

AME ELITE CONSORTIUM BERHAD
Registration No. 201801030789 (1292815-W)
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF AME ELITE CONSORTIUM BERHAD (“**AME**” or “**COMPANY**”) DULY CONVENED AND HELD ON A FULLY VIRTUAL BASIS THROUGH ONLINE MEETING PLATFORM AT <https://meeting.boardroomlimited.my> ON THURSDAY, 7 NOVEMBER 2024 AT 2:00 P.M.

PRESENT

Board of Directors

Tengku Azrina Binti Raja Abdul Aziz	<i>(Independent Non-Executive Chairperson)</i>
Kelvin Lee Chai	<i>(Deputy Chairman / Non-Independent Non-Executive Director)</i>
Dylan Tan Teck Eng	<i>(Executive Director and Group Chief Executive Officer)</i>
Vincen Lim Khai Wen	<i>(Executive Director)</i>
Eric Kang Koh Wei	<i>(Executive Director)</i>
Simon Lee Sai Boon	<i>(Non-Independent Non-Executive Director)</i>
Tan Lay Beng	<i>(Independent Non-Executive Director)</i>
Chang Tian Kwang	<i>(Independent Non-Executive Director)</i>
Wee Soon Chit	<i>(Independent Non-Executive Director)</i>
Kang Ah Chee	<i>(Alternate Director to Eric Kang Koh Wei)</i>
Cheryl Lim Pei Shi	<i>(Alternate Director to Vincen Lim Khai Wen)</i>
Lee Ling Sien	<i>(Alternate Director to Kelvin Lee Chai)</i>
Alfred Lee Chun Kiat	<i>(Alternate Director to Simon Lee Sai Boon)</i>

Company Secretary

Santhi A/P Saminathan (Boardroom Corporate Services Sdn Bhd)

Shareholders/Corporate Representatives/Proxies

Those eligible shareholders registered and logged in via Virtual Meeting Facilities provided by Boardroom Share Registrars Sdn Bhd.

IN ATTENDANCE

Head of Finance and Corporate Services

Angela Ooi Suan Ling

Independent Adviser

cfSolutions Sdn Bhd represented by Calvin Chun Kwong Pong

Independent Valuer

CBRE WTW Valuation & Advisory Sdn Bhd represented by Chong Shek Heong

Poll Administrator

Boardroom Share Registrars Sdn Bhd represented by Ang Wai Meng and Cheong Chee Ken

Independent Scrutineer

SKY Corporate Services Sdn Bhd represented by Nur Rabiatal Marissa and Tan Hui Yin

Moderator for Questions & Answers session

Aquilas Advisory (Malaysia) Sdn Bhd represented by Tay Tze Yi

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1. CHAIRPERSON

Tengku Azrina Binti Raja Abdul Aziz presided as Chairperson of the Extraordinary General Meeting (“**EGM**”) of the Company. The Chairperson welcomed the shareholders and all those present at the fully virtual meeting. The Chairperson introduced the Board of Directors (“**Board**”), the Head of Finance and Corporate Services, the Company Secretary, the Independent Adviser and the Independent Valuer who were present at the meeting to the shareholders.

2. QUORUM

The Company Secretary confirmed the presence of a quorum, and the Chairperson called the meeting to order.

3. NOTICE

The Notice convening the EGM was announced via Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) on 16 October 2024 and advertised in The Star on 17 October 2024. The Notice has been properly given and it shall be taken as read.

The Chairperson reported on the number of proxy forms received from shareholders, namely 53 proxy forms for a total of 93,495,327 shares, representing 14.63% of the issued ordinary shares of the Company. Out of those, 48 proxy forms were from shareholders who appointed the Chairperson of the meeting as their proxy to vote on their behalf and the shares so represented are 77,451,876 shares, representing 12.12% of the issued ordinary shares of the Company.

4. POLL VOTE

The Chairperson briefed the shareholders that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all resolutions to be considered at the EGM will be voted by way of poll. The Company appointed Boardroom Share Registrars Sdn Bhd, the Company’s Share Registrar as the Poll Administrator to conduct the poll and SKY Corporate Services Sdn Bhd as an Independent Scrutineer to verify the poll results.

