



# AME ELITE CONSORTIUM BERHAD

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## BUSINESS OVERVIEW

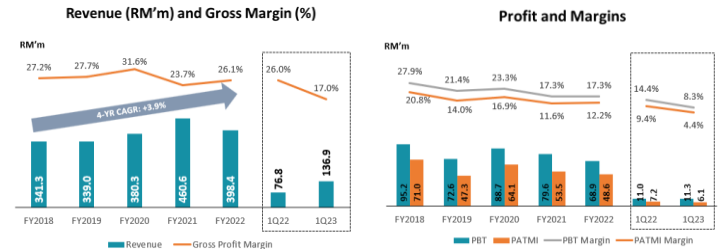
AME Elite Consortium Berhad (AME), established since 1995, is a leading integrated industrial space solutions provider, offering one-stop and comprehensive solutions encompassing the design and construction of customised large manufacturing plants, development of award-winning industrial parks, sale 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 more than 200 large manufacturing and industrial buildings for various industries, and four industrial parks. AME 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

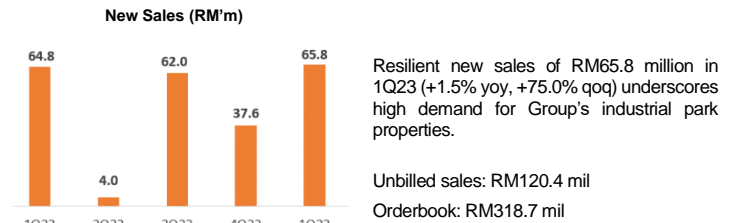
Completed Industrial Parks	
<b>i-Park@SiLC</b>  <b>GDV:</b> RM80.0m <b>Area:</b> 12.31 acres <b>Take-up:</b> 100% - Sold: 84% - Leased: 16%	<b>i-Park@Indahpura (Phase 1&amp;2)</b>  <b>GDV:</b> RM600.0m <b>Area:</b> 104.84 acres <b>Take-up:</b> 97% - Sold: 81% - Leased: 16%
<b>District 6</b>  <b>GDV:</b> RM86.0m <b>Area:</b> 7.57 acres <b>Take-up:</b> 100% - Sold: 33% - Leased: 67%	<b>SME City</b> <i>*By jointly-controlled entity, Axis AME IP</i>  <b>GDV:</b> RM192.0m <b>Area:</b> 40.00 acres <b>Take-up:</b> 100% - Sold: 100%
Completed Workers' Dormitories	
<b>i-Stay@Indahpura</b>  <b>Maximum capacity:</b> 2,290 beds <b>Occupancy rate:</b> 99%	<b>i-Stay@Senai Airport City</b>  <b>Maximum capacity:</b> 1,828 beds <b>Occupancy rate:</b> 54% <i>*Due to transition period between old and new tenants. The new tenants will move in by batches and gradually increase the occupancy rate.</i>
Ongoing Industrial Parks	
<b>i-Park@Indahpura (Phase 3* &amp; P108)</b> <i>*By jointly-controlled entity, Axis AME IP</i>  <b>Est. GDV:</b> Phase 3: RM456.0m P108: RM120.0m <b>Area:</b> Phase 3: 85.4 acres P108: 15.0 acres <b>Est. Completion:</b> 2025 <b>Take-up:</b> <b>Phase 3</b> - 95% (Sold: 92%, Leased: 3%) <b>P108</b> - 100% (Sold: 100%)	<b>i-Park@Senai Airport City (Phase 1, 2, 3, 3 Plus &amp; The Jacaranda)</b>  <b>Est. GDV:</b> RM1,369.0m <b>Area:</b> 191.4 acres <b>Est. Completion:</b> 2025 <b>Take-up:</b> <b>Phase 1 &amp; 2</b> - 98% (Sold: 67%, Leased: 31%) <b>Phase 3 &amp; 3 Plus</b> - 48% (Sold: 35%, Leased: 13%) <b>The Jacaranda</b> - 92% (Sold: 92%)
<b>i-TechValley, SiLC</b>  <b>Soft launched:</b> March 2022 <b>Est. GDV:</b> RM1,464m <b>Area:</b> 169.8 acres <b>Est. Completion:</b> 2030 <b>Take-up:</b> 6%	

## FINANCIAL PERFORMANCE



AME recorded higher revenue of RM136.9 million in 1Q23 (1Q22: RM76.8 million) driven by growth in the construction services, property development and property investment and management services segments. These improvements helped mitigate lower revenue in engineering services segment due to near completion of most existing engineering projects and lesser revenue recognition.

Notwithstanding the revenue growth, 1Q23 profit before tax maintained at RM11.3 million (1Q22: RM11.0 million) while net profit attributable to shareholders stood at RM6.1 million (1Q22: RM7.2 million), after accounting for additional RM2.7 mil finance cost from unwinding of discount for a land acquisition.



## RECENT DEVELOPMENTS

- **Expanding industrial park presence to Penang**
  - In August 2022, entered into proposed joint development of new integrated industrial park on 176-acre land in Penang, with potential GDV of RM1.0 billion
  - Formed 50-50 SPV with Majestic Builders Sdn Bhd to jointly develop industrial park; signed SPA with Waz Lian Holdings Sdn Bhd to acquire development land for RM130.0 million
  - Expected to commence and complete the industrial park development by the third quarter of 2023 and 2030 respectively
- **Commenced property sales at i-TechValley in SiLC, Johor in March 2022**
  - Seeing healthy sales for RM1.5 billion GDV industrial park on 169.8-acre land; targeted completion in 2030
  - Benefiting from rising demand due to supply chain diversification by MNCs and expansion of domestic and foreign companies
- **AME REIT to be listed on 20 September 2022**
  - Estimated market capitalization of approximately **RM588.0 million** based on the final retail price of **RM1.13 per Unit**
  - Prospectus launched on 17 August 2022; institutional offering covered 4.20x, while public tranche oversubscribed 2.46x



## GROWTH STRATEGIES

- **Replicating i-Park model across Peninsular Malaysia**
  - To continue expanding 200 acres balance landbank
- **Enhancing portfolio of workers' dormitories through capacity expansion, as well as improving quality and services**
  - Completed expansion to add 2 new blocks at i-Stay@Indahpura on 5 July 2022, with tenancy commenced on 15 July 2022

## INVESTMENT MERITS & VALUATION

- Integrated construction, engineering, leasing, and services capabilities
- Niche specialisation in developing and managing industrial parks
- Strong orderbook and unbilled sales to undergird earnings growth
- Beneficiary of expansion in global supply chain to Southeast Asia
- Undertaking landbank expansion to grow i-Park presence; upcoming REIT listing to unlock investment properties value
- Dividend policy to distribute at least 20% of net profit attributable to shareholders (less fair value gain on investment properties)

Valuations @ 5 Sep 2022	
Share Price (RM)	1.51
Market Cap (RM'm)	967.4
P/E (ttm)	20.4
P/B	1.4