukim Kulai, located within Kulai estate in Kulai, Johor measuring approximately 641 acres and owned by SDG ("Proposed Collaboration").

The MOU is effective from the date of MOU until 31 March 2025, unless extended for a further period as may be agreed in writing by AMEIP and SDG or earlier terminated in accordance with the terms and conditions of the MOU.

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

A13. Changes in the composition of the Group

On 8 May 2024, a new entity, AME Capital Sdn. Bhd. was incorporated with an initial share capital of RM1 and was held by the Company with a shareholding interest of 100%. The principal activity of the entity consists of those relating to treasury and financing operations.

On 1 October 2024, AME Industrial Park Sdn. Bhd. ("AMEIP") has subscribed RM6 ordinary share of Central Gateway Development Sdn. Bhd. ("CGD") formerly known as Oasis Innovation Sdn. Bhd. with a shareholding interest of 60% where the remaining 40% shareholding is held by KLK Land Sdn Bhd ("KLKL"), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad ("KLKB"). AMEIP and KLKL had on 30 October 2024 entered into a Shareholders' Agreement to jointly acquire and develop lands via a joint venture company, CGD. The principal activities of CGD are property development, investment holding and management of real estate.

AME REIT Sukuk Sdn. Bhd. ("ARSSB") was incorporated on 2 October 2024, for the purpose of raising financing for and on behalf of AME Real Estate Investment Trust ("AME REIT"). ARSSB is wholly-owned by RHB Trustees Berhad, acting solely in the capacity as trustee for and on behalf of AME REIT. The initial share capital of ARSSB is RM2. ARSSB is consolidated as if it is a subsidiary of AME REIT.

Save as disclosed above, there were no changes in the composition 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)

A14. Contingent assets and contingent liabilities

Contingent liability not considered remote

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 the Year of Assessment 2018. The Directors believe the subsidiary has a good reasonable ground to defend its position and is currently appealing against the assessment.

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

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

A15. Capital commitments

	30.9.2024 RM'000	31.3.2024 RM'000
Capital expenditure commitment		
Contracted but not provided for		
Property, plant and equipment		
(Two new blocks of workers' dormitories in iTechValley)	26,738	38,445

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

A16. Significant related party transactions

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

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
A. Joint ventures				
Rental income	9	15	18	20
Interest income	117	103	117	205
B. Minority shareholder of subsidiaries				
Interest expenses	(6)	(6)	(11)	(11)
C. Firm in which a Director has financial interest				
Professional fees	(80)	(135)	(139)	(179)
D. Related company of a subsidiary's shareholders				
Contract income	--	--	--	32

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

A16. Significant related party transactions (continued)

The significant related party transactions of the Group are shown below (continued)

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
E. Company in which close family of a subsidiary's Director has financial interest				
Professional fees	--	(10)	--	(20)
F. Company in which certain Directors have financial interest				
Contract income	18	--	18	27
G. Company in which a Director of a subsidiary has financial interest				
Service income	--	180	--	266

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

B1. Review of performance

Current quarter against corresponding quarter

	Individual quarter 3 months ended		Changes %
	30.9.2024 RM'000	30.09.2023 RM'000	
Revenue	187,174	233,335	(20)
Gross profit	50,002	50,157	--
Share of (loss)/profit of equity-accounted joint ventures, net of tax	(666)	158	(522)
Earnings before interest and taxes	36,802	39,201	(6)
Profit before tax	36,352	37,446	(3)
Profit after tax	28,265	27,810	2
Profit attributable to owners of the Company	<u>22,411</u>	<u>21,832</u>	<u>3</u>

The Group's revenue decreased by RM46.16 million due to the decrease in property development revenue of RM65.34 million, partially offset by the increase in construction services revenue of RM9.98 million, engineering services revenue of RM6.89 million and rental, service income and sale of goods of RM2.31 million.

The Group's property development revenue decreased from RM138.78 million to RM73.43 million, a decrease of approximately 47.09%. 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 increased from RM53.27 million to RM63.25 million, which was an increase of approximately 18.73%. The increase in revenue was mainly due to the progression in the stage of completion of the on-going construction projects.