The Chairperson invited the shareholders to post questions through the online meeting platform and all questions shall be dealt with during the Questions & Answers (“**Q&A**”) session upon completion of the remaining business of the EGM.

The Poll Administrator played a video tutorial on the online voting procedures. Online voting commenced after the video tutorial.

5. PRESENTATION BY INDEPENDENT ADVISER

The Chairperson invited Calvin Chun Kwong Pong, Independent Adviser, to give a presentation on the proposed disposals.

The presentation slides are enclosed in **Appendix A** and annexed herewith.

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AS ORDINARY BUSINESS:

AGENDA ITEM 1

6. ORDINARY RESOLUTION 1 – PROPOSED I-TECHVALLEY 34 DISPOSAL

The Chairperson commenced with agenda item 1, Ordinary Resolution 1, in relation to the approval of the Proposed Disposal by Pentagon Land Sdn Bhd (“**Pentagon Land**”) of a proposed single storey detached factory with mezzanine office and other ancillary buildings, to be erected on a parcel of freehold land held under GRN 587959, LOT 169211, Mukim of Pulai, District of Johor Bahru, State of Johor together with the aforementioned freehold land (“**i-TechValley 34**”), to RHB Trustees Berhad, on behalf of AME REIT (“**Trustee**”), for a cash consideration of RM27,000,000 (“**Proposed i-TechValley 34 Disposal**”).

Before considering the resolution, the Chairperson informed the shareholders that the interested Directors and interested major shareholders would abstain from voting on this resolution.

AGENDA ITEM 2

7. ORDINARY RESOLUTION 2 – PROPOSED I-TECHVALLEY 46 DISPOSAL

The Chairperson proceeded to the next item on the agenda, Ordinary Resolution 2, in relation to the approval of the Proposed Disposal By Pentagon Land of a single storey detached factory with mezzanine office and other ancillary buildings, erected on a parcel of freehold land held under GRN 587971, LOT 169223, Mukim of Pulai, District Of Johor Bahru, State of Johor together with the aforementioned freehold land (“**i-TechValley 46**”), to the Trustee, for a cash consideration of RM27,450,000 (“**Proposed i-TechValley 46 Disposal**”).

Before considering the resolution, the Chairperson informed the shareholders that the interested Directors and interested major shareholders would abstain from voting on this resolution.

AGENDA ITEM 3

8. ORDINARY RESOLUTION 3 – PROPOSED I-PARK SAC 23 & 24 DISPOSAL

The Chairperson proceeded to the next item on the agenda, Ordinary Resolution 3, in relation to the approval of the Proposed Disposal by Ipark Development Sdn Bhd (“**Ipark Development**”) of a single storey detached factory with mezzanine office and other ancillary buildings, erected on a parcel of freehold land held under HSD 80929, PTD 114240, Mukim of Senai, District of Kulai, State of Johor together with the aforementioned freehold land (“**i-Park SAC 23 & 24**”) to the Trustee for a cash consideration of RM45,000,000 (“**Proposed i-Park SAC 23 & 24 Disposal**”).

Before considering the resolution, the Chairperson informed the shareholders that the interested Directors and interested major shareholders would abstain from voting on this resolution.

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AGENDA ITEM 4

9. ORDINARY RESOLUTION 4 – PROPOSED I-PARK SAC 60 & 61 DISPOSAL

The Chairperson proceeded to the next item on the agenda, Ordinary Resolution 4, in relation to the approval of the Proposed Disposal by Ipark Development of a proposed single storey detached factory with mezzanine office and other ancillary buildings, to be erected on 2 parcels of freehold land held under HSD 596308, PTD 196194 and HSD 596309, PTD 196195, Mukim of Tebrau, District of Johor Bahru, State of Johor together with the aforementioned freehold land (“**i-Park SAC 60 & 61**”), to the Trustee for a cash consideration of RM20,000,000 (“**Proposed i-Park SAC 60 & 61 Disposal**”).

Before considering the resolution, the Chairperson informed the shareholders that the interested Directors and interested major shareholders would abstain from voting on this resolution.

