



**PRESS RELEASE**

## **AME to undertake REIT IPO with RM557.0 million of industrial assets**

- ***AME to potentially raise RM254.8 million proceeds based on illustrative IPO price of RM1.00; to fund future investment property development and investment projects, and repayment of borrowings***
- ***Reopening of international borders to improve conversion rate of sales for i-Park properties***
- ***Maintains net profit of RM17.0 million in 1H22***

Johor Bahru, Malaysia, 25 November 2021 - Leading integrated industrial space solutions provider AME Elite Consortium Berhad (AME, the Group, 腾宇集团) plans to undertake an Initial Public Offering (IPO) of its upcoming Real Estate Investment Trust (AME REIT) with RM557.0 million worth of industrial and industrial-related real estates, currently held by its subsidiaries.

The initial investment portfolio will comprise a total of 34 industrial buildings and workers' dormitories located in or near AME's managed industrial parks, namely i-Park@Senai Airport City, i-Park@Indahpura, and i-Park@SiLC. The identified real estates have ongoing tenancy agreements with AME's domestic and foreign clients, with tenancy period of between 2 to 12 years.

As consideration for the transfer, AME is proposing to issue 520.0 million undivided interest in AME REIT (Units), and a cash consideration of RM37.0 million. The cash consideration will be funded from Islamic financing.

Of the total issuance of 520.0 million Units, 254.8 million Units will be offered via IPO. The Offer Issuance will consist of up to 130.0 million Units to AME shareholders, 10.4 million Units to the Malaysian public, and 7.8 million Units to eligible employees and directors of AME and subsidiaries. Meanwhile at least 106.6 million Units will be offered to Bumiputera investors approved by Ministry of International Trade and Industry (MITI), as well as institutional investors and selected investors.

Upon the completion of the Proposed Offering which is expected in the second quarter of 2022, AME will be the controlling Unitholders of AME REIT holding at least 51.0% of total issued Units.

Based on an illustrative offer price of RM1.00 per Unit, AME is estimated to potentially raise proceeds of RM254.8 million from the IPO. Of the illustrative proceeds of RM254.8 million, RM90.0 million will be used to repay borrowings, RM4.3 million for expenses relating to establishing the REIT, and the balance RM160.5 million for future industrial property development and investment projects including land acquisitions and joint ventures.

The final IPO offer price will be determined after considering various factors, including financial history of identified real estates, pro forma net asset value per Unit upon listing, future prospects and forecast distribution yield of AME REIT, as well as bookbuilding with institutional investors.

Hong Leong Investment Bank Berhad is the Principal Adviser, Bookrunner and Managing Underwriter, for the Proposed REIT Establishment and Listing.

“The proposed REIT, comprising existing high-quality tenancy for industrial buildings and dormitory units with recurring income, will unlock the significant value of our investment properties. Additionally, the funds raised will aid the future growth of the Group, as we eye promising opportunities ahead in line with the country’s progress under the National Recovery Plan.

We are optimistic of the immediate outlook, backed by increasing interest in our i-Parks. During the border closures, we attended to an increasing number of enquiries virtually. Now with the proposed reopening of international borders on 1 January 2022, we are optimistic of seeing a more rapid pace of sales conversion. The boost in foreign investors setting up in i-Park will continue to support the already strong interest from domestic investors.

The anticipated sales uptrend from future sales conversion will complement the existing unbilled sales of approximately RM68.0 million for i-Parks as at 30 September 2021. Furthermore, after recently securing our single-largest construction contract, our construction and engineering orderbook is now boosted to about RM450 million.”

**Kelvin Lee Chai (李志财)**  
**Group Managing Director, AME Elite Consortium Berhad**

Prior to news of international borders reopening, AME’s i-Park industrial parks which attract Foreign Direct Investment (FDI) and growing Domestic Direct Investment (DDI) secured new sales of RM68.8 million for the first half ended 30 September 2021 (1H22), as compared to RM27.4 million in the first half ended 30 September 2020 (1H21).

Additionally, the Group secured its single-largest construction contract of RM359 million in October 2021 from Ye Chiu Non-Ferrous Metal (M) Sdn Bhd to build an integrated production facility in Johor. The project would be delivered over 18 months and is expected to be completed by May 2023.

The Group’s net profit for 1H22 was maintained at RM17.0 million, mainly driven by higher profit contribution from the construction and engineering segments, as well as increased income from the property investment and management services segment, comprising the Group’s leasing properties and i-Stay workers’ dormitories. The increased contribution from these segments offset the lower income from the property development segment in 1H22.

Meanwhile, group revenue for 1H22 declined slightly to RM163.1 million from RM175.6 million a year ago, due to restriction on business activities as well as limited manpower capacity during the Full Movement Control Order (FMCO).

Of total 1H22 revenue, the property development segment contributed RM65.4 million compared to RM64.9 million in the previous year. Additionally, the property investment and management services segment saw revenue grow 21.2% to RM21.2 million from RM17.5 million previously, mainly from additional units of factory being leased and higher income generated from workers’ dormitories.

However, revenue from the construction and engineering services segments declined 18.0% to RM76.5 million in 1H22 versus RM93.2 million in 1H21 due to slower work progress for on-going projects during the FMCO.

In the second quarter ending 30 September 2021 (2Q22), AME recorded a net profit of RM9.8 million as compared to RM11.4 million in the previous corresponding quarter. Revenue for 2Q22 also saw a decline of RM86.3 million from RM120.9 million.



## AME ELITE CONSORTIUM BERHAD

Registration No. 201801030789 (1292815-W)

No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400 Senai Johor.  
Tel: +607 - 5959 666 Fax: +607 - 5959 668

2Q22 revenue for property development segment increased by 15.3% to RM46.8 million from RM40.6 million, mainly due to higher stages of work completed and timing of income recognition. Furthermore, property investment and management services segment recorded an increase of 21.1% to RM10.6 million from RM8.7 million attributed to higher rental income from leasing properties and workers' dormitories.

However, revenue for construction and engineering services segment contributed RM29.0 million in 2Q22 versus RM71.5 million in 2Q21, owing to the implementation of FMCO and National Recovery Plan.

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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, the sale and lease of industrial factory units, as well as rental and management of workers' dormitories.

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 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.**

**For media enquiries, please contact:**

Ms. Julia Pong [julia@aquilas.com.my](mailto:julia@aquilas.com.my) T: +603- 2711 1391 / +6012-3909 258

Mr. Tay Tze Yi [tayty@aquilas.com.my](mailto:tayty@aquilas.com.my) T: +603- 2711 1391 / +6016-3380 555