The Group's engineering services revenue increased from RM25.22 million to RM32.11 million, which was an increase of approximately 27.32%. 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 RM16.07 million to RM18.38 million, which was an increase of approximately 14.37%. The increase in the rental, service income and sale of goods was due to the additional units of factory leased by tenants and higher rental income generated from workers' dormitories.

Despite lower revenue, the gross profit remains comparable.

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

Overall, the Group recorded lower earnings before interest and taxes and profit before tax mainly due to lower contributions from property development, as well as the Group's share of loss from the equity-accounted joint ventures. However, the Group showed a higher profit after tax and profit attributable to owners of the Company.

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

B1. Review of performance (continued)

Current financial period against corresponding financial period

	Cumulative quarter 6 months ended		Changes %
	30.9.2024 RM'000	30.09.2023 RM'000	
Revenue	329,554	455,845	(28)
Gross profit	88,230	105,245	(16)
Share of (loss)/profit of equity-accounted joint ventures, net of tax	(851)	2,847	(130)
Earnings before interest and taxes	63,101	80,537	(22)
Profit before tax	62,902	76,743	(18)
Profit after tax	48,691	57,865	(16)
Profit attributable to owners of the Company	<u>37,134</u>	<u>45,101</u>	<u>(18)</u>

The Group's revenue decreased by RM126.30 million due to the decrease in property development revenue of RM148.38 million and construction services revenue of RM1.74 million, partially offset by the increase in engineering services revenue of RM19.23 million and rental, service income and sale of goods of RM4.59 million.

The Group's property development revenue decreased from RM282.15 million to RM133.77 million, a decrease of approximately 52.59%. 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 RM102.24 million to RM100.50 million, a decrease of approximately 1.70%. The decrease in revenue was mainly due to the progression in the stage of completion of the on-going construction projects.

The Group's engineering services revenue increased from RM40.50 million to RM59.73 million, which was an increase of approximately 47.48%. 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 RM30.96 million to RM35.55 million, which was an increase of approximately 14.83%. The increase in the rental, service income and sale of goods was due to the additional units of factory leased by tenants and higher rental income generated from workers' dormitories.

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

The Group's share of loss from equity-accounted joint ventures in the current quarter and financial period under review was because there was no sales of industrial properties recorded by the joint ventures. The Group's share of profit from the equity-accounted joint ventures in the corresponding financial period was mainly due to the revision of cost for the completed projects.

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, as well as the Group's share of loss 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 30.9.2024 RM'000	Preceding quarter 30.6.2024 RM'000	Changes %
Revenue	187,174	142,380	31
Gross profit	50,002	38,228	31
Share of loss of equity-accounted joint ventures, net of tax	(666)	(185)	260
Earnings before interest and taxes	36,802	26,299	40
Profit before tax	36,352	26,550	37
Profit after tax	28,265	20,426	38
Profit attributable to owners of the Company	<u>22,411</u>	<u>14,723</u>	<u>52</u>

The overall improvement in performance was due to the higher contributions from property development, construction services, engineering services and property management and investment services segments, notwithstanding the share of loss from the joint ventures.

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

The upcoming connectivity projects in Johor such as the JB-SG Rapid Transit System Link (RTS), the potential revival of the KL-SG High-Speed Rail (HSR) and the 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 strategic locations near 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 175.6-acre 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 FY 2025 based on the abovementioned factors.

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

B4. Profit forecast

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

B5. Tax expense

Income tax expenses on continuing operations comprise the following:

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
Current				
Tax expense	9,013	8,792	15,025	16,762
Deferred tax income	(926)	844	(814)	2,116
	<u>8,087</u>	<u>9,636</u>	<u>14,211</u>	<u>18,878</u>

The Group's effective tax rate for the current quarter and financial period under review is lower than the statutory tax rate, 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) Proposed sale of eleven (11) plots of freehold industrial land

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 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
- 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).

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

B6. Status of corporate proposals (continued)

(i) Proposed sale of eleven (11) plots of freehold industrial land (continued)

The State Authority's Approval has been obtained for the SPA 1 and SPA 2 on 22 October 2024. Pursuant thereto, the last condition precedent to SPA 1 and SPA 2 has been fulfilled and SPA 1 and SPA 2 have become unconditional on the same date.