10. QUESTIONS AND ANSWERS (“Q&A”) SESSION

The Chairperson proceeded to the Q&A session and invited the Management to answer the pre-submitted and live questions raised by the shareholders. The Chairperson invited Tay Tze Yi, Calvin Chun Kwong Pong and the Management team to assist in moderating the Q&A session. The questions and answers shared at the meeting are enclosed as **Appendix B** annexed herewith.

The Chairperson informed the shareholders that questions that were missed or not answered at the meeting would be included in the EGM minutes and uploaded onto the Company’s website.

11. CONDUCT OF POLL

The Chairperson proceeded to the polling process. She informed the shareholders that the poll remained open for the next 10 minutes to cast votes and thereafter, the Independent Scrutineer would take approximately 20 minutes to validate the poll results. The meeting would resume upon receiving the poll results verified by the scrutineer.

12. DECLARATION OF POLL RESULTS

The meeting resumed at 2:57 p.m. with the requisite quorum present. The Chairperson called the meeting to order for the declaration of poll results.

All Ordinary Resolutions 1 to 4 tabled at the meeting were voted by poll, and the poll results were validated by the appointed Independent Scrutineer, SKY Corporate Services Sdn Bhd. The poll results validated by the scrutineer were as follows:

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	94,997,749	99.9958	3,956	0.0042
Ordinary Resolution 2	94,997,749	99.9958	3,966	0.0042
Ordinary Resolution 3	94,997,749	99.9958	3,966	0.0042
Ordinary Resolution 4	94,998,999	99.9969	2,966	0.0031

The Chairperson declared that all the resolutions were carried.

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CLOSE OF MEETING

The Chairperson thanked the shareholders for their attendance and declared the meeting closed at 3:00 p.m.

