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AME ELITE CONSORTIUM BERHAD

(Registration No. 201801030789 (1292815-W))

(Incorporated in Malaysia under the Companies Act 2016)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PART A

PROPOSED DISPOSALS OF THE FOLLOWING BY THE SUBSIDIARIES OF AME ELITE CONSORTIUM BERHAD (“AME ELITE” OR THE “COMPANY”) TO RHB TRUSTEES BERHAD, BEING THE TRUSTEE OF AME REAL ESTATE INVESTMENT TRUST, FOR A TOTAL CASH CONSIDERATION OF RM119,450,000:

- (I) **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, FROM PENTAGON LAND SDN BHD (“PENTAGON LAND”) FOR A CASH CONSIDERATION OF RM27,000,000 (I-TECHVALLEY 34)**
- (II) **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, FROM PENTAGON LAND FOR A CASH CONSIDERATION OF RM27,450,000 (I-TECHVALLEY 46)**
- (III) **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, FROM IPARK DEVELOPMENT SDN BHD (“IPARK DEVELOPMENT”) FOR A CASH CONSIDERATION OF RM45,000,000 (I-PARK SAC 23 & 24)**
- (IV) **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, FROM IPARK DEVELOPMENT FOR A CASH CONSIDERATION OF RM20,000,000 (I-PARK SAC 60 & 61)**

(COLLECTIVELY REFERRED TO AS THE “PROPOSED DISPOSALS”)

PART B

INDEPENDENT ADVICE LETTER FROM CFSOLUTIONS SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF AME ELITE IN RELATION TO THE PROPOSED DISPOSALS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING (“EGM”)

Independent Adviser for Part B



cfSolutions Sdn Bhd

Reg. No. 198501004650 (137090-W)
licensed corporate finance adviser

Our EGM will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting (“**RPEV**”) facilities via online meeting platform at <https://meeting.boardroomlimited.my> (*Domain Registration No. with MYNIC-D6A357657*) on Thursday, 7 November 2024 at 2.00 p.m. or at any adjournment thereof. For further information, please refer to the Notice of EGM and Administrative Guide on the EGM in order to register, participate, speak and vote remotely via the RPEV facilities. The Notice of the EGM and the Form of Proxy can be downloaded at our Company’s website at <https://www.ame-elite.com> or Bursa Securities’ website at <https://www.bursamalaysia.com>.

A shareholder entitled to participate, speak and vote at our forthcoming EGM is entitled to appoint a proxy or proxies to participate, speak and vote on his/her behalf. In such an event, please complete and return the Form of Proxy in accordance with the instructions therein and deposit it at the office of our Company’s Share Registrar, Boardroom Corporate Services Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the forthcoming EGM. You can also have the option to lodge the proxy appointment electronically via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or email to bsr.helpdesk@boardroomlimited.com not less than 48 hours before our forthcoming EGM. The lodging of the Form of Proxy will not preclude you from participating, speaking and voting remotely at our forthcoming EGM should you subsequently decide to do so.

Last day, date and time for registration for RPEV at our forthcoming virtual EGM and for lodgement of the Form of Proxy : Tuesday, 5 November 2024 at 2.00 p.m.

Day, date and time of our forthcoming EGM, or at any adjournment thereof : Thursday, 7 November 2024 at 2.00 p.m.

This Circular is dated 17 October 2024

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016
ALA	:	Agreed lettable area
AME Development	:	AME Development Sdn Bhd, our wholly-owned subsidiary
AME Elite or our Company	:	AME Elite Consortium Berhad
AME Elite Share(s) or Share(s)	:	Ordinary share(s) in AME Elite
AME Integrated	:	AME Integrated Sdn Bhd, our 99.9%-owned subsidiary. The balance 0.1% is held by Lee Sai Boon (0.01%), Lee Chai (0.03%), Lim Yook Kim (0.03%) and Kang Ah Chee (0.03%)
AME REIT	:	AME Real Estate Investment Trust, a real estate investment trust established in Malaysia and constituted under the Deed and listed on the Main Market of Bursa Securities
Board	:	Board of Directors of AME Elite
Bursa Securities	:	Bursa Malaysia Securities Berhad
CBRE WTW or the Valuer	:	CBRE WTW Valuation & Advisory Sdn Bhd, being the independent property valuer, appointed by our Company to conduct the valuation of the Subject Properties
CCC	:	Certificate of completion and compliance
Circular	:	This circular to shareholders of our Company in relation to the Proposed Disposals
Completion Date	:	In accordance with the respective SPAs, being the date within 1 month from the unconditional date of the respective SPAs or such extended date as the Vendors and the Trustee may agree in writing, upon which the purchase price of the respective SPAs is fully settled
cfSolutions or the Independent Adviser	:	cfSolutions Sdn Bhd
Deed	:	The trust deed dated 23 May 2022 between the Manager and the Trustee constituting AME REIT, and registered with the Securities Commission Malaysia on 23 May 2022
Disposal Consideration	:	The total cash consideration for the Proposed Disposals of RM119,450,000
EGM	:	Extraordinary general meeting of our Company
EPS	:	Earnings per AME Elite Share
FYE(s)	:	Financial year(s) ended
GDC	:	Gross development cost
Group	:	AME Elite and its subsidiaries

DEFINITIONS (Cont'd)

- i-Park @ SAC** : A managed industrial park developed by Ipark Development, located in Senai Airport City, Johor, which is strategically located within Flagship E : Senai-Skudai of the Iskandar Malaysia development region of which i-Park SAC 23 & 24 and i-Park SAC 60 & 61 are located in
- i-Park SAC 23 & 24** : 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, located within a gated and guarded development known as i-Park @ SAC
- i-Park SAC 23 & 24 SPA** : A conditional sale and purchase agreement entered into between Ipark Development and the Trustee (on behalf of AME REIT) dated 24 July 2024 for the Proposed i-Park SAC 23 & 24 Disposal
- i-Park SAC 60 & 61** : 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, located within a gated and guarded development known as i-Park @ SAC
- i-Park SAC 60 & 61 SPA** : The conditional sale and purchase agreement entered into between Ipark Development and the Trustee (on behalf of AME REIT) dated 24 July 2024 for the Proposed i-Park SAC 60 & 61 Disposal
- i-TechValley** : A development within Phase 3 of Kawasan Perindustrian SILC, Iskandar Puteri, Johor which is sited about 3km due north-east of Gelang Patah town and 25km due west of the Johor Bahru city centre of which i-TechValley 34 and i-TechValley 46 are located in
- i-TechValley 34** : 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, located within a gated and guarded development known as i-TechValley
- i-TechValley 34 SPA** : A conditional sale and purchase agreement entered into between Pentagon Land and the Trustee (on behalf of AME REIT) dated 24 July 2024 for the Proposed i-TechValley 34 Disposal
- i-TechValley 46** : 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, located within a gated and guarded development known as i-TechValley
- i-TechValley 46 SPA** : A conditional sale and purchase agreement entered into between Pentagon Land and the Trustee (on behalf of AME REIT) dated 24 July 2024 for the Proposed i-TechValley 46 Disposal
- IAL** : Independent advice letter from cfSolutions to the Non-Interested Shareholders in relation to the Proposed Disposals, enclosed as **Part B** of this Circular
- Interested Directors** : Collectively, Lee Chai, Lee Sai Boon, Lim Khai Wen, Kang Koh Wei, Kang Ah Chee, Lim Pei Shi, Lee Ling Sien and Lee Chun Kiat
- Interested Major Shareholders** : Collectively, Lee Chai, Kang Ah Chee and Lim Yook Kim

DEFINITIONS (Cont'd)

Interested Parties	:	Collectively, the Interested Directors and Interested Major Shareholders
Ipark Development	:	Ipark Development Sdn Bhd, an 80.0%-owned subsidiary of AME Integrated, is a Vendor for the Proposed i-Park SAC 23 & 24 Disposal and the Proposed i-Park SAC 60 & 61 Disposal. The balance 20.0% is held by Fujiplates Manufacturing Sdn Bhd, which in turn is a wholly-owned subsidiary of Fuji Offset Plates Manufacturing Ltd, a public company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited
km	:	Kilometres
Lease Agreements	:	Lease agreements entered into between the respective Vendors and the lessees for the leases of the Subject Properties, and includes any supplemental lease letters and/or agreements, where applicable
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 September 2024, being the latest practicable date prior to the date of this Circular
LTD	:	23 July 2024, being the last trading date prior to the announcement in relation to the Proposed Disposals
Manager	:	I REIT Managers Sdn Bhd, the management company of AME REIT and our wholly-owned subsidiary
MFA	:	Main floor area
NA	:	Net asset per Share
NBV	:	Net book value
Non-Interested Shareholders	:	Non-interested shareholders of AME Elite
Pentagon Land	:	Pentagon Land Sdn Bhd, our wholly-owned subsidiary, and a Vendor for the Proposed i-TechValley 34 Disposal and the Proposed i-TechValley 46 Disposal
Proposed Disposals	:	Collectively, the Proposed i-TechValley 34 Disposal, Proposed i-TechValley 46 Disposal, Proposed i-Park SAC 23 & 24 Disposal and Proposed i-Park SAC 60 & 61 Disposal
Proposed i-Park SAC 23 & 24 Disposal	:	Proposed disposal of i-Park SAC 23 & 24 by Ipark Development to the Trustee (on behalf of AME REIT) for a cash consideration of RM45,000,000
Proposed i-Park SAC 60 & 61 Disposal	:	Proposed disposal of i-Park SAC 60 & 61 by Ipark Development to the Trustee (on behalf of AME REIT) for a cash consideration of RM20,000,000
Proposed i-TechValley 34 Disposal	:	Proposed disposal of i-TechValley 34 by Pentagon Land to the Trustee (on behalf of AME REIT) for a cash consideration of RM27,000,000
Proposed i-TechValley 46 Disposal	:	Proposed disposal of i-TechValley 46 by Pentagon Land to the Trustee (on behalf of AME REIT) for a cash consideration of RM27,450,000
SAC	:	Senai Airport City

DEFINITIONS (Cont'd)

SILC	:	Southern Industrial and Logistics Clusters
SPA(s)	:	Collectively, the i-TechValley 34 SPA, i-TechValley 46 SPA, i-Park SAC 23 & 24 SPA and i-Park SAC 60 & 61 SPA
sq ft	:	Square feet
Subject Properties	:	Collectively, i-TechValley 34, i-TechValley 46, i-Park SAC 23 & 24 and i-Park SAC 60 & 61
Trustee	:	RHB Trustees Berhad, being the trustee of AME REIT
Valuation Certificate	:	The master valuation certificate dated 24 July 2024 in respect of the Subject Properties, enclosed as Appendix IV of this Circular
Valuation Reports	:	The valuation reports dated 24 July 2024 issued by the Valuer in respect of the Subject Properties
Vendor(s)	:	In relation to the Proposed Disposals: <ul style="list-style-type: none">(i) Pentagon Land, for the Proposed i-TechValley 34 Disposal and Proposed i-TechValley 46 Disposal; and(ii) Ipark Development, for the Proposed i-Park SAC 23 & 24 Disposal and Proposed i-Park SAC 60 & 61 Disposal

CURRENCY

RM : Ringgit Malaysia

References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires, shall include our subsidiaries. References to “**you**” in this Circular are to our shareholders, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations, enactments or rules of the stock exchange or guidelines is a reference to such statutes, rules, regulations, enactments or rules of the stock exchange or guidelines currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company’s plans and objectives will be achieved.

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PART A

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSALS

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED DISPOSALS AS SET OUT IN PART A OF THIS CIRCULAR. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR, INCLUDING PART B AND THE APPENDICES AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED DISPOSALS BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED DISPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

Summary	Reference in Part A of this Circular
Details on the Proposed Disposals : The Proposed Disposals entail the disposal of the Subject Properties by the subsidiaries of our Company to the Trustee (on behalf of AME REIT) for the Disposal Consideration, subject to the terms and conditions of the respective SPAs. Brief details on the Subject Properties are as set out in Section 2.1 of Part A of this Circular.	Section 2
Rationale and benefits : (i) The Vendors intend to dispose the Subject Properties while our Group focuses on its other principal business activities, which include development of industrial parks and construction. In accordance with the right of first refusal to the Trustee (on behalf of AME REIT) to acquire any of the industrial property or dormitory with leasing or tenancy agreement to be disposed by our Group (“ ROFR ”), our Company has therefore undertaken the Proposed Disposals to our Group’s property investment arm, AME REIT. (ii) It is the intention of our Group to consistently realign our property investments in an efficient structure of a real estate investment trust. Additionally, the proceeds from the Proposed Disposals will allow our Group to have funds readily available to reinvest our capital in strategic assets or opportunities that align with our Group’s core strategy, as and when required. (iii) Upon completion of the Proposed Disposals, our Company would be able to recognise approximately RM22.9 million in pro forma gain on disposal of the Subject Properties net of tax and share by non-controlling interests arising from the Proposed Disposals based on the audited NBV of the Subject Properties as at 31 March 2024 and a market value of RM122.0 million. (iv) Given our Company’s effective interest of approximately 49.7% in AME REIT as at the LPD, our Company will continue to consolidate the total asset value of the Subject Properties into its Statements of Financial Position and the Proposed Disposals allow our Company to continue to indirectly enjoy recurring income from our subsidiary, AME REIT, via future income distributions.	Section 3

Summary	Reference in Part A of this Circular
<p>Risk factors : The potential risk factors which may arise from the Proposed Disposals are as follow:</p> <p>(i) The completion of the Proposed Disposals is conditional upon the fulfilment of conditions precedent of the SPAs as set out in Section 2 of Appendix II of this Circular. There is no assurance that all the conditions precedent can be fulfilled and that the Proposed Disposals can be completed within the timeframe stipulated under the SPAs.</p> <p>(ii) The Subject Properties, which are located in Johor, Malaysia, are governed by the regulatory environment in Malaysia and pending the completion of the Proposed Disposals, where there is any change in the regulatory environment in Malaysia, the Subject Properties may be affected.</p> <p>(iii) As a result of the Proposed Disposals, our Group will not be able to enjoy the future appreciation in the value of the Subject Properties directly.</p>	Section 5
<p>Interests of our Directors, major shareholders and/or persons connected with them : Save as disclosed below, none of our Directors and/or major shareholders and/or persons connected with them have any interest, either direct or indirect, in the Proposed Disposals:</p> <p>(i) AME Development, a Vendor, is our wholly-owned subsidiary;</p> <p>(ii) I REIT Managers Sdn Bhd, our wholly-owned subsidiary is the management company of AME REIT;</p> <p>(iii) Lee Chai, who is:</p> <ul style="list-style-type: none"> • our major shareholder by virtue of his direct and indirect interests in our Company, which is the holding company of the Manager, AME Development, AME integrated and the Vendors; • a major unitholder of AME REIT by virtue of his direct and indirect interests in AME REIT; • our Deputy Chairman/Non-Independent Non-Executive Director; • Non-Independent Non-Executive Director of the Manager; • Director of Pentagon Land; • Director of Ipark Development; • brother of Lee Sai Boon; • brother-in-law of Lim Yook Kim; and • father of Lee Ling Sien and Lee Chun Kiat <p>(iv) Lee Sai Boon, who is:</p> <ul style="list-style-type: none"> • our substantial shareholder by virtue of his direct and indirect interests in our Company; • a major unitholder by virtue of his direct and indirect interests in AME REIT; • our Non-Independent Non-Executive Director; • the Chairman/ Non-Independent Non-Executive Director of the Manager 	Section 11

