



# AME ELITE CONSORTIUM BERHAD

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## BUSINESS OVERVIEW

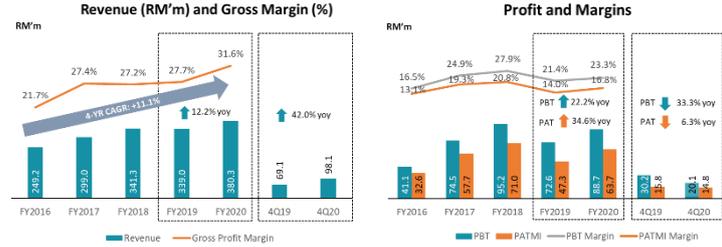
AME Elite Consortium Berhad (AME), established since 1995, is a leading integrated industrial space solutions provider, offering one-stop and comprehensive solutions encompassing the design and construction of customised large manufacturing plants, development of award-winning industrial parks, sale and lease of industrial factory units, as well as rental and management of workers' dormitories within its industrial parks.

AME has completed the construction of around 200 large manufacturing and industrial buildings for various industries and four industrial parks. The Group is supported by 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.

## PROJECT OVERVIEW

Completed Industrial Parks	
<b>i-Park@SiLC</b>  <b>GDV: RM80.0m</b>   <b>Take-up: 100%</b> - Sold: 84% - Leased: 16% <b>Area: 12.31 acres</b>	<b>i-Park@Indahpura (Phase 1&amp;2)</b>  <b>GDV: RM600.0m</b>   <b>Take-up: 95%</b> - Sold: 81% - Leased: 14% <b>Area: 104.84 acres</b>
<b>District 6</b>  <b>GDV: RM86.0m</b>   <b>Take-up: 50%</b> - Sold: 17% - Leased: 33% <b>Area: 7.57 acres</b>	<b>SME City</b> <i>*By jointly-controlled entity, Axis AME IP</i>  <b>GDV: RM192.0m</b>   <b>Take-up: 100%</b> - Sold: 100% <b>Area: 40.00 acres</b>
Completed Workers' Dormitories	
<b>i-Stay@Indahpura</b>  <b>Maximum capacity: 3,206 beds</b>   <b>Occupancy rate: 95%</b> <b>Facilities &amp; services:</b> - Thumb-print/facial access control - Canteen - Park gymnasium - Automated laundry - Futsal & volleyball courts - First-aid room - Convenience store - Mobile phone store	<b>i-Stay@Senai Airport City</b>  <b>Maximum capacity: 2,572 beds</b>   <b>Occupancy rate: 81%</b> <b>Facilities &amp; services:</b> - Thumb-print/facial access control - Canteen - Café - Automated laundry - Multipurpose hall - Park gymnasium - Treatment room - Convenience store - Mobile phone store
Ongoing Industrial Parks	
<b>i-Park@Indahpura (Phase 3* &amp; P108)</b> <i>*By jointly-controlled entity, Axis AME IP</i>  <b>Est. GDV: Phase 3: RM456.0m</b>   <b>Take-up: Phase 3</b> P108: RM120.0m   - 80% (Sold: 63%, Leased: 17%) <b>Area:</b> Phase 3: 85.4 acres   <b>P108</b> P108: 15.0 acres   - 30% (Sold: 30%, Booked: 70%) <b>Est. Completion: 2023</b>	<b>i-Park@Senai Airport City (Phase 1, 2, 3 &amp; The Jacaranda)</b>  <b>Est. GDV: RM1,340.0m</b>   <b>Take-up: Phase 1 &amp; 2</b> <b>Area: 188.6 acres</b>   - 82% (Sold: 55%, Leased: 27%) <b>Est. Completion: 2025</b>   <b>Phase 3</b> - 6% (Sold: 3%) Leased: 3% <b>The Jacaranda</b> - 81% (Sold: 81%)