SIGNED AS A CORRECT RECORD

TENGGU AZRINA BINTI RAJA ABDUL AZIZ
Chairperson

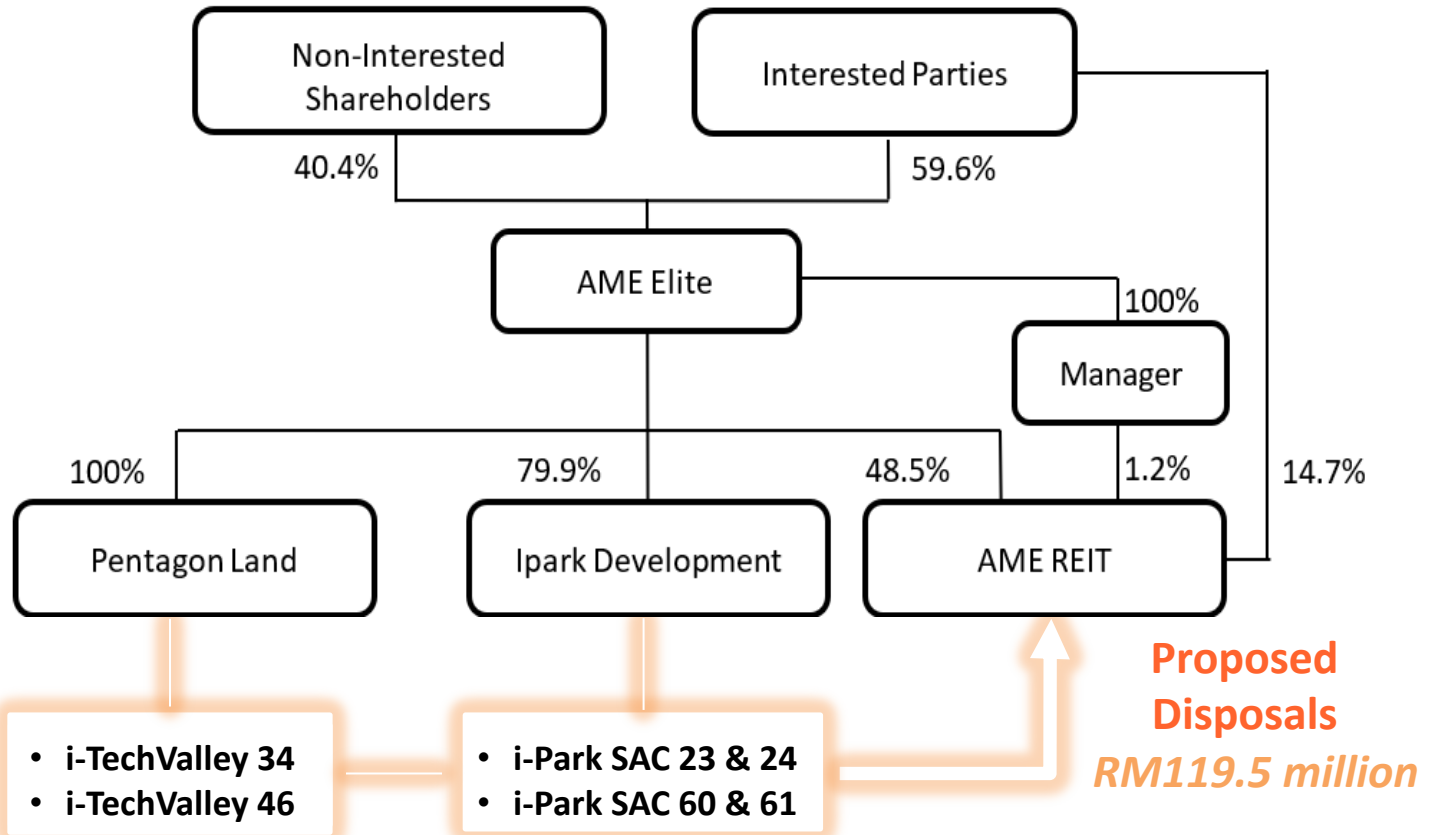


EVALUATION OF THE PROPOSED DISPOSALS



licensed corporate finance adviser

OVERVIEW OF THE PROPOSED DISPOSALS



KEY CONSIDERATION

1. Rationale of the Proposed Disposals

2. Evaluation of the Disposal Consideration

3. Salient terms of the SPAs and the Lease Agreements

4. Industry outlook and prospects

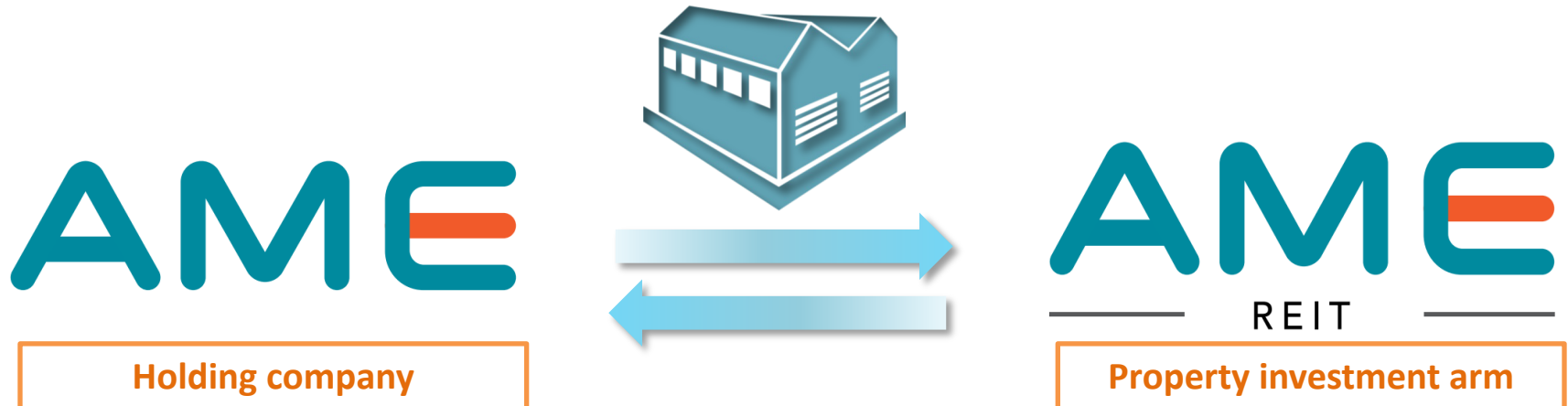
5. Financial effects of the Proposed Disposals