Summary	Reference in Part A of this Circular
<ul style="list-style-type: none">• Director of Pentagon Land;• Director of Ipark Development;• brother of Lee Chai; and• brother-in-law of Lim Yook Kim	
(v) Lim Khai Wen, who is: <ul style="list-style-type: none">• our shareholder by virtue of his direct interest in our Company;• a unitholder of AME REIT by virtue of his direct interest in AME REIT;• our Executive Director;• Director of AME Development;• Director of Pentagon Land;• child of Lim Yook Kim; and• brother of Lim Pei Shi	
(vi) Kang Koh Wei, who is: <ul style="list-style-type: none">• our shareholder by virtue of his direct interest in our Company;• our unitholder by virtue of his direct interest in AME REIT;• our Executive Director;• Director of AME Development;• Director of Pentagon Land; and• child of Kang Ah Chee	
(vii) Kang Ah Chee, who is: <ul style="list-style-type: none">• our major shareholder by virtue of his direct and indirect interests in our Company;• a major unitholder of AME REIT by virtue of his direct and indirect interests in AME REIT;• our alternate Director to Kang Koh Wei;• alternate Director to Lee Sai Boon in the Manager; and• father of Kang Koh Wei	
(viii) Lim Pei Shi, who is: <ul style="list-style-type: none">• our shareholder by virtue of her direct interest in our Company;• a unitholder of AME REIT by virtue of her direct interest in AME REIT;• our alternate Director to Lim Khai Wen;• alternate Director to Chan Wai Leo (Executive Director/ Chief Executive Officer) in the Manager;• Director of AME Development;• Director of Pentagon Land;• Director of Ipark Development;• child of Lim Yook Kim; and• sister of Lim Khai Wen	
(ix) Lee Ling Sien, who is: <ul style="list-style-type: none">• our shareholder by virtue of her direct interest in our Company;• a unitholder of AME REIT by virtue of her direct interest in AME REIT;• our alternate Director to Lee Chai;	

Summary	Reference in Part A of this Circular
<ul style="list-style-type: none"> • Executive Director of the Manager; • Director of AME Development; • Director of Pentagon Land; • child of Lee Chai; and • sister of Lee Chun Kiat <p>(x) Lee Chun Kiat who is:</p> <ul style="list-style-type: none"> • our shareholder by virtue of his direct interest in our Company; • a unitholder of AME REIT by virtue of his direct interest in AME REIT; • our alternate Director to Lee Sai Boon; • alternate Director to Lee Ling Sien in the Manager; • child of Lee Chai; and • brother of Lee Ling Sien <p>(xi) Lim Yook Kim who is:</p> <ul style="list-style-type: none"> • our major shareholder by virtue of his direct and indirect interests in our Company; • a major unitholder of AME REIT by virtue of his direct and indirect interests in AME REIT; • alternate Director to Lee Chai in the Manager; • father of Lim Khai Wen and Lim Pei Shi; and • brother-in-law of Lee Chai and Lee Sai Boon 	
<p>Audit and Risk Management Committee's Statements :</p> <p>Our Audit and Risk Management Committee, after having considered and deliberated on the Proposed Disposals, including but not limited to, the salient terms of the SPAs, basis and justification for the Disposal Consideration, rationale and benefits of the Proposed Disposals, independent valuation of the Subject Properties as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Disposals are:</p> <ul style="list-style-type: none"> (i) in our best interest; (ii) fair, reasonable and on normal commercial terms; and (iii) not detrimental to the interest of our Non-Interested Shareholders. 	<p>Section 13</p>
<p>Our Directors' Statement and Recommendation :</p> <p>Our Board (save for the Interested Directors), after having considered and deliberated on the Proposed Disposals, including but not limited to, the salient terms of the SPAs, basis and justification for the Disposal Consideration, rationale and benefits of the Proposed Disposals, independent valuation of the Subject Properties as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Disposals are in our best interest.</p> <p>Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposed Disposals to be tabled at our forthcoming EGM.</p>	<p>Section 14</p>



AME ELITE CONSORTIUM BERHAD
(Registration No. 201801030789 (1292815-W))
(Incorporated in Malaysia under the Companies Act 2016)

Registered Office:
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim

17 October 2024

Board of Directors:

Tengku Azrina Binti Raja Abdul Aziz	<i>(Independent Non-Executive Chairperson)</i>
Lee Chai	<i>(Deputy Chairman/Non-Independent Non-Executive Director)</i>
Tan Teck Eng	<i>(Executive Director and Group Chief Executive Officer)</i>
Lim Khai Wen	<i>(Executive Director)</i>
Kang Koh Wei	<i>(Executive Director)</i>
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 Kang Koh Wei)</i>
Lim Pei Shi	<i>(Alternate Director to Lim Khai Wen)</i>
Lee Ling Sien	<i>(Alternate Director to Lee Chai)</i>
Lee Chun Kiat	<i>(Alternate Director to Lee Sai Boon)</i>

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED I-TECHVALLEY 34 DISPOSAL**
- (II) PROPOSED I-TECHVALLEY 46 DISPOSAL**
- (III) PROPOSED I-PARK SAC 23 & 24 DISPOSAL**
- (IV) PROPOSED I-PARK SAC 60 & 61 DISPOSAL**

1. INTRODUCTION

On 24 July 2024, our Board announced that the following had been entered into for a total cash consideration of RM119,450,000 in relation to the Proposed Disposals:

- (i) the i-TechValley 34 SPA between Pentagon Land and the Trustee in relation to the Proposed i-TechValley 34 Disposal for a cash consideration of RM27,000,000;
- (ii) the i-TechValley 46 SPA between Pentagon Land and the Trustee in relation to the Proposed i-TechValley 46 Disposal for a cash consideration of RM27,450,000;
- (iii) the i-Park SAC 23 & 24 SPA between Ipark Development and the Trustee in relation to the Proposed i-Park SAC 23 & 24 Disposal for a cash consideration of RM45,000,000; and

- (iv) the i-Park SAC 60 & 61 SPA between Ipark Development and the Trustee in relation to the Proposed i-Park SAC 60 & 61 Disposal for a cash consideration of RM20,000,000.

On 16 October 2024, our Board announced that Pentagon Land and the Trustee (acting on behalf of AME REIT) had entered into a supplemental sale and purchase agreement to the i-TechValley 34 SPA to vary certain terms of the i-TechValley 34 SPA ("**i-TechValley 34 Supplemental SPA**"). The variations set out in the i-TechValley 34 Supplemental SPA are in relation to the request of the lessee of i-TechValley 34 for a 1-month rent free period from the lease commencement date, and thereby varying certain terms relating to the revision of lease term from fixed 5 years to fixed 5 years and 1 month under the lease of i-TechValley 34 which is to be novated to the Trustee (acting on behalf of AME REIT) upon the completion of the i-TechValley 34 SPA.

The Proposed Disposals are deemed to be related party transactions pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of certain directors and major shareholders of our Company as set out in **Section 11 of Part A** this Circular. Accordingly, on 4 July 2024, cfSolutions has been appointed as the independent adviser to advise our non-interested Directors and Non-Interested Shareholders on the Proposed Disposals. Further details on the Proposed Disposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DISPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED DISPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE IAL AS SET OUT IN PART B OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED DISPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

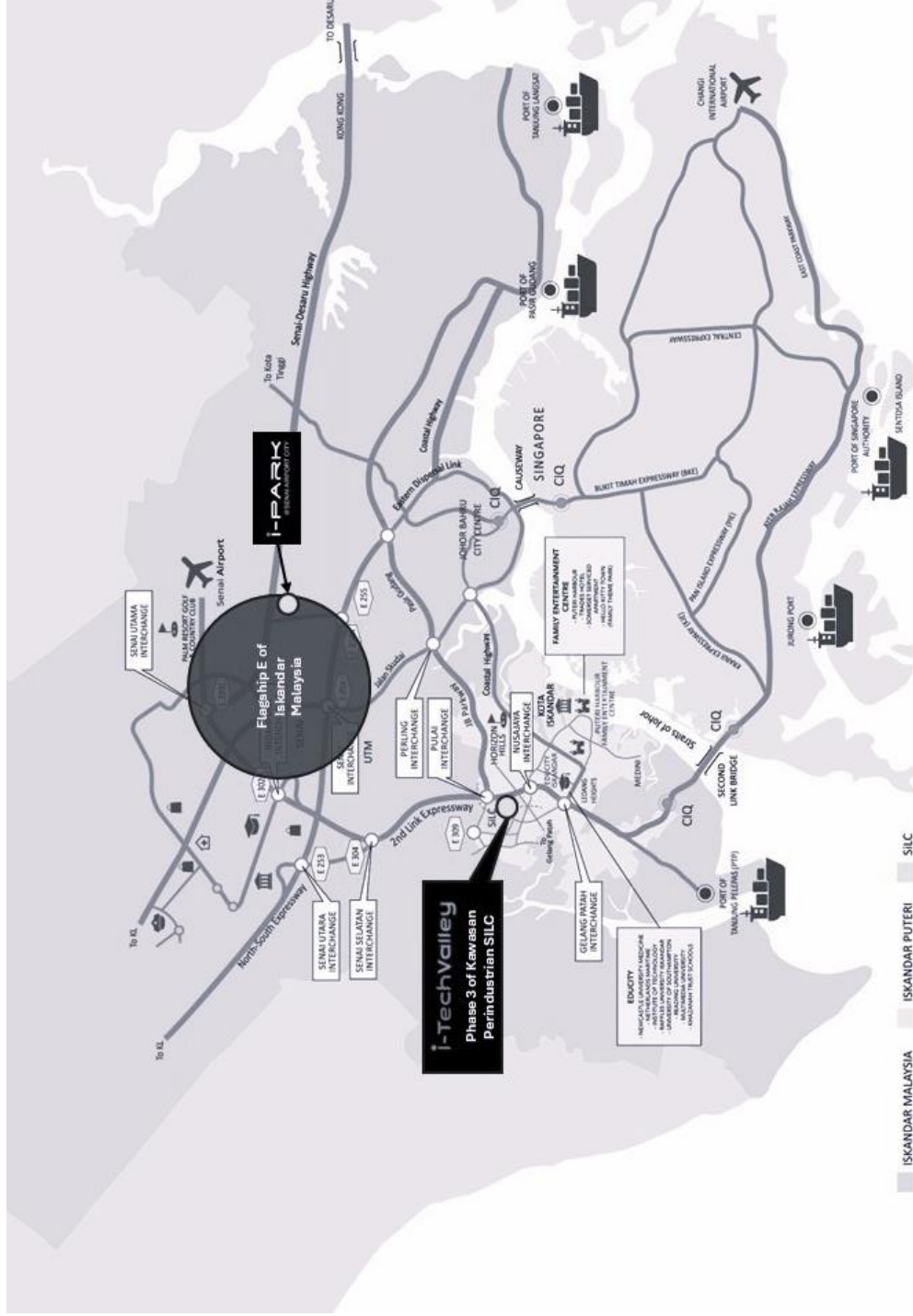
2. DETAILS ON THE PROPOSED DISPOSALS

The Proposed Disposals entail the disposal of the Subject Properties by the subsidiaries of AME Elite to the Trustee (on behalf of AME REIT) for the Disposal Consideration, subject to the terms and conditions of the respective SPAs, the salient terms of which are as set out in **Appendix II** of this Circular. The Disposal Consideration shall be satisfied entirely in cash.

The Subject Properties are strategically located within one of the main development corridors under Iskandar Malaysia, a new regional growth centre in South Peninsular Malaysia adjacent to Singapore.

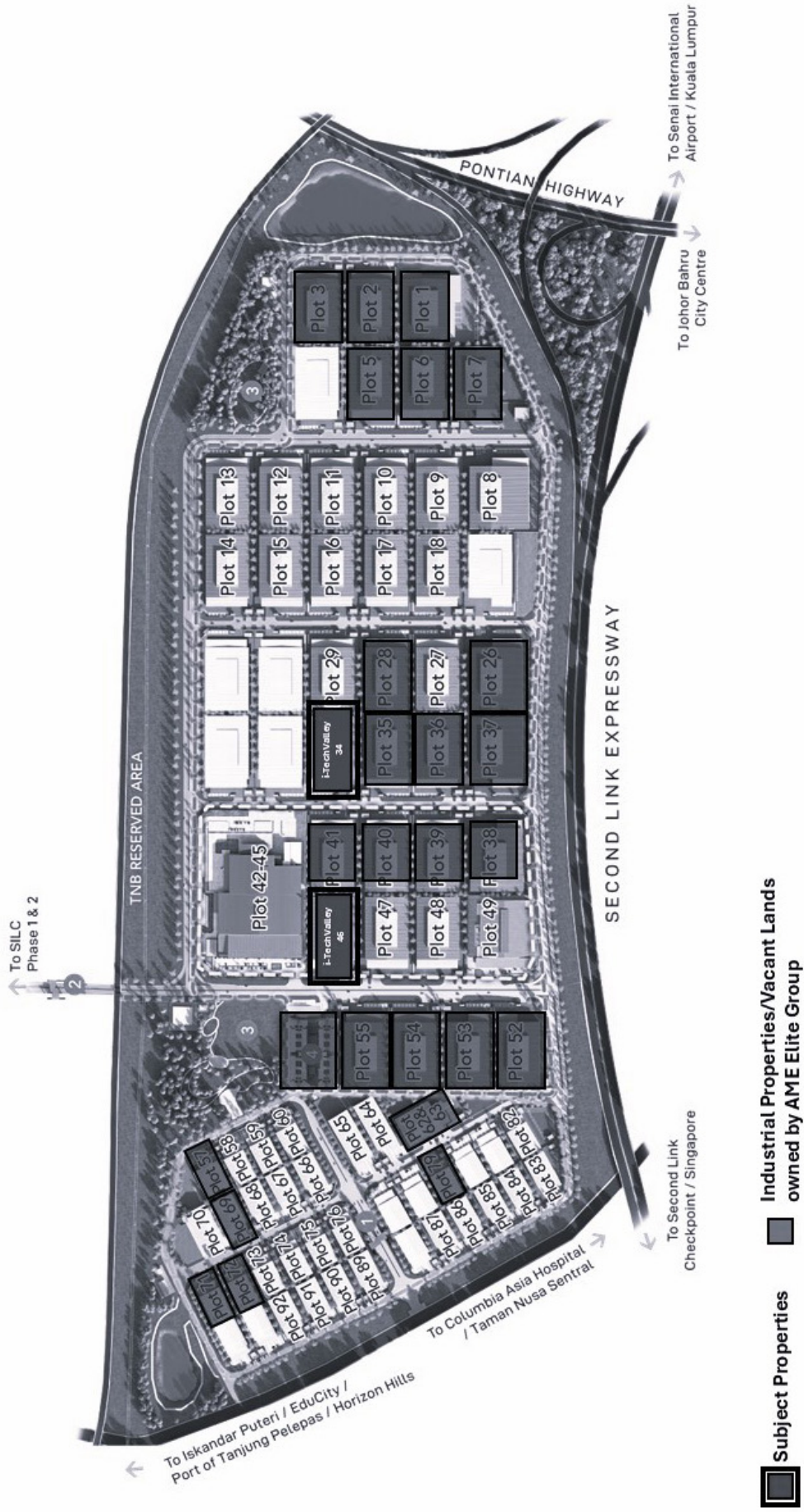
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An overview on the location of Phase 3 of Kawasan Perindustrian SILC, where i-TechValley 34 and i-TechValley 46 are located, and Flagship E : Senai – Skudai of the Iskandar Malaysia development region, where i-Park SAC 23 & 24 and i-Park SAC 60 & 61 are located, is as follows:

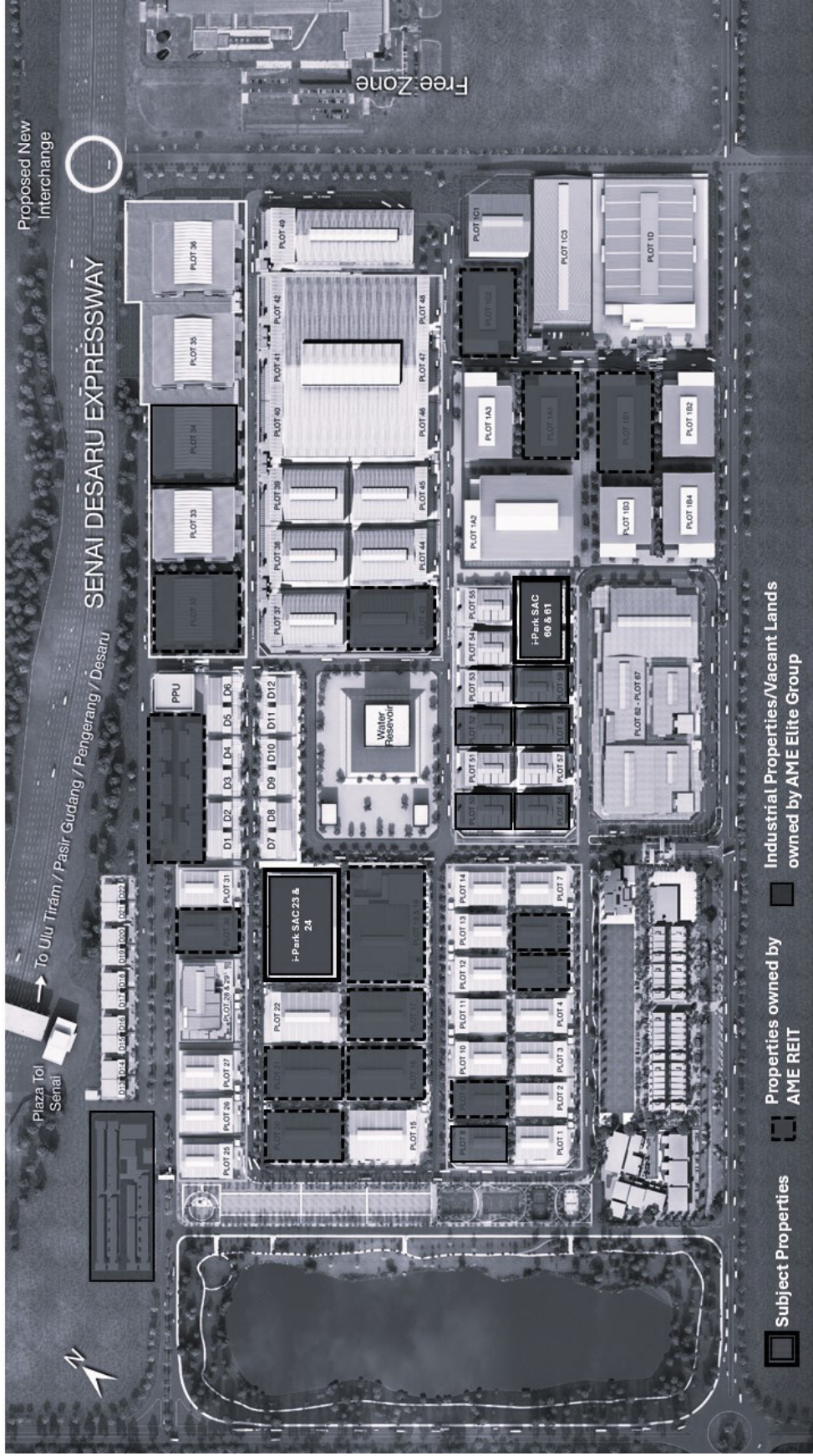


An overview on the location of the Subject Properties together with the land area currently owned by our Group is as follows:

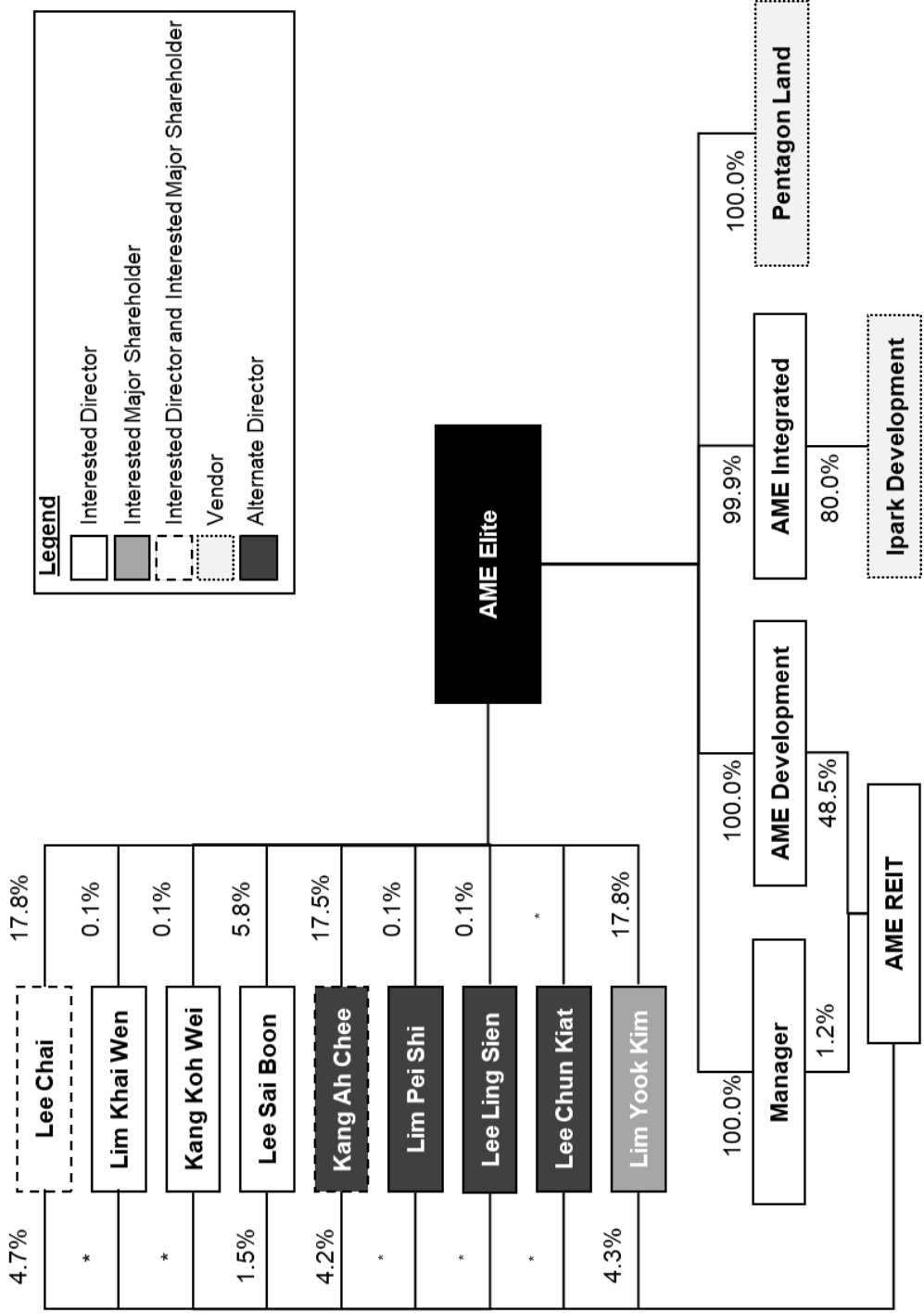
(i) **i-TechValley 34 and i-TechValley 46**



(ii) i-Park SAC 23 & 24 and i-Park SAC 60 & 61



The following diagram illustrates the relationship between our Company, AME REIT, Vendors and the Interested Parties:



Note:

* Less than 0.1%.

Further information on the Interested Parties are as set out in **Section 2.5** and **Section 11 of Part A** of this Circular.

2.1 Brief details on the Subject Properties

The Subject Properties will be disposed by our subsidiaries on the basis as set out in Section 1 of Appendix II of this Circular, upon the terms and conditions of the SPAs. The brief details on the Subject Properties are as follows:

Subject Property	Purchaser/ Vendor	Brief description of the Subject Property/ Existing/ Proposed use	Land area/ ALA (sq ft)	(¹)Income Approach market value/ Comparison Approach market value (RM'000)	Disposal Consideration (RM'000)	(²)Discount to market value (RM'000)	(%)
i-TechValley 34 ⁽³⁾⁽⁴⁾	Trustee (on behalf of AME REIT)/ Pentagon Land	i-TechValley 34 is proposed to be a single storey detached factory with mezzanine office and other ancillary buildings with a GDC of approximately RM19.9 million, to be located within a gated and guarded development known as i-TechValley/	Approximately 131,104 sq ft/ 98,765 sq ft	RM27,000/ RM29,000	RM27,000	-	-
		The construction of i-TechValley 34 commenced in May 2024. As at the LPD, the construction of i-TechValley 34 is 47.5% completed, and is expected to be completed in January 2025/					
		Lease by Ametalin Sdn Bhd is expected to commence in the 2 nd quarter of 2025 ⁽⁵⁾					
i-TechValley 46 ⁽⁴⁾	Trustee (on behalf of AME REIT)/ Pentagon Land	A single storey detached factory with mezzanine office and other ancillary buildings with a GDC of approximately 19.1 million, located within a gated and guarded development known as i-TechValley.	Approximately 131,104 sq ft/ 99,174 sq ft	RM29,000/ RM31,000	RM27,450	RM1,550	5.3%
		The construction of i-TechValley 46 was completed in July 2023 and the CCC had been obtained in January 2024/					
		Lease by Titanium Systems Sdn Bhd commenced in April 2024 ⁽⁶⁾					

Subject Property	Purchaser/ Vendor	Brief description of the Subject Property/ Existing/ Proposed use	Land area/ ALA (sq ft)	(1)Income Approach market value/ Comparison Approach market value (RM'000)	Disposal Consideration (RM'000)	(2)Discount to market value (RM'000)	(2)Discount to market value (%)
i-Park SAC 23 & 24	Trustee (on behalf of AME REIT)/ i-park Development	A single storey detached factory with mezzanine office and other ancillary buildings with a GDC of approximately RM30.5 million, located within a gated and guarded development known as i-Park @ SAC. The construction of i-Park SAC 23 & 24 was completed in May 2024 and the CCC had been obtained in August 2024/	Approximately 162,212 sq ft/ 128,973 sq ft	RM46,000/ RM44,500	RM45,000	RM1,000	2.2%
i-Park SAC 60 & 61 ⁽³⁾	Trustee (on behalf of AME REIT)/ i-park Development	Lease by AAC Technologies (Malaysia) Sdn Bhd commenced in August 2024 ⁽⁵⁾ i-Park SAC 60 & 61 is proposed to be a single storey detached factory with mezzanine office and other ancillary buildings with a GDC of approximately RM14.3 million, to be located within a gated and guarded development known as i-Park @ SAC/	Approximately 85,390 sq ft/ 64,960 sq ft	RM20,000/ RM21,500	RM20,000	-	-
		The construction of i-Park SAC 60 & 61 commenced in March 2024. As at the LPD, the construction of i-Park SAC 60 & 61 is 44.4% completed, and is expected to be completed in January 2025/					
		Lease by Resmed Malaysia Operations Sdn Bhd is expected to commence in the 2 nd quarter of 2025 ⁽⁵⁾					
Total				RM122,000/ RM126,000	RM119,450	RM2,550	2.1%

Notes:

- (1) The Valuer had adopted the Income Approach (Investment Method) as a fair representation of the market value of the Subject Properties given that the legal owner of the Subject Properties had entered into long-term leases in relation to the Subject Properties and granted the various lessees the right to occupy the Subject Properties for a periodic income. As a counter-check to the reasonability of the Income Approach (Investment Method), the Valuer had adopted the Comparison Approach.
- (2) Calculated based on the market value derived from the Income Approach. The discount applied for the proposed acquisitions of i-TechValley 46 and i-Park SAC 23 & 24 was arrived at after taking into consideration that Pentagon Land and Ipark Development are still entitled to the rents paid for i-TechValley 46 and i-Park SAC 23 & 24 respectively, until the completion of the Proposed i-TechValley 46 Disposal and Proposed i-Park SAC 23 & 24 Disposal ("**Pre-Completion Rental**"). After taking into consideration the Pre-Completion Rental, the Vendors would in effect be disposing i-TechValley 46 and i-Park SAC 23 & 24 at an effective premium of 0.2% and 0.8% respectively, to the market value of the i-TechValley 46 and i-Park SAC 23 & 24. For further information, please refer to **Section 7.2.2 of Part B** of this Circular.
- (3) The CCCs for i-TechValley 34 and i-Park SAC 60 & 61 are expected to be issued in the 2nd quarter of 2025 respectively.
- For avoidance of doubt, the i-TechValley 34 SPA and i-Park SAC 60 & 61 SPA will only complete upon satisfaction of all the conditions precedent of the respective SPAs, including the issuance of the CCCs for the respective Subject Properties, and the leases to the existing lessees have commenced.
- (4) A lienholder's caveat has been registered in favour of RHB Islamic Bank Berhad in respect of i-TechValley 34 and i-TechValley 46 on 23 July 2024 and 8 May 2023 respectively. The said lienholders' caveats have been lodged due to borrowings undertaken by Pentagon Land and will be removed pursuant to the completion of the i-TechValley 34 SPA and i-TechValley 46 SPA. In this regard, the said lienholders' caveats will not impede the completion of the i-TechValley 34 SPA and i-TechValley 46 SPA respectively.
- (5) The respective Lease Agreements will be novated to the Trustee (on behalf of AME REIT) upon the completion of the Proposed Disposals for the continuity of existing operations under similar terms being entered into prior thereto, in the respective Lease Agreements.

Please refer to **Appendix I** and **Appendix II** of this Circular for further information on the Subject Properties and salient terms of the SPAs respectively.

2.2 Mode of settlement of the Disposal Consideration

The Disposal Consideration shall be satisfied in the following manner:

<u>Payment terms</u>	<u>Timing</u>	<u>Disposal Consideration</u>	
		<u>(RM'000)</u>	<u>(%)</u>
<u>i-TechValley 34</u>			
• Deposit	Received on 24 July 2024 to Pentagon Land, upon signing of the i-TechValley 34 SPA	540	2.0
• Balance disposal consideration	To be received on the Completion Date of the i-TechValley 34 SPA	26,460	98.0
	(A)	27,000	100.0
<u>i-TechValley 46</u>			
• Deposit	Received on 24 July 2024 to Pentagon Land, upon signing of the i-TechValley 46 SPA	549	2.0
• Balance disposal consideration	To be received on the Completion Date of the i-TechValley 46 SPA	26,901	98.0
	(B)	27,450	100.0

<u>Payment terms</u>	<u>Timing</u>	<u>Disposal Consideration</u>	
		<u>(RM'000)</u>	<u>(%)</u>
<u>i-Park SAC 23 & 24</u>			
• Deposit	Received on 24 July 2024 to Ipark Development, upon signing of the i-Park SAC 23 & 24 SPA	4,500	⁽¹⁾ 10.0
• Balance disposal consideration	To be received on the Completion Date of the i-Park SAC 23 & 24 SPA	40,500	90.0
	(C)	45,000	100.0
<u>i-Park SAC 60 & 61</u>			
• Deposit	Received on 24 July 2024 to Ipark Development, upon signing of the i-Park SAC 60 & 61 SPA	400	2.0
• Balance disposal consideration	To be received on the Completion Date of the i-Park SAC 60 & 61 SPA	19,600	98.0
	(D)	20,000	100.0
Disposal Consideration (A) + (B) + (C) + (D)		119,450	

Note:

- (1) In view that the construction of i-Park SAC 23 & 24 has been completed, its CCC obtained in August 2024, and the lease having commenced in August 2024, the completion of the i-Park SAC 23 & 24 SPA is expected to be by the 1st quarter of 2025, which is the earliest as compared to the other Subject Properties, which are either under construction or undergoing upgrading works. In this regard, a lower deposit of 2.0% for i-TechValley 34, i-TechValley 46 and i-Park SAC 60 & 61 respectively, had been agreed upon between the Vendors and the Manager.

