

AME net profit surges 109.7% to RM21.0 million in 2Q20

- *Buoyed by higher take-up in industrial property developments as well as property investment and management services segments*
- *Phase 3 of i-Park@Senai Airport City to commence by the fourth quarter of FY2020; brings Gross Development Value (GDV) to approximately RM1.3 billion*

Johor Bahru, Malaysia, 27 November 2019 - Integrated industrial space solutions provider AME Elite Consortium Berhad (AME, the Group, 腾宇集团, Bloomberg: AME:MK; Reuters: AMEE.KL) reported that its net profit surged 109.7% to RM21.0 million in the second quarter ended 30 September 2019 (2Q20) from RM10.0 million previously, on robust sales in the Group's i-Park industrial parks.

AME's industrial property development segment, which tracks the sales of i-Park@Indahpura and i-Park@Senai Airport City, reported a 113.7% rise in revenue to RM19.3 million in 2Q20, from RM9.0 million a year ago. This was backed by higher sales of AME's industrial properties on growing interest by multinational corporations, and increased take up of commercial shop lots.

At the same time, higher rental income from i-Stay workers' accommodation and the leasing of additional industrial factory units effectively doubled revenue from the property investment and management services segment to RM10.4 million from RM5.2 million earlier.

“Our i-Parks are shaping up to be the nucleus that attracts investments from expansion-driven multinational corporations and domestic enterprises.

AME's reputation for developing well-managed industrial parks has evidently served us well in boosting demand. Phase 3 of i-Park@Indahpura is 66% sold and leased as at 30 September 2019, leveraging the near-completion of Phases 1 and 2. Similarly, the strong sales of the commercial shop lots in i-Park@Senai Airport City with 79% take-up rate following the success of Phases 1 and 2.

Buoyed by this positive reception, we expect to commence development of Phase 3 of i-Park@Senai Airport City by the fourth quarter of the financial year ending 31 March 2020. The 76.6-acre land increases i-Park@Senai Airport City's total acreage to nearly 190 acres, and potentially adds RM555 million GDV to bring the industrial park's total GDV to approximately RM1.3 billion.

This will enable us to capitalise on the increasing enquiries from foreign companies on the back of US-China trade tensions.”

Kelvin Lee Chai (李志财)

Group Managing Director, AME Elite Consortium Berhad

Additionally, the Group saw stronger profit contribution from the construction and engineering of external industrial properties in 2Q20 on the back of higher margin projects, despite recording lower revenue due to project timing. As at 30 September 2019, AME's construction and engineering orderbook stood at approximately RM402.0 million.

While the Group noted all-round profit expansion across its business segments, group revenue for 2Q20 amounted to RM81.8 million compared to RM106.3 million previously, in line with the lower revenue contribution from the construction and engineering segments.

For the six months ended 30 September 2019 (1H20), AME's net profit more than doubled to RM34.1 million from RM16.7 million previously due to the growth in the industrial property development segment and share of profit from joint venture, and RM5.2 million of fair value gains on investment properties net of share of minority interest and tax. Topline rose by 6.8% to RM176.2 million from RM165.0 million.

On the back of largely positive financials, recent developments from a macroeconomic perspective could further supplement the Group's continuous growth. As part of Budget 2020, the government announced new measures, such as allocations of up to RM1.0 billion of investment incentives, to be channelled towards attracting Fortune 500 companies and global unicorns in high technology and manufacturing sectors to create high quality employment opportunities.

Kelvin concluded: "With heightened demand and enquiries at our i-Park industrial parks, we are optimistic on maintaining our growth momentum for the rest of the current financial year. Furthermore, the government's plans to incentivise more FDI into the country bodes well for our prospects and justifies our expansion plans towards meeting impending demand."

In addition to the land for Phase 3 of i-Park@Senai Airport City bought in August 2019, AME acquired 15.0 acres of land in the vicinity of Bandar Indahpura, Kulai in October 2019 which will be utilised for further development of industrial properties with an estimated total GDV of RM120 million.



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About AME Elite Consortium Berhad (<https://ame-elite.com>)

Established since 1995, AME is an integrated and comprehensive industrial space solutions provider: encompassing the development of gated and guarded industrial parks, the design and construction of large manufacturing plants, and the sale and lease of industrial factory units.

AME possesses in-house construction and engineering expertise, including mechanical and electrical (M&E) engineering, and industrialised building system (IBS) involving steel structure and pre-cast concrete fabrication. AME's solutions include rental of industrial properties as well as rental and management of workers' dormitories.

AME has completed i-Park@SiLC, i-Park@Indahpura (Phase 1 and 2) and District 6 in Johor. The Group is also currently constructing i-Park@Senai Airport City in Johor.

AME received multiple awards including World Silver Winner in Industrial Category (i-Park@Indahpura) at the 2019 FIABCI World Prix d'Excellence Awards, Malaysia Property Award™ 2018 (Industrial Category) by FIABCI-Malaysia, Malaysia's Responsible Developer: Building Sustainable Development Award 2018 by Edge Property and The Iskandar Malaysia Accolades (TIMA) 2016/17: Platinum Winner for "Most Conducive Workplace" (i-Park@Indahpura).

**Issued for and on behalf of AME Elite Consortium Berhad by Aquilas Advisory (Malaysia) Sdn Bhd.
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