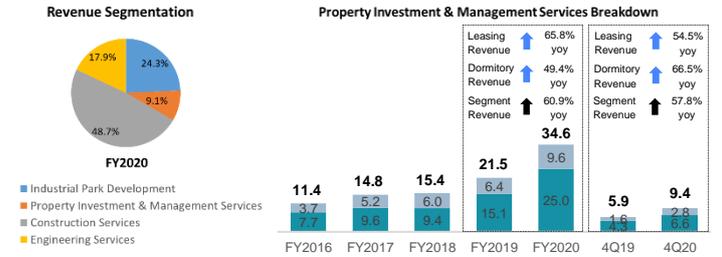
## FINANCIAL PERFORMANCE



AME's FY20 net profit rose 34.6% to RM63.7m (FY19: RM47.3m) on robust sales of industrial properties and commercial shop lots, higher margin construction projects, increased rental and lease income, RM10.6m fair value gains on investment properties net of share of minority interest and tax, and share of profit from joint venture. Group revenue increased 12.2% to RM380.3m in FY20 (FY19: RM339.0m) on higher contribution from the property development, property investment and management services, and engineering services segments, offsetting lower revenue from construction services attributed to progress timing of ongoing projects.

AME registered new sales of RM146.1 million in FY20 (FY19: RM87.6m), while property development unbilled sales rose to RM105.6m (FY19: RM51.8m), and construction and engineering orderbook grew to RM309.3m (4Q19: RM107.9m). 4Q20 net profit saw slight dip to RM14.8m (4Q19: RM15.8m) mainly due to lower fair value gains on investment properties, while revenue grew 42.0% to RM98.1m (4Q19: RM69.1m). AME's property investment and management services segment saw revenue jump 57.8% to RM9.4m in 4Q20 (4Q19: RM5.9m) on leasing of additional industrial properties and higher rental income from workers' dormitories.

AME declared a 3.0 sen interim dividend in respect of FY20 (Ex-dividend: 29 July 2020).



## RECENT DEVELOPMENTS

- AME announced on 16 June 2020 that it is constructing Switzerland-based EMS player Enics AG's first Southeast Asia manufacturing site in i-Park@Senai Airport City
  - To build new 10,000 sqm floor space high performance/high-volume industrial electronics factory; Enics' 8th factory, complementing its plants in Europe & China
- On 25 June 2020, AME announced a new joint venture to provide solar energy solutions, between its subsidiary Symphony Square Sdn Bhd (SS) with Baozhou New Energy Technology Sdn Bhd (BNET) on 51% - 49% basis
  - Enhancing range of integrated industrial space solutions; to bring added value to industrial plants at i-Park and at external projects
  - Activities include solar panel installation, connectivity to Net Energy Metering (NEM) grid, distribution of solar panels and systems, EPCC and solar farm projects, and more.

## UTILISATION OF PROCEEDS

Purposes	RM'000	%	Actual utilisation as at 31.03.20 (RM'000)	Balance unutilised as at 31.03.20 (RM'000)	Estimated time frame for utilisation (from listing on 14 Oct 2019)
I. Future industrial property development and investment projects including land acquisitions and joint ventures	69,050	62.2	-	69,050	Within 36 months
II. Working capital for i-Park@Senai Airport City development project	23,000	20.7	-	23,000	Within 12 - 36 months
III. Complete the expansion of precast concrete fabrication capacity	9,000	8.1	-	9,000	Within 12 months
IV. Estimated listing expenses	10,000	9.0	8,656	1,344*	Within 6 months
<b>Total</b>	<b>111,050</b>	<b>100.0</b>	<b>8,656</b>	<b>102,394</b>	

\*As the actual listing expenses incurred is lower than the estimated amount of RM10.0m, the balance will be used for working capital for i-Park@Senai Airport City

## GROWTH STRATEGIES

- Expanding i-Park business model to other states in Peninsular Malaysia
- Enhancing attractiveness and competitiveness of industrial parks
- Expanding precast concrete production capacity via new facility
- Improving the capacity and quality of workers' dormitories

## INVESTMENT MERITS & VALUATION

- Niche specialisation in developing and managing industrial parks
- Experienced management team with in-depth industry know-how
- Integrated construction, engineering, leasing, and services capabilities
- Beneficiary of shift in global supply chain to Southeast Asia
- Growing recurring income from rental fees and management services
- Dividend policy to distribute at least 20% of net profit attributable to shareholders (less fair value gain on investment properties)

Valuations @ 3 July 2020	
Share Price (RM)	1.69
Market Cap (RM 'm)	721.8
P/E (ttm)	11.3
P/B	1.1