2.3 Date and cost of investment

The date and cost of investment of the Subject Properties are as follows:

<u>Vendors</u>	<u>Date of investment</u>	<u>⁽¹⁾Cost of investment</u> <u>(RM'000)</u>
Pentagon Land for the following:		
• i-TechValley 34	December 2020	19,949
• i-TechValley 46	December 2020	19,072
Ipark Development for the following:		
• i-Park SAC 23 & 24	August 2015	30,471
• i-Park SAC 60 & 61	August 2015	14,334

Note:

- (1) The costs of investment refer to the audited NBV of the relevant Subject Properties as at 31 March 2024 and estimated costs to be incurred subsequent to 31 March 2024 by the respective Vendors for the Subject Properties.

2.4 Basis and justification for the Disposal Consideration

The Disposal Consideration, which represents a discount of approximately RM2.6 million or 2.1% from the aggregate market value ascribed by the Valuer, CBRE WTW, had been arrived at on a willing buyer-willing seller basis, after taking into consideration the following:

- (i) the aggregate market value of the Subject Properties as appraised by the Valuer, vide its Valuation Certificate dated 24 July 2024 of RM122,000,000 on 4 July 2024, being the material date of valuation of the Subject Properties; and
- (ii) the rationale and benefits for the Proposed Disposals, further details of which are as set out in **Section 3 of Part A** of this Circular.

Our Company had appointed the Valuer to undertake an independent valuation on the Subject Properties and the Valuer had, vide its Valuation Certificate ascribed an aggregate market value of RM122,000,000. In arriving at the market value of the Subject Properties, the Valuer had adopted the Income Approach (Investment Method) and Comparison Approach.

The 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 rental. This method is premised on the principle that the value of an income producing property is represented by 'the present worth of future rights to income, or utility'.

The Valuer had also adopted the Comparison Approach to value the Subject Properties as a counter-check. The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, size, age and condition of unit and building, tenure, title restrictions if any and other relevant characteristics to arrive at the market value.

The Valuer has compiled and analysed sale evidences in the localities of the Subject Properties. In arriving at their opinion of value of the Subject Properties using the Comparison Approach, the selected suitable sale evidences, among others, are considered and adopted.

Our Board, save for the Interested Directors, is of the view that the Disposal Consideration is justifiable because it reflects the market value of the Subject Properties as ascribed by the Valuer which is deemed to be at a fair value transacted on arm's length basis.

2.5 Information on AME REIT

AME REIT is an Islamic real estate investment trust constituted under the Deed and duly registered with the Securities Commission Malaysia on 23 May 2022. AME REIT was listed on the Main Market of Bursa Securities on 20 September 2022.

The principal investment policy of AME REIT is investing, directly and indirectly, in a Shariah-compliant portfolio of income producing real estate used primarily for industrial and industrial-related purposes in Malaysia and overseas in order to provide its unitholders with a stable and growing distribution of income and to achieve long-term growth in its net asset value per unit in AME REIT.

As at the LPD, the issued unitholders' capital of AME REIT is approximately RM524.4 million, comprising approximately 526.4 million units in AME REIT ("**Units**"). AME REIT's portfolio comprises 34 industrial properties and 3 industrial-related properties located in Iskandar Malaysia, the main southern development corridor in Johor established in 2006, which consists of 5 local government authorities.

The Directors of the Manager are Lee Chai, Lee Sai Boon, Chan Wai Leo, Wee Beng Chuan, Datin Cheryl Kaur Pola, Yau Yin Wee, Lee Ling Sien, Kang Ah Chee (alternate Director to Lee Sai Boon), Lim Yook Kim (alternate Director to Lee Chai), Lim Pei Shi (alternate Director to Chan Wai Leo) and Lee Chun Kiat (alternate Director to Lee Ling Sien).

As at the LPD, the substantial unitholders of AME REIT, Directors of the Manager and their respective unitholdings in AME REIT are as follows:

	Direct		Indirect	
	No. of Units (‘000)	(%)	No. of Units (‘000)	(%)
<u>Substantial unitholders</u>				
AME Development	255,200	48.5	-	-
AME Elite	-	-	(1)261,568	49.7
<u>Substantial unitholders and Directors of the Manager</u>				
Lee Chai	24,540	4.7	(2)(6)262,964	50.0
Lee Sai Boon	8,027	1.5	(3)(6)262,714	50.0
Kang Ah Chee	22,318	4.2	(4)(6)263,762	50.1
Lim Yook Kim	22,768	4.3	(4)(6)263,667	50.1
Lee Ling Sien	352	*	-	-
<u>Directors of the Manager</u>				
Chan Wai Leo	460	*	-	-
Wee Beng Chuan	150	*	-	-
Datin Cheryl Kaur Pola	400	*	(5)116	*
Yau Yin Wee	250	*	-	-
Lim Pei Shi (alternate Director to Chan Wai Leo)	437	*	(5)60	*
Lee Chun Kiat (alternate Director to Lee Ling Sien)	426	*	-	-

Notes:

* Less than 0.1%.

- (1) Deemed interested by virtue of our shareholdings in AME Development and the Manager pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his direct interests in Lotus Ideal Sdn Bhd (“**Lotus Ideal**”) and Lifestyle Capital Sdn Bhd (“**Lifestyle Capital**”) and indirect interest in AME REIT through the Manager and AME Development, which in turn is held by our Company pursuant to Section 8 of the Act and Units held by his spouse pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interested by virtue of his direct interests in Lotus Ideal and Lifestyle Capital and indirect interest in AME REIT through the Manager and AME Development, which in turn is held by our Company pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his direct interests in Lotus Ideal and Lifestyle Capital and indirect interest in AME REIT through the Manager and AME Development, which in turn is held by our Company pursuant to Section 8 of the Act and Units held by his children pursuant to Section 59(11)(c) of the Act.
- (5) Deemed interested by virtue of her spouse pursuant to Section 59(11)(c) of the Act.

- (6) The details on the shareholdings of the shareholders of Lotus Ideal and Lifestyle Capital as at the LPD are as follows:

(i) **Lotus Ideal**

Shareholders	Direct		Indirect	
	No. of shares ('000)	%	No. of shares ('000)	%
Lee Sai Boon	10	10.0	-	-
Lee Chai	30	30.0	-	-
Kang Ah Chee	30	30.0	-	-
Lim Yook Kim	30	30.0	-	-

(ii) **Lifestyle Capital**

Shareholders	Direct		Indirect	
	No. of shares ('000)	%	No. of shares ('000)	%
Lee Sai Boon	250	25.0	-	-
Lee Chai	250	25.0	-	-
Kang Ah Chee	250	25.0	-	-
Lim Yook Kim	250	25.0	-	-

In accordance with Clause 19.1(a)(iii) of the Deed, the Manager will be entitled to charge management fees (being the acquisition fees) either in cash and/or new Units for the proposed acquisitions of the Subject Properties of 1.0% of the purchase consideration of approximately RM119.5 million, amounting to approximately RM1.2 million, in consideration of the services rendered by the Manager to AME REIT for the proposed acquisitions of the Subject Properties. In determining whether the Manager elects to receive its management fees in the form of Units or cash or a combination of both, the Manager will be guided by, among others, the cash flow planning of the Manager, the potential capital appreciation through the holding of the Units, the alignment of interest with the unitholders of AME REIT and the manner of payment of the management fees will not be detrimental to the unitholders of AME REIT. In the event our Group elects to receive its management fees (acquisition fees) in Units, the equity interest of our Group in AME REIT may increase, thereby reducing the public unitholding spread⁽¹⁾.

Note:

- (1) As at the LPD, our Group's unitholdings in AME REIT is approximately 261.6 million Units, representing 49.7% in AME REIT.

Strictly for illustrative purposes, if the Manager elects to receive the payment of its management fees (being the acquisition fees) amounting to approximately RM1.2 million in new Units, the Manager would be issued with approximately 0.8 million Units, calculated based on the 5-day volume weighted average price of RM1.4332 per Unit immediately preceding the LPD. In this regard, our Group's pro forma unitholdings in AME REIT would increase by approximately 0.1%.

For avoidance of doubt, on 2 June 2022, Bursa Securities has approved the issuance of up to 30.0 million Units as payment of management fee to the Manager on a staggered basis together with the listing of and quotation for such 30.0 million Units, subject to conditions. As such, the approval of Bursa Securities for the listing of and quotation for up to 30.0 million Units as payment of management fee is not required. Additionally, as set out in the Deed, save for the issuance of up to the said 30.0 million Units, any issuance of new Units to the Manager as management fee, shall require the prior approval of the unitholders of AME REIT. As at the LPD, approximately 6.4 million Units have been issued as management fee to the Manager. As such, in the event the Manager elects to receive the payment of its management fee in Units, the Manager is not required to obtain approval from its unitholders as the Manager is still able to utilise the said 30.0 million Units set out under the Deed.

2.6 Liabilities to be assumed

Save for the obligations and liabilities arising from the SPAs pursuant to the Proposed Disposals as set out in **Appendix II** of this Circular and the Sukuk Wakalah Programmes (as defined in **Section 10 of Part A** of this Circular), there are no other liabilities, including any contingent liabilities, to be assumed by our Group upon completion of the Proposed Disposals. In addition, the Proposed Disposals do not involve the issuance of any guarantee by AME Elite to AME REIT.

3. RATIONALE AND BENEFITS

As at the LPD, one of our Group's principal activities is property investment, which is primarily undertaken by our subsidiary, AME REIT.

As at the LPD, our Group has secured lessees for the Subject Properties and the Subject Properties is or will be income generating upon completion of the Proposed Disposals. Following this, the Vendors intend to dispose the Subject Properties while our Group focuses on its other principal business activities, which include development of industrial parks and construction.

On 19 July 2022, AME Elite and Ipark Development granted a ROFR⁽¹⁾ respectively, subject to the terms and conditions of the ROFR.

Pursuant to the ROFR, our Company and Ipark Development shall grant a ROFR to the Trustee (on behalf of AME REIT) to acquire any of the industrial property or dormitory with leasing or tenancy arrangement ("**Relevant Asset**") to be disposed by our Company, Ipark Development or AME Entity (as defined herein), where applicable, in accordance with the terms and conditions of the ROFR.

Note:

- (1) On 19 July 2022, our Company and Ipark Development have granted the ROFR to the Trustee (on behalf of AME REIT) to acquire any of the Relevant Asset to be disposed by our Company, Ipark Development or AME Entity⁽¹⁾, where applicable, at the similar or equal price and terms offered to third party and/or purchase any Relevant Asset which may in future be identified and targeted for acquisition by our Company, Ipark Development or an AME Entity, where applicable.

In the event our Company, Ipark Development or an AME Entity intends to sponsor a Malaysian industrial property fund ("**Fund**") for the development of a Relevant Asset, then our Company and Ipark Development shall use its best endeavours to procure the Fund to grant a ROFR to the Trustee to purchase any Relevant Asset which the Fund intends to dispose, for and on behalf of AME REIT.

Sub-Note:

- (1) "**AME Entity**" means (i) any of our Company's existing or future wholly-owned subsidiaries or (ii) where such subsidiaries are not wholly-owned by our Company, and whose other shareholder(s) is/are third parties, such subsidiaries will be subject to the ROFR only upon obtaining the consent of such third parties.

The salient terms of the ROFR are, among others, as follows:

- (i) The ROFR shall be given in writing to the Trustee with a copy to the Manager, and upon receipt of the written notice of our Company, Ipark Development or an AME Entity's intention to dispose or purchase the Relevant Asset ("**Notice**"), the Trustee shall respond within 14 days from the date of the Notice failing which it shall be automatically deemed that the Trustee is not interested in exercising its ROFR in relation to the Relevant Asset.
- (ii) The grant of ROFR shall not apply to the following:
 - (a) transactions involving the disposal of the Relevant Asset to the existing tenant or its related corporation; and
 - (b) intra-group transfers of the Relevant Asset, or amalgamations, restructurings, mergers and analogous events involving our Company or an AME Entity.
- (iii) The grant of the ROFR is effective and binding on our Company and Ipark Development from the date of the listing for an initial term of 5 years ("**Initial Term**") and may be renewed for another 5 years subject to mutual agreement, and for so long as:
 - (a) the Manager remains as the management company of AME REIT;
 - (b) our Company holds direct and/or indirect interest of 50.0% or more in the Manager;
 - (c) our Company holds direct and/or indirect interest of 20.0% or more in AME REIT; and
 - (d) AME REIT remains listed on Bursa Securities.

It is the intention of our Group to consistently realign our property investments in an efficient structure of a real estate investment trust and therefore, undertaking the Proposed Disposals will allow for our Group to achieve this intention.

Our Group is continuously evaluating business opportunities in the property development and construction sector and the Proposed Disposals present an opportunity for our Group to monetise our investment in the Subject Properties. The proceeds from the Proposed Disposals will allow our Group to have funds readily available to reinvest our capital in strategic assets or opportunities that align with our Group's core strategy, as and when required. Further details on the use of proceeds are as set out in **Section 4 of Part A** of this Circular.

Upon completion of the Proposed Disposals, our Company would be able to recognise approximately RM22.9 million in pro forma gain on disposal of the Subject Properties net of tax and share by non-controlling interests arising from the Proposed Disposals based on the audited NBV of the Subject Properties as at 31 March 2024 and a market value of RM122.0 million, the details of which are as set out in **Note (1) of Section 6.2** of Part A of this Circular.

Further, given our Company's effective interest of approximately 49.7% in AME REIT as at the LPD, through our Company's direct shareholdings in AME Development and the Manager, our Company will continue to consolidate the total asset value of the Subject Properties into our Statements of Financial Position. Correspondingly, our Company will also consolidate the Islamic financing facilities of approximately RM118.5 million (net of transaction costs of RM1.0 million) to be undertaken by AME REIT to fund the proposed acquisitions of the Subject Properties.

Additionally, the Proposed Disposals allow our Company to continue to indirectly enjoy recurring income from our subsidiary, AME REIT, via future income distributions based on our Company's unitholdings in AME REIT by virtue of AME Development and the Manager's direct unitholdings.

4. USE OF PROCEEDS

The Disposal Consideration of approximately RM119.5 million is intended to be used in the following manner:

Description of use of proceeds	Note	RM'000	Estimated timeframe for use of proceeds from the date of completion of the respective Proposed Disposals
Funding of our Group's ongoing development of i-TechValley and for future industrial property development and investment project, including land acquisition and joint ventures	(1)	119,020	Within 36 months
Estimated expenses for the Proposed Disposals	(2)	430	Within 6 months
Gross proceeds		<u>119,450</u>	

Notes:

(1) Funding of our Group's ongoing development of i-TechValley and future industrial property development and investment project, including land acquisition and joint ventures

Located within i-TechValley in Iskandar Puteri of Iskandar Malaysia, Johor and spanning across 169.8 acres of freehold land, as at the LPD, i-TechValley is the latest ongoing industrial park development project that is being developed by our wholly-owned subsidiaries, Pentagon Land and Greenhill SILC Sdn Bhd ("**Greenhill**"), with an estimated gross development value (GDV) of RM1.5 billion and estimated development period of approximately 5 years. Further information on our Group's ongoing development of i-TechValley is as follows:

Name of project	: i-TechValley, comprising 71 plots of saleable industrial units and 1 workers' dormitories
Area size	: 169.8 acres
Commencement date of construction	: The development and construction of i-TechValley commenced in the 4 th quarter of 2022
Expected completion date	: The development and construction of i-TechValley are expected to be completed by 2028
GDC	: Not available
Gross Development Value	: RM1.5 billion
Percentage of completion as at LPD	: 14% ⁽¹⁾
Sales/Take-up rate	: 63% ⁽²⁾

Notes:

- (1) Computed based on the total number of CCCs obtained for the plots.
- (2) Computed based on the total number of leased and sold plots.