(ii) Proposed disposal of four (4) industrial properties to RHB Trustee Berhad, being the trustee of AME Real Estate Investment Trust

On 24 July 2024, two subsidiaries of the Company, Pentagon Land Sdn. Bhd. and Ipark Development Sdn. Bhd., have entered into four (4) conditional sale and purchase agreements with RHB Trustees Berhad, being the trustee of AME Real Estate Investment Trust ("AME REIT") to dispose of i-TechValley 34, i-TechValley 46, i-Park SAC 23 & 24 and i-Park SAC 60 & 61 for a total cash consideration of RM119,450,000.

(i-TechValley 34, i-TechValley 46, i-Park SAC 23 & 24 and i-Park SAC 60 & 61 are collectively referred to as the "Subject Properties".)

(The Proposed i-TechValley 34 Disposal, Proposed i-TechValley 46 Disposal, Proposed i-Park SAC 23 & 24 Disposal and Proposed i-Park SAC 60 & 61 Disposal are collectively referred to as the "Proposed Disposals".)

The Proposed Disposals are subject to approvals from shareholders of the Company and AME REIT, the lessees and the relevant authorities as well as receipt of Certificate of Completion and Compliance ("CCC") for the Subject Properties which are under construction.

A circular to shareholders was issued on 17 October 2024 and approval from the shareholders of the Company and AME REIT have been obtained at the EGM held on 7 November 2024.

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed as follows:

Properties	Expected Date of Receiving CCC	Expected completion of the Proposed Disposals
i-Park SAC 23 & 24	CCC obtained	1 st quarter of calendar year 2025 (i.e. 4 th quarter of FYE 2025)
i-TechValley 46	CCC obtained	2 nd quarter of calendar year 2025 (i.e. 1 st quarter of FYE 2026)
i-TechValley 34	2 nd quarter of calendar year 2025	3 rd quarter of calendar year 2025
i-Park SAC 60 & 61		(i.e. 2 nd quarter of FYE 2026)

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 ⁽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	(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) ⁽ⁱⁱ⁾	--
		<u>287,924</u>	<u>287,924</u>	<u>(287,924)</u>	<u>--</u>

- (i) The initial proposed 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 initial proposed utilisation of RM4.46 million. Accordingly, a revision was made to proposed utilisation as the amount is fully utilised.

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 (3) conditional sale and purchase agreements with RHB Trustees Berhad, being the trustee of AME REIT to dispose of three (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⁾	--
		<u>69,250</u>	<u>69,250</u>	<u>(69,250)</u>	<u>--</u>

- (i) The initial proposed 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 initial proposed utilisation of RM200,000. Accordingly, a revision was made to the proposed utilisation as the amount is fully utilised.

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

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

- c) On 13 May 2024, the wholly-owned subsidiaries of the Company, Pentagon Land Sdn. Bhd. and Greenhill SILC Sdn. Bhd. had entered into two conditional sale and purchase agreements with Digital Hyperspace Malaysia Sdn. Bhd. to dispose of eleven (11) plots of freehold industrial land for a total consideration of RM209.84 million ("Proposed Sale").

The utilisation of proceed from the Proposed Sale is as follows:

Details of use of proceeds	Estimated timeframe for the use of proceeds from the date of completion of the respective Proposed Sale	Initial proposed utilisation ⁽ⁱ⁾ RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Funding of the Group's ongoing development of i-TechValley at Phase 3 of SILC and future industrial property development and investment project, including land acquisition and joint ventures	Within 24 months	155,044	--	155,044
Working capital	Within 24 months	50,000	--	50,000
Estimated expenses for the Proposed Sale	Within 6 months	4,800	(172)	4,628
		<u>209,844</u>	<u>--</u>	<u>209,672</u>

- (i) The initial proposed utilisation of the proceeds from the Proposed Sale as disclosed above should be read in conjunction with the Announcement made on 13 May 2024.