6. Risk factors associated with the Proposed Disposals



RATIONALE OF THE PROPOSED DISPOSALS

RATIONALE OF THE PROPOSED DISPOSALS



- ❖ ~RM22.9 million pro forma gain
- ❖ ~RM119.5 million gross proceeds

- ⦿ Align with the business goals of the Group
- ⦿ Realise the investment in the Subject Properties
- ⦿ Improve the cash flows position of the Group
- ⦿ Redeploy resources to on-going and future property development and investment projects



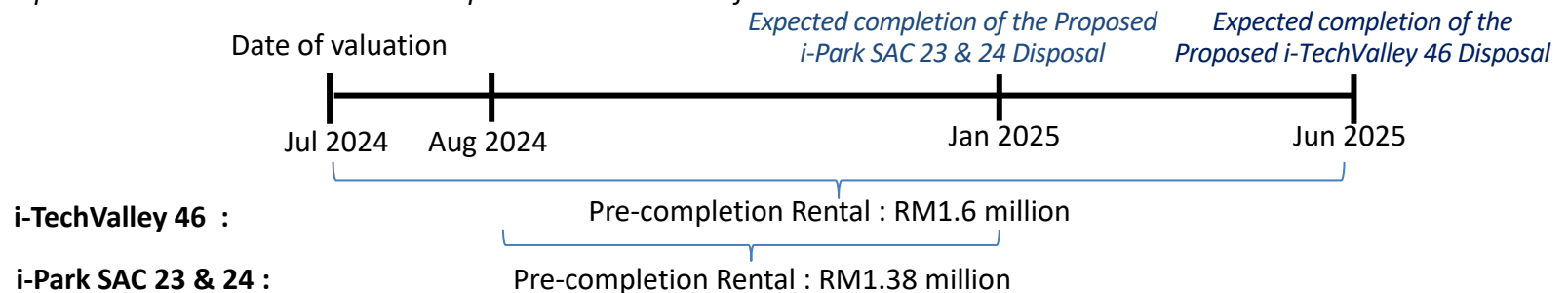
EVALUATION OF THE DISPOSAL CONSIDERATION

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Market valuation VS Disposal consideration					
	i-TechValley 34	i-TechValley 46	i-Park SAC 23 & 24	i-Park SAC 60 & 61	Subject Properties
	RM'000	RM'000	RM'000	RM'000	RM'000
Market value	27,000	29,000	46,000	20,000	122,000
Disposal consideration	27,000	27,450	45,000	20,000	119,450
Discount	-	(1,550)	(1,000)	-	(2,550)
- in %	-	(5.3%)	(2.2%)	-	(2.1%)
Pre-Completion Rental⁽¹⁾	-	1,600	1,379	-	2,979
Effective premium	-	50	379	-	429
- in %	-	0.2%	0.8%	-	0.4%

Note:

(1) Pre-completion rental that AME Elite anticipates to receive is as follows:



Should the completion of the Proposed i-TechValley 46 Disposal and the Proposed i-Park SAC 23 & 24 Disposal take place before 30 June 2025 and 31 January 2025 respectively, the Pre-Completion Rental and the effective premium will reduce accordingly.

SALIENT TERMS OF THE SALE AND PURCHASE AGREEMENTS AND LEASE AGREEMENTS

SALIENT TERMS OF THE AGREEMENTS

I. SALE AND PURCHASE AGREEMENTS

- Overview
- Conditions precedent*
- Manner of payment of the purchase price
- Adjustment of the purchase price

- Completion
- Representations and warranties
- Termination*

II. LEASE AGREEMENTS

- Mutual agreements
- Ordinary course of business

- Lessees are not related to the Interested Parties
- Monthly gross rental rates



INDUSTRY OUTLOOK AND PROSPECTS

INDUSTRY OUTLOOK AND PROSPECTS

Expected growth in 2024

- Global : 3.2%
- Malaysia : 4% - 5%
- Construction sector : 6.8%

Government's effort

- Malaysia My Second Home programme
- Johor-Singapore Special Economic Zone
- Special Financial Zone in Forest City