Our Group intends to utilise approximately RM119.0 million of the proceeds to partially fund the project development costs relating to i-TechValley, such as land, infrastructure and construction cost, sales and marketing expenses as well as working capital which include, but are not limited to, the payment of the estimated income tax of approximately RM5.1 million arising from the Proposed Disposals and other operating and administrative expenses, such as staff-related costs, utilities, statutory payment and other overhead expenditures. The proportion to be allocated has yet to be determined at this juncture and the allocation is dependent on the sales and development progress of i-TechValley.

In the event the funds required to fund the project development costs relating to i-TechValley are less than estimated, the balance proceeds of the Disposal Consideration will be reserved for future industrial property development and investment projects, including land acquisition and joint ventures. Conversely, if the amount required is higher than estimated, the deficit will be funded through our Group's internally generated funds and/or by external borrowings.

As at the LPD, our Group is in preliminary discussions with certain land owners in and out of Johor on potential development opportunities. However, our Group has not identified or committed to any acquisition and development targets. Depending on the actual funding required for future industrial property development and investment projects, our Group may fund any shortfall through internally generated funds and/or external borrowings.

In the event the amount required for i-TechValley and future industrial property development and investment projects is less than estimated, the balance proceeds of the Disposal Consideration will be channelled towards the general working capital requirements of our Group.

(2) Estimated expenses for the Proposed Disposals

The estimated expenses of approximately RM0.4 million relating to the Proposed Disposals which comprise professional fees, fees payable to the relevant authorities, costs of convening our forthcoming EGM for the Proposed Disposals and other incidental expenses.

Any variation to the amount of proceeds will be adjusted to/from the amount allocated for funding of our Group's ongoing development of i-TechValley and future industrial property development and investment project, including land acquisition and joint ventures, and the estimated expenses. Pending the respective use of proceeds from the Proposed Disposals in the manner set out above, the proceeds will be placed in interest-bearing accounts with financial institutions or short-term money market instruments.

5. RISK FACTORS

Our Company may be subject to certain specific risks associated with the Proposed Disposals. The following are some non-exhaustive risk factors that may be inherent to our Company in relation to the Proposed Disposals:

5.1 Risks relating to delay or non-completion of the SPAs

The completion of the Proposed Disposals is conditional upon the fulfilment of conditions precedent of the SPAs as set out in **Section 2 of Appendix II** of this Circular. There is no assurance that all the conditions precedent can be fulfilled and that the Proposed Disposals can be completed within the timeframe stipulated under the SPAs.

Pursuant to i-TechValley 46 SPA, it is a condition precedent for Pentagon Land to procure the agreed upgrading works in connection with the power supply to i-TechValley 46 (“**Upgrading Works**”), to be completed within the agreed upgrading period of up to 10 calendar months from the date of the successful submission of the application to Tenaga Nasional Berhad, which was submitted in August 2024. As at the LPD, the percentage of completion of the Upgrading Works is estimated to be at approximately 18.7%, which is on track with the agreed tentative timeline. If Pentagon Land is unable to procure the said Upgrading Works to complete within the agreed upgrading period, the lessee is entitled to terminate its Lease Agreement, resulting in i-TechValley 46 being vacant. Given that it is the intention of AME REIT to undertake the proposed acquisition of i-TechValley 46 subject to i-TechValley 46 being leased, the i-TechValley 46 SPA may not become unconditional and therefore, the i-TechValley 46 SPA may be terminated.

Additionally, pursuant to the i-Park SAC 23 & 24 SPA, it is a condition precedent for Ipark Development to procure a new guarantee to be issued in favour of the Trustee by AAC Technologies Pte Ltd, being the holding company of the existing lessee and the corporate guarantor of AAC Technologies (Malaysia) Sdn Bhd, the lessee of i-Park SAC 23 & 24, to guarantee the lessee’s due observance, performance and compliance of the lease agreement. In the event the said guarantee is not procured and the said condition precedent is therefore not fulfilled and/or waived, the i-Park SAC 23 & 24 SPA may not become unconditional and therefore, the i-Park SAC 23 & 24 SPA may be terminated. Our Group adopts a flexible approach in deciding whether to obtain a corporate guarantee from a lessee, enabling the Vendors to adapt their leasing strategy based on market dynamics and tenant characteristics. For avoidance of doubt, no corporate guarantee has been executed in connection with the i-TechValley 34, i-TechValley 46 and i-Park SAC 60 & 61.

Further, as at the LPD, i-TechValley 34 and i-Park SAC 60 & 61 are still under construction and/or pending completion of construction. In this regard, the CCCs in respect of i-TechValley 34 and i-Park SAC 60 & 61 respectively, have yet to be issued. The respective CCCs for i-TechValley 34 and i-Park SAC 60 & 61 are expected to be issued in the 2nd quarter of 2025. There can be no assurance that the CCCs will be issued by the aforementioned timeframe.

Pursuant to the Street, Drainage and Building Act 1974, among others, any person who occupies or permits to be occupied any building or any part thereof without CCC shall be subject to a fine of up to RM250,000 or to an imprisonment for a term not exceeding 10 years, or to both.

As such, pursuant to the terms of the i-TechValley 34 SPA and i-Park SAC 60 & 61 SPA, the issuance of the CCCs are a condition precedent and in the event the Vendors are not able to obtain the respective CCCs, our Company will not be able to proceed to complete the i-TechValley 34 SPA and/or i-Park SAC 60 & 61 SPA, which may result in the the completion of the i-TechValley 34 SPA and/or i-Park SAC 60 & 61 SAC SPA being delayed or terminated.

Despite our Company’s best efforts, there is no assurance that all the conditions precedent, as well as the terms and conditions of the SPAs, can be fulfilled on a timely basis or waived in order for the Proposed Disposals to be completed within the permitted period under the SPAs. In the event one or more of the terms and conditions of the SPAs is/are not fulfilled or waived (to the extent permissible by law) by the relevant parties to the SPAs, the Proposed Disposals may be delayed or terminated and consequently, our Company will not be able to use the proceeds arising from the Proposed Disposals in its intended manner as set out in **Section 4 of Part A** this Circular. For avoidance of doubt, the condition precedent in relation to obtaining our Non-Interested Shareholders’ approval for the Proposed Disposals in the SPAs shall not be waived.

Notwithstanding this, our Company will endeavour to ensure that all reasonable steps in relation to the completion of the Proposed Disposals will be taken to ensure that the conditions precedent and the other terms and conditions of the SPAs are met within the stipulated timeframe, and that every effort is made to obtain all necessary approvals or consents and confirmations to give effect to the completion of the Proposed Disposals in a timely manner.

5.2 Risks relating to change in regulations

The Subject Properties, which are located in Johor, Malaysia, are governed by the regulatory environment in Malaysia and pending the completion of the Proposed Disposals, where there is any change in the regulatory environment in Malaysia, the Subject Properties may be affected. There can be no assurance that any unfavourable development in the prevailing regulatory environment will not have any impact on the Proposed Disposals. Nonetheless, our Company does not foresee that there will be any significant changes in government policies which could have an impact on the Proposed Disposals.

5.3 Risks relating to the loss of potentially higher capital value of the Subject Properties

As a result of the Proposed Disposals, our Group will not be able to enjoy future appreciation in the market value of the Subject Properties directly.

Nonetheless, the Proposed Disposals will result in a net gain on disposal for our Group as set out in **Section 6 of Part A** of this Circular. The proceeds from the Proposed Disposals would be utilised for purposes set out in **Section 4 of Part A** of this Circular, which is expected to strengthen our Group's principal business which is beneficial to our Group. Additionally, upon completion of the SPAs, our Company will continue to indirectly enjoy recurring income derived from the Subject Properties through AME REIT via future income distributions by virtue of our indirect unitholdings in AME REIT through AME Development and the Manager.

6. EFFECTS OF THE PROPOSED DISPOSALS

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposals will not have any effect on the issued share capital of our Company and substantial shareholders' shareholdings as the Proposed Disposals do not involve any issuance of new securities by our Company.

6.2 Earnings and EPS

For illustrative purposes only, the pro forma effects of the Proposed Disposals on our consolidated EPS, assuming the Proposed Disposals had been effected at the beginning of the FYE 31 March 2024, is as follows:

	Audited as at 31 March 2024	After the Proposed Disposals
	(RM'000)	(RM'000)
Net profit attributable to owners of our Company	93,100	93,100
Add: Estimated gain on disposal ⁽¹⁾	-	22,868
Less: Estimated expenses ⁽²⁾	-	(430)
	93,100	115,538
No. of Shares in issue (excluding treasury shares) ⁽³⁾ ('000)	639,093	639,093
EPS (sen)	14.57	18.08

Notes:

- (1) After taking into consideration the pro forma gain on disposal of the Subject Properties of approximately RM30.8 million, which is calculated in the following manner:

	<u>RM'000</u>
Market value of the Subject Properties	122,000
<i>Less:</i>	
- Costs incurred and estimated costs to be incurred subsequent to 31 March 2024 by the Vendors for the respective Subject Properties	(83,826)
- Fair value gain on i-Park SAC 23 & 24 as at 31 March 2024	(4,988)
- Estimated transaction costs incurred and to be incurred by AME REIT	<u>(2,407)</u>
Pro forma gain on disposal of the Subject Properties	30,779
<i>Less:</i>	
- Corporate tax at the rate of 24.0% in relation to i-TechValley 34, i-TechValley 46 and i-Park SAC 60 & 61	(5,063)
- Gain on disposal net of tax and share by non-controlling interest in Ipark Development	(2,769)
- Deferred tax liability of the Subject Properties at the rate of 10%	(14)
- Fair value gain share by non-controlling interests in AME REIT	(65)
Estimated gain on disposal	<u>22,868</u>

- (2) After taking into consideration the estimated expenses of approximately RM0.4 million relating to the Proposed Disposals which comprise professional fees, fees payable to the relevant authorities, costs of convening our forthcoming EGM for the Proposed Disposals and other incidental expenses.
- (3) Excludes approximately 1.6 million Shares bought back and retained by our Company as treasury shares as at the LPD.

For information purposes, upon completion of the Proposed Disposals, the earnings that the Subject Properties will continue to contribute to our Group is in proportion to our indirect unitholdings of approximately 49.7% in AME REIT as at the LPD. In addition, as the Manager is our wholly-owned subsidiary, our Group is expected to benefit from the receipt of cash and/or Units by the Manager in consideration for the management and administration of AME REIT, and any income distribution from AME REIT received by the Manager as a unitholder.

6.3 NA and gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of our Group as at 31 March 2024 and assuming the Proposed Disposals had been effected on that date, the pro forma effects of the Proposed Disposals on the NA per AME Elite Share and gearing of our Group are as follows:

	<u>Audited as at 31 March 2024</u>	<u>After the Proposed Disposals</u>
	(RM'000)	(RM'000)
Share capital	620,140	620,140
Reserves	253,757	⁽¹⁾ 276,195
NA attributable to the owners of our Company	<u>873,897</u>	<u>896,335</u>
No. of AME Elite Shares in issue (excluding treasury shares) ('000)	639,093	639,093
NA per AME Elite Share ⁽²⁾ (RM)	1.37	1.40
Total borrowings (RM'000)	174,706	⁽³⁾ 293,156
Gearing ⁽⁴⁾ (times)	0.2	0.3

Notes:

- (1) After taking into consideration the pro forma gain on disposal of the Subject Properties net of tax and share by non-controlling interests of approximately RM22.9 million less estimated expenses incurred by our Company in relation to the Proposed Disposals of approximately RM0.4 million. Please refer to **Note (1) of Section 6.2 of Part A** of this Circular for information on the pro forma gain on disposal of the Subject Properties net of tax and minority interests.
- (2) Calculated based on the NA attributable to owners of our Company over the number of Shares in issue, excluding approximately 1.6 million Shares bought back and retained by our Company as treasury shares as at the LPD.
- (3) After taking into consideration the transaction costs of approximately RM1.0 million, the net total borrowings of approximately RM118.5 million, representing approximately 99.2% of the Disposal Consideration, will be undertaken by AME REIT to part finance the purchase consideration of the Subject Properties and related transaction costs. Notwithstanding the increase in total borrowings undertaken by AME REIT, our subsidiary, our Company will have a corresponding increase in gross proceeds of approximately RM119.5 million in cash pursuant to the Proposed Disposals, in addition to our Group's cash balance of approximately RM261.5 million as at the LPD.
- (4) Calculated based on the total borrowings over the NA attributable to the owners of our Company.

7. TRANSACTIONS WITH RELATED PARTIES FOR THE PAST 12 MONTHS

The total amount transacted between our Group (save for AME REIT) and AME REIT in the 12 months preceding the LPD of approximately RM44.2 million is as follows:

Nature of transaction	RM'000
Related party transaction ⁽¹⁾	26,765
Recurrent related party transaction ⁽²⁾	17,418
Total	44,183

Notes:

- (1) Comprise the disposal of a piece of freehold land held under GRN 580209, Lot 98836, Mukim of Kulai, District of Kulai, State of Johor together with the buildings erected thereon (Plot 16 Indahpura) and management fees (acquisition fees) of the Manager.
- (2) Comprise the enhancement of investment properties, repair and maintenance, landscape maintenance, rental income⁽ⁱ⁾, property management fees and management fees (base and performance fees) of the Manager.

Sub-note:

- (i) Of the rental income of approximately RM11.5 million, approximately RM8.7 million are in relation to tenancies entered into prior to the listing of AME REIT on the Main Market of Bursa Securities. The balance rental income of approximately RM2.8 million is in relation to a tenancy of not more than 3 years and the tenancy's renewal terms are supported by an independent valuation, in accordance with the exemption set out under Paragraph 10.08(11)(h) of the Listing Requirements.

Where required, our Group had made the necessary announcements on Bursa Securities.

8. APPROVALS REQUIRED

The Proposed Disposals are subject to the following being obtained:

- (i) approval from our Non-Interested Shareholders for the Proposed Disposals at our forthcoming EGM;
- (ii) approval from the non-interested unitholders of AME REIT for the proposed acquisition of the Subject Properties at AME REIT's forthcoming extraordinary general meeting; and
- (iii) approval and/or consent from any other relevant authority and/or party, if required.

The highest percentage ratio applicable to the Proposed Disposals pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 13.7%.

9. CONDITIONALITY OF THE PROPOSED DISPOSALS

The respective SPAs are not inter-conditional upon each other.

The Proposed Disposals are not conditional upon any of our other corporate exercise/scheme which have been announced but pending completion.

10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no corporate exercises which have been announced by our Company but pending completion before printing of this Circular:

- (i) the Proposed Disposals;
- (ii) On 13 May 2024, our wholly-owned subsidiaries had entered into the following agreements for the proposed disposal of 11 plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 34.9 acres in total land area, for a total cash consideration of approximately RM209.8 million ("**Digital Hyperspace SPAs**"):
 - (a) a conditional sale and purchase agreement between Pentagon Land and Digital Hyperspace Malaysia Sdn Bhd ("**Digital Hyperspace**"), for the proposed disposal by Pentagon Land of 7 plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor, all located in i-TechValley, measuring approximately 22.42 acres in total land area, to Digital Hyperspace for a total cash consideration of approximately RM134.8 million; and
 - (b) a conditional sale and purchase agreement between Greenhill, and Digital Hyperspace, for the proposed disposal of 4 plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor, all located in i-TechValley, measuring approximately 12.49 acres in total land area, for a total cash consideration of approximately RM75.0 million.