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

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

- d) On 24 July 2024, the Company announced that Pentagon Land Sdn Bhd and Ipark Development Sdn Bhd, subsidiaries of the Company had on 24 July 2024 entered into four (4) conditional sale and purchase agreements with RHB Trustees Berhad, being the trustee of AME REIT to dispose of four (4) industrial properties, being i-TechValley 34, i-TechValley 46, i-Park SAC 23 & 24 and i-Park SAC 60 & 61 for a total cash consideration for RM119.5 million ("Proposed Disposals").

The utilisation of proceed from the Proposed Disposals is as follows:

Details of use of proceeds	Estimated timeframe for the use of proceeds from the date of completion of the respective Proposed Disposals	Initial proposed utilisation ⁽ⁱ⁾ RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Funding of the Group's ongoing development of i-TechValley at Phase 3 of SILC and future industrial property development and investment project, including land acquisition and joint ventures	Within 36 months	119,020	--	119,020
Estimated expenses for the Proposed Disposals	Within 6 months	430	--	430
		<u>119,450</u>	<u>--</u>	<u>119,450</u>

- (ii) The initial proposed utilisation of the proceeds from the Proposed Disposals as disclosed above should be read in conjunction with the Announcement made on 24 July 2024.

B8. Borrowings and debt securities

	30.9.2024 RM'000	31.3.2024 RM'000
Secured		
Non-current		
Hire purchase liabilities	2,177	2,564
Term loans	30,821	34,442
	<u>32,998</u>	<u>37,006</u>
Current		
Revolving credits	207,411	132,579
Hire purchase liabilities	1,462	1,568
Term loans	3,382	3,553
	<u>212,255</u>	<u>137,700</u>
	<u>245,253</u>	<u>174,706</u>

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 29 November 2024, the Board of Directors declared an interim single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ending 31 March 2025, which will be payable on 30 December 2024 to shareholders whose names appear in the Record of Depositors of the Company at the close of the business on 13 December 2024.

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		Cumulative quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Net profit attributable to the owners of the Company (RM'000)	22,411	21,832	37,134	45,101
Weighted average number of ordinary shares in issue ('000)	639,093	639,093	639,093	639,093
Basic EPS (sen) ⁽ⁱ⁾	3.51	3.42	5.81	7.06
Diluted EPS (sen) ⁽ⁱⁱ⁾	3.51	3.42	5.81	7.06

- (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 the end of the current quarter and financial period under review. The existing warrants have not been included in the calculation of diluted EPS as these warrants are anti-dilutive.

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

B12. Revenue

Disaggregation of revenue

	Individual quarter 3 months ended		Cumulative quarter 6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
Revenue from contracts with customers				
Construction contract - over time	95,365	78,492	160,226	142,735
Sales of properties under development - over time	53,562	123,355	100,901	220,822
Sales of completed properties and land - at a point in time	19,870	15,421	32,870	61,328
Service income - over time	358	395	824	717
Sales of goods - at a point in time	1,012	1,014	1,997	1,787
	170,167	218,677	296,818	427,389
Other revenue				
Rental income	17,007	14,658	32,736	28,456
Total revenue	<u>187,174</u>	<u>233,335</u>	<u>329,554</u>	<u>455,845</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 6 months ended	
	30.9.2024 RM'000	30.9.2023 RM'000	30.9.2024 RM'000	30.9.2023 RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of:				
- property, plant and equipment	1,027	1,488	3,080	2,979
- right-of-use assets	55	141	233	230
Expenses relating to short term leases ⁿ¹	1,978	5,333	5,593	10,995
Rental income of premises	(43)	(65)	(169)	(133)
Gain on disposal of:				
- property, plant and equipment	(41)	(25)	(65)	(189)
Net foreign exchange loss/(gain)	260	(84)	181	(109)
(Reversal of impairment loss) / Impairment loss on:				
- trade receivables	--	883	(2)	883
- other receivables	(5)	--	(5)	--

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.

B14. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

	As previously stated (audited) RM'000	As re-stated RM'000
Consolidated statement of financial position		
Investment in joint ventures	1,777	17,392
Loan to a joint venture	15,000	--
Due from a joint venture	621	6