Positive impact on property market

- Rapid Transit Link project in Johor
- East Coast Rail Link
- Pan Borneo Highway

Source: International Monetary Fund, Ministry of Finance and National Property Information Centre



FINANCIAL EFFECTS OF THE PROPOSED DISPOSALS

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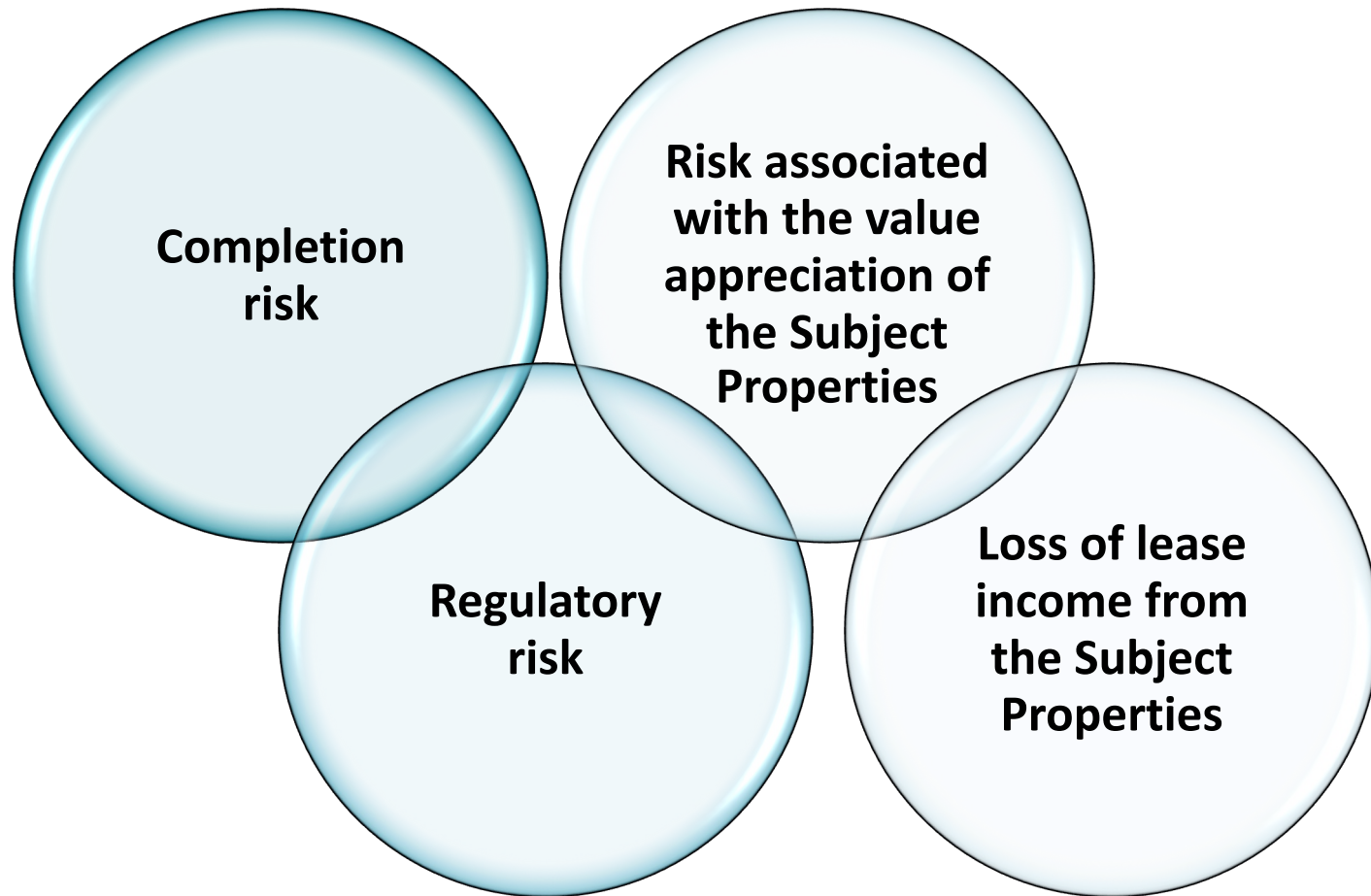
Pro forma effects of the Proposed Disposals:

Share capital	No effect
Substantial shareholders' shareholdings	No effect
Earnings	Increase : RM93.1 million -> RM115.5 million
Basic EPS	Increase : 14.57 sen -> 18.08 sen
Consolidated NA per Share	Increase : RM1.37 -> RM1.40
Gearing	Increase : 0.20 times -> 0.30 times



RISK FACTORS ASSOCIATED WITH THE PROPOSED DISPOSALS

RISK FACTORS ASSOCIATED WITH THE PROPOSED DISPOSALS



CONCLUSION AND RECOMMENDATION

- Premised on our evaluation and considerations as set out in the Independent Advice Letter, we are of the opinion that the Proposed Disposals are **FAIR AND REASONABLE** and are **NOT DETRIMENTAL** to the non-interested shareholders of AME Elite.
- Accordingly, cfSolutions recommends that the Non-Interested Shareholders **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed Disposals to be tabled.
- Please refer to our Independent Advice Letter dated 17 October 2024 for the basis, further details and limitations of our opinion.

THANK YOU



Questions by Shareholders answered during the EGM

1. Why are the Proposed Disposals undertaken at a discount to the market value of the Subject Properties?

Answered by
Calvin Chun Kwong Pong

The discount arises if we reference the Disposal Consideration to the market valuation. However, we note that AME Elite anticipates to receive pre-completion rental income from i-TechValley 46 and i-Park SAC 23 & 24. Consequently, taking into consideration the pre-completion rental, the Proposed Disposals would be at an effective premium of 0.4% on an overall basis.

2. How are the values of the Subject Properties arrived at?

Answered by
Calvin Chun Kwong Pong

The Valuer had adopted the Income Approach (Investment Method) and Comparison Approach as a counter-check.

Income Approach (Investment Method) entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value. Income in the context of the investment method relates mainly to the rental of the properties.

3. Given that the Johor property market is on an uptrend and the Subject Properties are located within one of the main development corridors, why has AME Elite decided to dispose the Subject Properties?

Answered by
Dylan Tan Teck Eng

Upon disposal of the Subject Properties, AME Elite may not enjoy future appreciation in the market value directly. However, we will continue to enjoy recurring income from the Subject Properties through our 49.7% unitholding in AME REIT.

Furthermore, AME Elite will benefit from:

- Estimated pro forma gain on disposal of approximately RM22.9 million
- Gross proceeds of approximately RM119.5 million in cash, which will support our cash flow requirements for land acquisitions.

4. What is the NA per Share after the Proposed Disposals?

Answered by
Angela Ooi Suan Ling

For illustrative purpose only, based on the latest audited consolidated statements of financial position of our group as at 31 March 2024, NA per Share will increase from RM1.37 to RM1.40.

5. How do AME Elite and AME REIT decide on property acquisitions, and how do you ensure that the deals are conducted at arm's length?

Answered by
Dylan Tan Teck Eng

AME Elite and AME REIT operate as two independent listed entities. Each entity has its independent board committee to evaluate related party transactions. In line with relevant regulations and best practices, both entities appoint independent property valuer and independent adviser to ensure arm's-length transactions. AME Elite, as the sponsor of AME REIT with an interest of approximately 49.7%, shares a mutual growth objective with AME REIT.

6. Would the board be kind to reward loyal shareholders a token of meal voucher or eWallet for the time and effort in attending today's EGM?

Answered by
Dylan Tan Teck Eng

We thank our shareholders for your continued support, and we are committed to rewarding our shareholders through consistent dividend payments based on our dividend policy.

7. Will there be any dividend announcement for AME Elite after the completion of disposal?

Answered by
Dylan Tan Teck Eng

We have decided to pay dividends twice in a financial year. After the completion of this EGM for the Proposed Disposals, we are about to pay our dividends after our second quarter results.

(Note: The Proposed Disposals will be completed in phases, between the fourth quarter of financial year ending 2025 and second quarter of financial year ending 2026. Gains from the Proposed Disposals will be reflected in the corresponding half-yearly dividends in accordance with our dividend policy.)