As at the LPD, the final condition precedent of the respective Digital Hyperspace SPAs are still pending completion.

- (iii) As at the LPD, our Company had made lodgments with the Securities Commission Malaysia (“**SC**”) for the establishment of an Islamic medium term notes (“**IMTNs**”) programme of up to RM1,500.0 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (“**IMTN Programme**”) and a separate Islamic commercial papers (“**ICPs**”) programme of up to RM300.0 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (“**ICP Programme**”) (collectively, the IMTN Programme and the ICP Programme shall be referred to as “**Sukuk Wakalah Programmes**” and the IMTNs and the ICPs shall be referred to as “**Sukuk Wakalah**”) pursuant to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued by the SC on 9 March 2015 and revised on 5 February 2024, as amended from time to time) (“**SC Lodgements**”). Our Company is the obligor for the Sukuk Wakalah Programmes. Further details are as set out our Company’s announcement dated 30 September 2024.

11. INTERESTS OF OUR DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Saved as disclosed below, none of our Directors and/or major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Disposals:

- (i) AME Development, our wholly-owned subsidiary is a major unitholder of AME REIT;
- (ii) I REIT Managers Sdn Bhd, our wholly-owned subsidiary, is the management company of AME REIT;
- (iii) Lee Chai, by virtue of his direct and indirect interests in our Company, is a major shareholder of our Company, which is the holding company of the Manager, AME Development, Pentagon Land, AME Integrated and Ipark Development. By virtue of his direct and indirect interests in AME REIT, he is a major unitholder of AME REIT. He is our Company’s Deputy Chairman/Non-Independent Non-Executive Director, the Non-Independent Non-Executive Director of the Manager, and a Director of Pentagon Land and Ipark Development. He is the brother of Lee Sai Boon, brother-in-law of Lim Yook Kim and father of Lee Ling Sien and Lee Chun Kiat;
- (iv) Lee Sai Boon, by virtue of his direct and indirect interests in our Company, is a substantial shareholder of our Company. By virtue of his direct and indirect interests in AME REIT, he is a major unitholder of AME REIT. He is our Company’s Non-Independent Non-Executive Director, the Chairman/Non-Independent Non-Executive Director of the Manager, and a Director of Pentagon Land and Ipark Development. He is the brother of Lee Chai and brother-in-law of Lim Yook Kim;
- (v) Lim Khai Wen, by virtue of his direct interest in our Company and AME REIT, is a shareholder of our Company and a unitholder of AME REIT. He is our Executive Director and a Director of AME Development and Pentagon Land. He is the child of Lim Yook Kim and brother of Lim Pei Shi;
- (vi) Kang Koh Wei, by virtue of his direct interest in our Company and AME REIT, is a shareholder of our Company and a unitholder of AME REIT. He is our Executive Director and a Director of AME Development and Pentagon Land. He is the child of Kang Ah Chee;
- (vii) Kang Ah Chee, by virtue of his direct and indirect interests in our Company, is a major shareholder of our Company. By virtue of his direct and indirect interests in AME REIT, he is a major unitholder of AME REIT. He is the alternate Director to Kang Koh Wei in our Company and the alternate Director to Lee Sai Boon in the Manager. He is the father of Kang Koh Wei;
- (viii) Lim Pei Shi, by virtue of her direct interests in our Company and AME REIT, is a shareholder of our Company and a unitholder of AME REIT. She is the alternate Director to Lim Khai Wen in our Company, the alternate Director to Chan Wai Leo (Executive Director/Chief Executive Officer in the Manager) in the Manager and a Director of AME Development, Pentagon Land and Ipark Development. She is the child of Lim Yook Kim and sister of Lim Khai Wen;

- (ix) Lee Ling Sien, by virtue of her direct interests in our Company and AME REIT, is a shareholder of our Company and a unitholder of AME REIT. She is the alternate Director to Lee Chai in our Company, an Executive Director of the Manager, and a Director of AME Development and Pentagon Land. She is the child of Lee Chai and sister of Lee Chun Kiat;
- (x) Lee Chun Kiat, by virtue of his direct interests in our Company and AME REIT, is a shareholder of our Company and a unitholder of AME REIT. He is the alternate Director to Lee Sai Boon in our Company and alternate Director to Lee Ling Sien in the Manager. He is the child of Lee Chai and brother of Lee Ling Sien; and
- (xi) Lim Yook Kim, by virtue of his direct and indirect interests in our Company, is a major shareholder of our Company. By virtue of his direct and indirect interests in AME REIT, he is a major unitholder of AME REIT. He is the alternate Director to Lee Chai in the Manager. He is the father of Lim Khai Wen and Lim Pei Shi, the brother-in-law of Lee Chai and Lee Sai Boon.

The direct and indirect shareholdings of the Interested Parties in our Company as at the LPD are as follows:

Interested Parties	Direct		Indirect	
	No. of Shares (‘000)	⁽¹⁾ (%)	No. of Shares (‘000)	⁽¹⁾ (%)
Lee Chai	113,656	17.8	⁽²⁾ 2,337	0.4
Lee Sai Boon	36,987	5.8	⁽³⁾ 2,137	0.3
Lim Khai Wen	812	0.1	-	-
Kang Koh Wei	588	0.1	-	-
Kang Ah Chee	111,591	17.5	⁽⁴⁾ 2,487	0.4
Lim Pei Shi	435	0.1	-	-
Lee Ling Sien	386	0.1	-	-
Lee Chun Kiat	150	*	-	-
Lim Yook Kim	113,841	17.8	⁽³⁾ 2,137	0.3

Notes:

- * Less than 0.1%.
- (1) Excluding approximately 1.6 million Shares bought back and retained by our Company as treasury shares as at the LPD.
- (2) Deemed interested by virtue of his direct interests in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act and AME Elite Shares held by his spouse pursuant to Section 59(11)(c) the Act.
- (3) Deemed interested by virtue of his direct interests in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his direct interests in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act and AME Elite Shares held by his children pursuant to Section 59(11)(c) of the Act.

By virtue of the interests set out above, the Proposed Disposals are regarded as related party transactions and fall under Paragraph 10.08 of the Listing Requirements. Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting of the Proposed Disposals at the relevant Board meetings pertaining to the Proposed Disposals.

The Interested Parties will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to the Proposed Disposals to be tabled at our forthcoming EGM.

Further, the Interested Parties undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Disposals to be tabled at our forthcoming EGM.

12. INDEPENDENT ADVISER

In view of the interests of the Interested Parties in the Proposed Disposals as set out in **Section 11** of **Part A** of this Circular, the Proposed Disposals are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements.

Accordingly, cfSolutions had been appointed to act as the independent adviser to undertake the following in relation to the Proposed Disposals:

- (i) comment as to whether the Proposed Disposals are:
 - (a) fair and reasonable so far as our Non-Interested Shareholders are concerned; and
 - (b) to the detriment of our Non-Interested Shareholders,and set out the reasons for such opinion, the key assumptions made and the factors taken into consideration in forming that opinion;
- (ii) advise our Non-Interested Shareholders on whether they should vote in favour of the Proposed Disposals; and
- (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in subparagraphs (i) and (ii) above.

13. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

Our Audit and Risk Management Committee, after having considered and deliberated on the Proposed Disposals, including but not limited to, the salient terms of the SPAs, basis and justification for the Disposal Consideration, rationale and benefits of the Proposed Disposals, independent valuation of the Subject Properties as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Disposals are:

- (i) in our best interest;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of our Non-Interested Shareholders.

14. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the Interested Directors), after having considered and deliberated on the Proposed Disposals, including but not limited to, the salient terms of the SPAs, basis and justification for the Disposal Consideration, rationale and benefits of the Proposed Disposals, independent valuation of the Subject Properties as well as the evaluation of the Independent Adviser, is of the opinion that the Proposed Disposals are in the best interest of our Company.

Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposed Disposals to be tabled at our forthcoming EGM.

15. TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the tentative timetable for implementation of the Proposed Disposals is as follows:

Tentative timetable	Event
7 November 2024 ⁽¹⁾	Our forthcoming EGM for the Proposed Disposals
1 st quarter of 2025 ⁽¹⁾	<ul style="list-style-type: none">• i-Park SAC 23 & 24 SPA becoming unconditional• Completion of the Proposed i-Park SAC 23 & 24 Disposal
2 nd quarter of 2025 ⁽¹⁾	<ul style="list-style-type: none">• i-TechValley 46 SPA becoming unconditional• Completion of the Proposed i-TechValley 46 Disposal
3 rd quarter of 2025 ⁽¹⁾	<ul style="list-style-type: none">• i-TechValley 34 SPA and i-Park SAC 60 & 61 SPA becoming unconditional• Completion of the Proposed i-TechValley 34 Disposal and Proposed i-Park SAC 60 & 61 Disposal

Note:

- (1) The Proposed Disposals have different completion dates in view of the various conditions precedent to be fulfilled under the SPAs of the respective Subject Properties. The salient terms of the SPAs are set out in **Appendix II** of this Circular.

16. EGM

Our forthcoming EGM, the notice of which is enclosed herein, will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting (“RPEV”) facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on Thursday, 7 November 2024 at 2.00 p.m. or at any adjournment thereof, and if thought fit, pass resolutions to give effect to the Proposed Disposals.

A shareholder of our Company entitled to participate, speak and vote at our forthcoming EGM is entitled to appoint a proxy or proxies to participate, speak and vote on his/her behalf. In such an event, please complete and return the Form of Proxy in accordance with the instructions therein and deposit it at the office of our Company’s Share Registrar, Boardroom Corporate Services Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding our forthcoming EGM. You can also have the option to lodge the proxy appointment electronically through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or email to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time. The lodging of the Form of Proxy will not preclude you from participating, speaking and voting remotely at our forthcoming EGM should you subsequently wish to do so. For further information on the electronic submission of the Form of Proxy and participation at our forthcoming EGM, kindly refer to the Administrative Guide which is enclosed together with this Circular.

17. FURTHER INFORMATION

Shareholders of our Company are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully
for and on behalf of the Board of
AME ELITE CONSORTIUM BERHAD

TAN TECK ENG
Executive Director and Group Chief Executive Officer

PART B

**INDEPENDENT ADVICE LETTER FROM CFSOLUTIONS
TO OUR NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSALS**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions contained in the Definitions section of Part A of this Circular except where the context otherwise requires or is defined herein.

This Executive Summary highlights the salient information relating to the Proposed Disposals. Non-Interested Shareholders of AME Elite are advised to read this IAL thoroughly for further information and recommendation in relation to the Proposed Disposals. This IAL should also be read in conjunction with the contents set out in Part A of the Circular and its enclosed appendices.

1. INTRODUCTION

On 24 July 2024, the Board announced that the following had been entered into for a total cash consideration of approximately RM119.5 million in relation to the Proposed Disposals:

- (i) the i-TechValley 34 SPA between Pentagon Land and the Trustee in relation to the Proposed i-TechValley 34 Disposal for a cash consideration of RM27.0 million;
- (ii) the i-TechValley 46 SPA between Pentagon Land and the Trustee in relation to the Proposed i-TechValley 46 Disposal for a cash consideration of approximately RM27.5 million;
- (iii) the i-Park SAC 23 & 24 SPA between Ipark Development and the Trustee in relation to the Proposed i-Park SAC 23 & 24 Disposal for a cash consideration of RM45.0 million; and
- (iv) the i-Park SAC 60 & 61 SPA between Ipark Development and the Trustee in relation to the Proposed i-Park SAC 60 & 61 Disposal for a cash consideration of RM20.0 million.

On 16 October 2024, the Board announced that Pentagon Land and the Trustee (acting on behalf of AME REIT) had entered into the i-TechValley 34 Supplemental SPA which sets out the request of the lessee of i-TechValley 34 for a 1-month rent free period from the lease commencement date, thereby varying certain terms relating to the revision of lease term from fixed 5 years to fixed 5 years and 1 month under the lease of i-TechValley 34 which is to be novated to the Trustee upon the completion of the i-TechValley 34 SPA.

In view of the interests of the Interested Directors, Interested Major Shareholders and/or persons connected with them as set out in Section 11 of Part A of this Circular, the Proposed Disposals are related party transactions pursuant to Paragraph 10.08 of the Listing Requirements. In this respect, the Board has appointed cfSolutions on 4 July 2024 to act as the independent adviser to comment as to whether the Proposed Disposals are fair and reasonable and whether the Proposed Disposals are to the detriment of the Non-Interested Shareholders.

The purpose of this IAL is to provide the Non-Interested Shareholders with an evaluation on the fairness and reasonableness on the Proposed Disposals, together with our recommendation thereon, subject to the scope and limitations of our role and evaluation specified in this IAL.

The Non-Interested Shareholders should nonetheless rely on their own evaluation of the merits of the Proposed Disposals before making a decision on the course of action to be taken.

2. EVALUATION OF THE PROPOSED DISPOSALS

We have assessed and evaluated the Proposed Disposals taking into consideration various factors as summarised below:

IAL section	Area of evaluation	Our comments
7.1	Rationale of the Proposed Disposals	<p>In assessing the rationale, we considered the following:</p> <p>(i) Align with the business goals of the Group</p> <p>The Proposed Disposals will enable the Company to inject the property investments into the real estate investment trust and continue to enjoy the income distribution from AME REIT.</p> <p>(ii) Realise the investment in the Subject Properties</p> <p>The Proposed Disposals will unlock AME Elite’s investment in the Subject Properties and record a pro forma gain of approximately RM22.9 million.</p> <p>(iii) Improve the cash flow position of the Group</p> <p>The Proposed Disposals will generate gross proceeds of approximately RM119.5 million which will support the Company’s cash flows requirement for amongst others, its property development segment and investment projects.</p> <p>(iv) Redeploy resources to on-going and future property development and investment projects</p> <p>The Proposed Disposals represent an opportunity for the Company to channel its resources toward ongoing and future property development and investment projects.</p>
7.2	Basis of arriving at the Disposal Consideration	<p>In our evaluation of the Disposal Consideration, we noted the following:</p> <p>(i) The market value of the Subject Properties of RM122.0 million is derived by the Valuer, adopting the Income Approach (Investment Method) as the primary valuation method and cross-checked with the Comparison Approach; and</p> <p>(ii) The bases and assumptions adopted by the Valuer in arriving at the valuation of the Subject Properties are reasonable.</p>

IAL section	Area of evaluation	Our comments
7.3	Salient terms of the SPAs and the Lease Agreements	<p>In our evaluation of the discount of the Disposal Consideration to the market value of the Subject Properties, we have considered amongst others, the Pre-Completion Rental (as defined herein) of i-TechValley 46 and i-Park SAC 23 & 24, the pro forma gain arising from the Proposed Disposals, range of discounts of the precedent transactions as well as the cash flow requirement of the Company.</p> <p>The salient terms of the SPAs which were mutually agreed between the parties are acceptable. In addition, the terms of the Lease Agreements have been mutually negotiated and agreed by the Vendors and the lessees.</p>
7.4	Industry outlook and prospects	<p>The outlook of the Malaysian economy and forecast growth in the construction sector represents an opportunity for the Company to unlock the value of its investment in the Subject Properties via the Proposed Disposals.</p> <p>We believe that the Proposed Disposals will contribute positively to the long-term prospects of the Group.</p>
7.5	Financial effects of the Proposed Disposals	<p>The Proposed Disposals have no impact on the share capital and substantial shareholdings in AME Elite as the entire Disposal Consideration will be satisfied with cash.</p> <p>The proforma NA per Share will increase from RM1.37 to RM1.40 while the EPS of the Group will increase from 14.57 sen to 18.08 sen mainly arising from the net gain on the disposal of Subject Properties attributable to the Company upon completion of the Proposed Disposals.</p>
7.6	Risk factors associated with the Proposed Disposals	<p>The risk factors associated with the Proposed Disposals include, but not limited to completion risk, regulatory risk, risk associated with the value appreciation of the Subject Properties and risk associated with loss of lease income from the Subject Properties.</p> <p>The Non-Interested Shareholders should take note of the risk factors relating to the Proposed Disposals and the relevant mitigating measures undertaken to mitigate such risks (if any); and that there can be no assurance that one or a combination of the risk factors will not occur and have a material and adverse effect on the business and financial position of AME Elite.</p>

3. CONCLUSION AND RECOMMENDATION

Premised on the abovementioned factors and our evaluation and consideration as set out in this IAL, we are of the opinion that, on the basis of the information available to us, 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 at the forthcoming EGM.

The Non-Interested Shareholders are advised not to rely solely on the Executive Summary or this IAL to form an opinion on Proposed Disposals. Non-Interested Shareholders should consider all relevant and pertinent factors including those set out in Part A of this Circular and this IAL, the recommendation of the Board, our recommendation herein together with the limitations of our evaluation prior to making the decision on whether to take that course of action.

This IAL is prepared solely for the use of the Non-Interested Shareholders for the purpose of considering the Proposed Disposals and should not be used or relied upon by any other party for any other purpose whatsoever. We also have not given consideration to the specific investment objectives, risk profiles, financial situations and any particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders. **IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS.**

17 October 2024

To : The Non-Interested Shareholders of AME Elite Consortium Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF AME ELITE IN RELATION TO THE PROPOSED DISPOSALS

This IAL is prepared for the inclusion in the circular to shareholders of AME Elite in relation to the Proposed Disposals and should be read in conjunction with the rest of the Circular.

1. INTRODUCTION

On 24 July 2024, the Board announced that the following had been entered into for a total cash consideration of approximately RM119.5 million in relation to the Proposed Disposals:

- (i) the i-TechValley 34 SPA between Pentagon Land and the Trustee in relation to the Proposed i-TechValley 34 Disposal for a cash consideration of RM27.0 million;
- (ii) the i-TechValley 46 SPA between Pentagon Land and the Trustee in relation to the Proposed i-TechValley 46 Disposal for a cash consideration of approximately RM27.5 million;
- (iii) the i-Park SAC 23 & 24 SPA between Ipark Development and the Trustee in relation to the Proposed i-Park SAC 23 & 24 Disposal for a cash consideration of RM45.0 million; and
- (iv) the i-Park SAC 60 & 61 SPA between Ipark Development and the Trustee in relation to the Proposed i-Park SAC 60 & 61 Disposal for a cash consideration of RM20.0 million.

On 16 October 2024, the Board announced that Pentagon Land and the Trustee (acting on behalf of AME REIT) had entered into the i-TechValley 34 Supplemental SPA which sets out the request of the lessee of i-TechValley 34 for a 1-month rent free period from the lease commencement date, thereby varying certain terms relating to the revision of lease term from fixed 5 years to fixed 5 years and 1 month under the lease of i-TechValley 34 which is to be novated to the Trustee upon the completion of the i-TechValley 34 SPA.

In view of the interests of the Interested Directors, Interested Major Shareholders and/or persons connected with them as set out in Section 11 of Part A of this Circular, the Proposed Disposals are related party transactions pursuant to Paragraph 10.08 of the Listing Requirements. In this respect, the Board has appointed cfSolutions on 4 July 2024 to act as the independent adviser to comment as to whether the Proposed Disposals are fair and reasonable and whether the Proposed Disposals are to the detriment of the Non-Interested Shareholders.

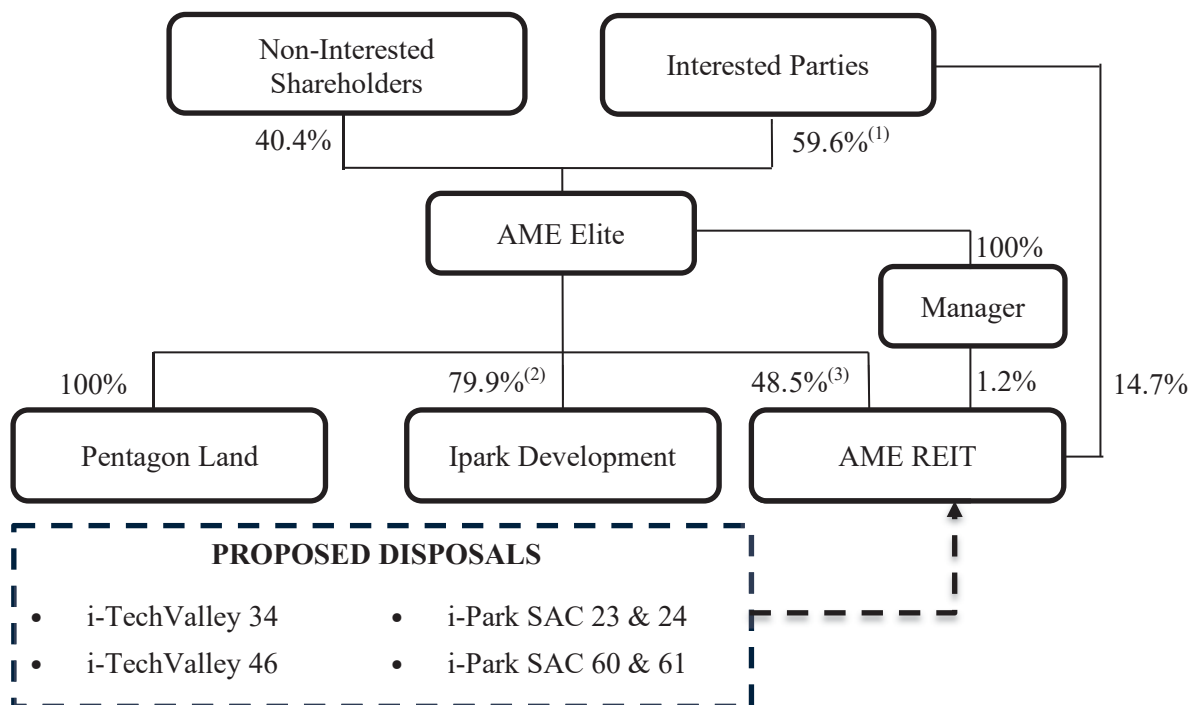
The purpose of this IAL is to provide the Non-Interested Shareholders with an evaluation on the fairness and reasonableness on the Proposed Disposals, together with our recommendation thereon, subject to the scope and limitations of our role and evaluation specified in this IAL.

The Non-Interested Shareholders should nonetheless rely on their own evaluation of the merits of the Proposed Disposals before making a decision on the course of action to be taken. This IAL is prepared solely for the use of the Non-Interested Shareholders as a whole for the purpose of considering the Proposed Disposals and should not be used or relied upon by any other party for any other purpose whatsoever.

You are advised to read both the IAL together with the other sections of this Circular and to carefully consider the recommendation contained herein before voting on the resolutions pertaining to the Proposed Disposals to be tabled at the forthcoming EGM of the Company. If you are in any doubt as to the course of action to be taken, you should consult your stockbrokers, bank managers, solicitors, accountants and other professional advisers.

2. DETAILS OF THE PROPOSED DISPOSALS

The details of the Proposed Disposals are set out in Section 2 of Part A of this Circular and should be read in its entirety. An illustration of the group structure of AME Elite undertaking the Proposed Disposals are as follows:



Notes:

- (1) Direct and indirect interests of the Interested Parties
- (2) Ipark Development is a 80.0% subsidiary of AME Integrated which is a 99.9% subsidiary of AME Elite
- (3) Deemed interested by virtue of AME Elite's shareholdings in AME Development pursuant to Section 8 of the Act

As at the LPD, the Group has secured lessees for the Subject Properties. The leases of i-TechValley 46 and i-Park SAC 23 & 24 have commenced on 1 April 2024 and 22 August 2024 respectively while the remaining Subject Properties will be income-generating upon completion of the respective Proposed Disposals.

3. LIMITATIONS TO THE EVALUATION OF THE PROPOSED DISPOSALS

cfSolutions was not involved in any negotiation, discussion or formulation of the Proposed Disposals and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposed Disposals. cfSolutions' terms of reference as an independent adviser is limited to expressing an independent evaluation of the Proposed Disposals per the requirements of Paragraph 10.08(3) of the Listing Requirements.

In our evaluation and analysis, and in formulating our recommendation, we have relied upon the reasonableness, accuracy and completeness of the following information:

- (i) information as set out in Part A of this Circular and the appendices attached in this Circular;
- (ii) the SPAs of the Subject Properties including the i-TechValley 34 Supplemental SPA;
- (iii) the Valuation Reports of the Subject Properties;
- (iv) the audited financial statements of AME Elite for FYE 31 March 2023 and FYE 31 March 2024;
- (v) discussions with the Board and the management of AME Elite;
- (vi) other relevant information, documents, confirmations and representation furnished to us by the Board and management of AME Elite; and
- (vii) other publicly available information.

Our evaluation and recommendation expressed herein shall hold only in so far as the information and data supplied to us or which are available to us as at the date hereof remain accurate and consistent. We have further assumed that such information has been prepared in good faith and reflects the best judgment and estimates of AME Elite as at the date hereof and that AME Elite is not aware of any facts that would make the documents, financial and/or other information provided to us being incomplete, false, misleading or inaccurate. Further, we have requested for the verification of the information and documents and made enquiries with the Directors and the management of AME Elite as well as third party expert(s) i.e. the Valuer and reviewed documents and made reliance on information provided by them. Whilst we make no representation as to the accuracy, validity and completeness of the information provided, we have no reason to believe that the aforesaid information/documents provided to and used by us are unreasonable, unreliable, incomplete, misleading and/or inaccurate or that the material omission of which would make the information misleading or inaccurate.

We have obtained confirmation from the Board of AME Elite that they have seen this IAL and they, collectively and individually, accept full responsibility for the accuracy of the information contained herein to the extent the information relates to the Group, the Trustee, the Proposed Disposals and the Subject Properties, and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there is no statement or information contained in this IAL to the extent the statement or information relates to the Group, the Trustee, the Proposed Disposals and the Subject Properties, which is inaccurate, incomplete, false or misleading and all information relevant to our evaluation of the Proposed Disposals have been disclosed to us and that there is no other fact or information, the omission of which would make any information or statement in this IAL and/or any information furnished to cfSolutions incomplete, false, misleading or inaccurate as at the LPD.

In rendering our advice, cfSolutions had taken note of pertinent issues, which we believe are necessary and of importance to an assessment of the implications of the Proposed Disposals and are therefore of general concern to the Non-Interested Shareholders.

Our evaluation and recommendation expressed herein are based on prevailing economic, market, industry and other conditions, and the information and/or documents made available to us, as at the LPD. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed herein do not take into account the information, events and conditions arising after the LPD. Our advice should be considered in the context of the entirety of this IAL.

We shall notify the Non-Interested Shareholders by way of announcement if, after despatching this IAL and prior to the EGM, we become aware that the information or document previously circulated or provided:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, we shall send a supplementary letter to the Non-Interested Shareholders.

It is not within our terms of reference to express any opinion on the commercial merits and/or risks of the Proposed Disposals nor the impact on future prospects post-completion of the same, the assessment of which remain the sole responsibility of the Board although we may draw upon the Board's rationale in arriving at our opinion. As such, where comments or points of consideration are included on matters which may be commercially oriented, these are incidental to our overall evaluation. We wish to emphasise that our role as Independent Adviser also does not extend to rendering an expert opinion on legal, accounting and tax positions relating to the Proposed Disposals and to any particular needs of any individual shareholder or any specific group of shareholders. In carrying out our evaluation, we also have not given consideration to the specific investment objectives, risk profiles, financial situations and any particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders. We will not be responsible for any damages or loss or any kind sustained or suffered by any individual shareholder or any group of shareholders in reliance on the opinion stated herein for any purpose whatsoever.

Accordingly:

- (i) cfSolutions' views and advice as contained in this IAL only cater to the Non-Interested Shareholders as a whole and not to any non-interested shareholder individually; and
- (ii) we recommend that any individual non-interested shareholder or group of non-interested shareholders who is in doubt as to the action to be taken or require advice in relation to the Proposed Disposals in the context of their individual objectives, risk profiles, financial, legal, accounting and tax situations or particular needs, should consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers.

Non-Interested Shareholders are advised to consider the merits and demerits of the Proposed Disposals carefully based on all relevant and pertinent factors including those set out in Part A of this Circular (including the recommendation of the Board as stated in Section 14 of Part A of this Circular) and this IAL, as well as other publicly available information prior to making a decision on the resolutions pertaining to the Proposed Disposals.

4. CREDENTIALS, EXPERIENCE AND EXPERTISE OF CFSOLUTIONS

cfSolutions is a corporate finance adviser licensed by the Securities Commission in Malaysia under section 58 of the Capital Markets and Services Act 2007 and recognised by Bursa Securities. cfSolutions offers a spectrum of corporate finance services including the provision of independent advice, valuation of assets and opinion on transactions.

The credentials and experience of cfSolutions as an independent adviser where it has been appointed prior to the date of this IAL include, among others, the following:

No.	Company name / Date of independent advice letter	Description of proposals
(i)	EP Manufacturing Bhd (“EPM”) / 13 May 2022	Proposed disposals by a subsidiary of EPM of 2 parcels of freehold land held together with the factories and offices constructed thereon for a total cash consideration of RM53.5 million and the subsequent leaseback by EPM of part of the aforementioned factories and offices
(ii)	Ingenieur Gudang Berhad / 1 November 2022	Proposed disposals by Ingenieur EPCM Sdn Bhd, a wholly-owned subsidiary of Ingenieur Gudang Berhad of: (a) a piece of leasehold industrial land in Johor together with buildings erected thereon for a cash consideration of RM16.6 million; and (b) a piece of leasehold industrial land in Pahang together with buildings erected thereon for a cash consideration of RM9.4 million
(iii)	Atlan Holdings Berhad / 28 February 2023	Proposed acquisition of a hotel from Belle Isle Property Ltd (“BIP”) for a purchase consideration of GBP10.8 million and proposed acquisition of all of BIP’s existing assets and liabilities which relate to the operations of the property to be acquired for a purchase consideration of GBP1
(iv)	E.A Technique (M) Berhad (“EATECH”)/ 7 June 2024	Proposed shares issuance of up to 795,750,000 new EATECH shares (“Subscription Shares”), representing approximately 60.0% of the enlarged share capital of EATECH after the shares issuance and proposed exemption under subparagraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions for Datuk Wira Mubarak Hussain Bin Akhtar Husin (ultimate offeror), Voultier Sdn Bhd (offeror) and person acting in concert with them, from the obligation to undertake a mandatory take-over offer for all the remaining ordinary shares in EATECH not already owned by them arising from the issuance of Subscription Shares by EATECH to them pursuant to the proposed shares issuance
(v)	InNature Berhad / 19 June 2024	Proposed acquisition by InNature Berhad of 100% equity interest in Blu Restaurant Sdn Bhd for a cash consideration of RM 21.25 million
(vi)	I-Berhad / 17 July 2024	Proposed issuance of up to RM100 million redeemable preference shares (“Proposed Issuance”) to Sumurwang Sdn Bhd, a major shareholder of I-Berhad and proposed amendments to the Constitution of I-Berhad pursuant to the Proposed Issuance

Based on the credentials and experience above, cfSolutions has the necessary resources and expertise to carry out its role and responsibilities as the independent adviser to advise the Non-Interested Shareholders in relation to the Proposed Disposals.

5. DECLARATION OF CONFLICT OF INTEREST

As at the LPD, cfSolutions is not aware of any existing or potential conflict of interest situation arising from its capacity as the independent adviser for the Proposed Disposals. Save for the professional fees cfSolutions is entitled to as the independent adviser for the Proposed Disposals, the engagement of cfSolutions by AME Elite is not driven by any other fee which is dependent on a particular opinion and recommendation.

Save for our role as an independent adviser for the Proposed Disposals, cfSolutions does not have any other professional relationship with AME Elite in the past two (2) years prior to our appointment.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON(S) CONNECTED TO THEM

The Interested Directors, the Interested Major Shareholder and/or the persons connected to them are disclosed in Section 11 of Part A of this Circular.

7. EVALUATION OF THE PROPOSED DISPOSALS

In arriving at our opinion and recommendation, we have taken into consideration various aspects of the Proposed Disposals. Our evaluation is set out in the ensuing sections:

	<u>Section of the IAL</u>
(i) Rationale of the Proposed Disposals	7.1
(ii) Basis of arriving at the Disposal Consideration	7.2
(iii) Salient terms of the SPAs and the Lease Agreements	7.3
(iv) Industry outlook and prospects	7.4
(v) Financial effects of the Proposed Disposals	7.5
(vi) Risk factors associated with the Proposed Disposals	7.6

7.1. Rationale of the Proposed Disposals

Section 3 of Part A of this Circular contains the rationale for the Proposed Disposals, an extract of which is as follows:

As at the LPD, one of the Group's principal activities is property investment, which is primarily undertaken by its subsidiary, AME REIT.

As at the LPD, the Group has secured lessees for the Subject Properties and the Subject Properties is or will be income generating upon completion of the Proposed Disposals. Following this, the Vendors intend to dispose the Subject Properties while the Group focuses on its other principal business activities, which include development of industrial parks and construction.

On 19 July 2022, AME Elite and Ipark Development granted a ROFR respectively, subject to the terms and conditions of the ROFR.

It is the intention of the Group to consistently realign its property investments in an efficient structure of a real estate investment trust and therefore, undertaking the Proposed Disposals will allow for the Group to achieve this intention.

The Group is continuously evaluating business opportunities in the property development and construction sector and the Proposed Disposals present an opportunity for the Group to monetise its investment in the Subject Properties. The proceeds from the Proposed Disposals will allow the Group to have funds readily available to reinvest its capital in strategic assets or opportunities that align with the Group's core strategy, as and when required. Further details on the use of proceeds are as set out in Section 4 of Part A of this Circular.

Upon completion of the Proposed Disposals, the Company would be able to recognise approximately RM22.9 million in pro forma gain on disposal of the Subject Properties net of tax and share by non-controlling interests arising from the Proposed Disposals based on the audited NBV of the Subject Properties as at 31 March 2024 and a market value of RM122.0 million, the details of which are as set out in Note (1) of Section 6.2 of Part A of this Circular.

Further, given the Company's effective interest of approximately 49.7% in AME REIT as at the LPD, through the Company's direct shareholdings in AME Development and the Manager, the Company will continue to consolidate the total asset value of the Subject Properties into its Statements of Financial Position. Correspondingly, the Company will also consolidate the Islamic financing facilities of approximately RM118.5 million (net of transaction costs of RM1.0 million) to be undertaken by AME REIT to fund the proposed acquisitions of the Subject Properties.

Additionally, the Proposed Disposals allow the Company to continue to indirectly enjoy recurring income from its subsidiary, AME REIT, via future income distributions based on the Company's unitholdings in AME REIT by virtue of AME Development and the Manager's direct unitholdings.

Our comments with regards to the rationale and benefits of the Proposed Disposals are as follows:

(i) Align with the business goals of the Group

We noted the following extracts from the Circular to Shareholders of AME Elite dated 26 April 2022 in relation to the establishment and listing of AME REIT:

- (a) AME REIT is structured to be the principal vehicle which manages property investment activity for the Company;
- (b) The Group will continue to work on its pipeline of property development projects and would be able to unlock the value of its leasing property assets by securitising those assets which fit the investment criteria of AME REIT; and
- (c) AME REIT, which is a subsidiary of AME Elite, would be able to source for suitable industrial properties, workers' dormitories and warehouses pursuant to the ROFR arrangement with the Company.

Accordingly, the Proposed Disposals will enable the Company to inject the property investments into the real estate investment trust and continue to enjoy the income distribution from AME REIT.

(ii) Realise the investment in the Subject Properties

- (a) The Proposed Disposals will unlock AME Elite's investment in the Subject Properties immediately upon the completion of the Proposed Disposals and allow it to record a pro forma gain of approximately RM22.9 million which will contribute positively to the Group's financial results.

- (b) As the Company has secured lessees for the Subject Properties, AME Elite is able to crystallise future lease income now as the Valuer had adopted the Income Approach (Investment Method), a property valuation methodology which is commonly used to appraise income generating properties and the value is reflected in the Disposal Consideration.
- (c) Notwithstanding the novation of Lease Agreements to the Trustee, the Proposed Disposals allow the Company to continue enjoying recurring income from the Subject Properties via future income distributions by AME REIT based on its indirect unitholdings in AME REIT. As at the LPD, AME Elite holds 49.7% interest in AME REIT.

We noted that it is the policy of AME REIT to distribute at least 90.0% of distributable income on a quarterly basis or such other intervals as the Manager may determine at its absolute discretion. For information purposes, AME REIT distributed RM38.5 million representing 99.97% of distributable income for FYE 31 March 2024. *(Source: Annual Report 2024 of AME REIT)*

(iii) Improve the cash flow position of the Group

The extract from the statement of cash flows of the Group based on the audited consolidated financial statements for FYE 2023 and FYE 2024 are set out as follows:

Extracts from the consolidated statement of cash flows	Audited FYE 2023	Audited FYE 2024
	RM'000	RM'000
Cash flows from operating activities	6,220	37,929
Cash flows used in investing activities	(19,003)	(3,126)
Cash flows from/(used in) financing activities	149,387	(74,209)
Net increase/(decrease) in cash and cash equivalents	<u>136,604</u>	<u>(39,407)</u>

(Sources: Annual Reports of AME Elite)

Even though the cash flows from operating activities for FYE 2023 and FYE 2024 were positive, the Group had channelled a major portion towards:

- (a) investment activities, such as the purchase of property, plant and equipment and acquisition of investment properties; and
- (b) financing activities (in FYE 2024), including repayment of bank borrowings and dividend payment.

Consequently, the Group's cash and cash equivalent position had reduced to approximately RM279.7 million in FYE 2024 from approximately RM326.9 million.

Accordingly, the Proposed Disposals would enable AME Elite to generate gross proceeds of approximately RM119.5 million which will support the Company's cash flows requirement for amongst others, its property development segment and investment projects.

(iv) Redeploy resources to on-going and future property development and investment projects

The property development segment of the Group contributed RM422.5 million, representing 58.9% of the Group's total revenue for the FYE 2024. The Proposed Disposals represent an opportunity for the Company to channel its resources toward ongoing and future property development and investment projects. This is further elaborated below:

- (a) AME Elite will be able to focus its time and resources towards property development and investment projects whilst the responsibilities of managing the Subject Properties including repair and maintenance as well as lease payment collection are passed on to asset management professionals;
- (b) The Group is committed to developing i-TechValley as well as to be involved in the future industrial property development and investment project to enhance the Group's profitability.

The ongoing flagship developments of the Group, namely the i-Park@Indahpura, i-Park@Senai Airport City and i-TechValley, secured RM283.6 million in new sales for FYE 2024 with RM276.1 million on hand-bookings as at 31 March 2024. To further strengthen the development pipeline, the Group has acquired 37.5 acres of prime freehold land in Kulai, Johor for RM106.2 million. The acquisition was completed in July 2024 and will contribute to the Group's growth and support future industrial development projects.

The property development segment's ongoing gross development value reached RM4.3 billion as at 31 March 2024, increasing from RM3.3 billion at the end of the previous financial year. Meanwhile, the Group's unbilled sales amounted to RM226.8 million as at 31 March 2024, which will contribute to revenue recognition for the FYE 2025 and FYE 2026.

(Source: Management of AME Elite)

We noted that part of the cash proceeds has been earmarked for the funding of the Group's ongoing development of i-TechValley and future industrial property development and investment project, including land acquisition and joint ventures, all of which may potentially generate future income and profitability; and

- (c) Without the proceeds from the Proposed Disposals, AME Elite may need to rely on borrowings and incur additional cost of servicing such borrowings. AME Elite will also need to shoulder additional cash outflows to repay the borrowings.

Taking into consideration the above, we are of the view that the rationale of the Proposed Disposals is justifiable.

7.2. Basis of arriving at the Disposal Consideration

In evaluating the fairness and reasonableness of the Disposal Consideration, we have taken into consideration the basis of arriving at the Disposal Consideration for the Proposed Disposals as set out in Section 2.4 in Part A of this Circular.

7.2.1. Evaluation of the basis of market valuation

The Company and the Trustee had appointed CBRE WTW as the independent registered valuer to appraise the market valuation of the Subject Properties. We noted that the valuer firm had declared inter-alia, the following in accordance to paragraph 3.10 of the Asset Valuation Guidelines issued by the Securities Commission Malaysia (“Asset Valuation Guidelines”):

- (a) Neither the Valuer’s partners or directors are directors nor employees of the Company or the Trustee or have significant financial interest therein;
- (b) The Company and the Trustee do not have any significant financial interest, direct or indirect, in the Valuer;
- (c) The Valuer has sufficient internal controls and procedures to ensure that the requirements of the Asset Valuation Guidelines are complied with and valuations conducted have gone through a peer review process; and
- (d) The Valuation Reports have been prepared in compliance with the Asset Valuation Guidelines.

In addition, the licensed registered valuer of CBRE WTW and director of the Valuer carrying out the valuation in the Valuation Reports, has also declared, inter-alia, that he has no actual or potential conflict of interest with the Company and the Trustee.

We further note that notwithstanding that the Valuer is appointed by both the Company and the Trustee, the valuation methods employed are in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. Accordingly, we have relied on the market valuation of the Subject Properties provided by the Valuer.

Please refer to Appendix I of this Circular for the information on the Subject Properties.

A summary of the Valuation Reports issued by the Valuer ascribing the market values attributed to the Subject Properties is set out herein:

Valuation Reports	i-TechValley 34	i-TechValley 46	i-Park SAC 23 & 24	i-Park SAC 60 & 61
Describe as	Market value			
As at	4 July 2024			
Value (RM)	27,000,000	29,000,000	46,000,000	20,000,000
Aggregate market value (RM)	122,000,000			
Arrived at based on	Income Approach (Investment Method) ⁽¹⁾			
Supported by	Comparison Approach ⁽¹⁾			

Note:

- (1) Please refer to Section 7.2.1.3 of this IAL for the summary of the valuation derived based on the Income Approach (Investment Method) and Comparison Approach

Further details of the valuation methods employed are set out below:

	Primary valuation method	Secondary valuation method
Methodology	Income Approach (Investment Method)	Comparison Approach
Description	The 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.	The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, size of the building, age and condition of unit and building, size and shape of land, tenure, planning status, title restrictions (if any) and other relevant characteristics to arrive at the market value.
Basis and assumptions	Income in the context of the Income Approach (Investment Method) relates mainly to rental. This method is premised on the principle that the value of an income-producing property is represented by “the present worth of future rights to income, or utility”. The passing rents of the existing tenancies are adopted as the ‘Term’ income whilst the rent for ‘Reversion’ is benchmarked against recently concluded tenancies within the same property as the main guide as well as market rental evidences for other similar type of properties.	The principle of comparison is based on the economic concept of substitution, that a knowledgeable and prudent person would not pay more for a property than the cost of acquiring an equally satisfactory substitute. This implies that, within a suitable time-frame, the values of properties that are considered to be close substitutes in terms of location, utility and desirability will tend to be similar and the lowest price of the best alternative tends to establish market value.
Others	i-TechValley 34, i-Park SAC 23 & 24 and i-Park SAC 60 & 61 have been valued on the basis that the Subject Properties have been constructed/ completed in accordance with the approved building plans and specifications and issued with the CCCs.	

(Sources: Valuation Reports and Valuation Certificate)

Our comments:

We noted that the Valuer used two valuation approaches with the Income Approach (Investment Method) as the primary valuation approach in arriving at the market value of the Subject Properties. The Comparison Approach was adopted to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

Based on the Valuation Reports, i-TechValley 34, i-Park SAC 23 & 24 and i-Park SAC 60 & 61 had been valued on the basis that the Subject Properties have been constructed/completed in accordance with the approved building plans and specifications and issued with the CCCs. We further note that the construction of i-TechValley 34 and i-Park SAC 60 & 61 will be completed prior to the completion of the Proposed Disposals, whilst the construction of i-TechValley 46 and i-Park SAC 23 & 24 have been completed as at the LPD. Accordingly, the leases for i-TechValley 34 and i-Park SAC 60 & 61 will commence upon receipt of the CCC, whilst the leases for i-TechValley 46 and i-Park SAC 23 & 24 have commenced on 1 April 2024 and 22 August 2024 respectively.

The Income Approach (Investment Method) was adopted as the primary valuation approach, which is reasonable taking into consideration the following:

- (i) the Subject Properties are or will be income-generating as evidenced by the existing Lease Agreements of the respective Subject Properties;
- (ii) the market value is appraised on, amongst others, the actual lease rates and periodic lease income in accordance with the Lease Agreements which represents the actual future economic benefits to be generated from the Subject Properties;
- (iii) the Lease Agreements will be novated to the Trustee (on behalf of AME REIT) upon the completion of the Proposed Disposals for the continuity of lease arrangement under similar terms; and
- (iv) the continuity of long-term lease income beyond the fixed rental terms stipulated in the Lease Agreements are based on market rates observed by the Valuer as the Subject Properties will be injected into AME REIT which invests directly and indirectly, in a Shariah-compliant portfolio of income producing real estate used primarily for industrial and industrial-related purposes.

7.2.1.1. Income Approach (Investment Method)

We have also assessed the bases and assumptions adopted by the Valuer in arriving at the market value of the Subject Properties using the Income Approach (Investment Method) and our comments are as follows:

Basis and assumption	Our comments																																			
<p>(i) Term gross monthly rental</p> <p>The rental adopted by the Valuer for the term of valuation is based on the contractual rental as stipulated in the Lease Agreements of the Subject Properties.</p> <p>The details of the gross monthly rental rates over the fixed term adopted by the Valuer are as follows:</p> <table border="1" data-bbox="718 1321 973 1960"> <thead> <tr> <th>Subject Properties</th> <th>Monthly gross rental rates RM/sq ft</th> </tr> </thead> <tbody> <tr> <td>i-TechValley 34</td> <td>1.55 to 1.80</td> </tr> <tr> <td>i-TechValley 46</td> <td>1.50 to 1.90</td> </tr> <tr> <td>i-Park SAC 23 & 24</td> <td>2.20 to 2.50</td> </tr> <tr> <td>i-Park SAC 60 & 61</td> <td>1.75 to 2.05</td> </tr> </tbody> </table>	Subject Properties	Monthly gross rental rates RM/sq ft	i-TechValley 34	1.55 to 1.80	i-TechValley 46	1.50 to 1.90	i-Park SAC 23 & 24	2.20 to 2.50	i-Park SAC 60 & 61	1.75 to 2.05	<p>We noted the rental rates and the lease terms adopted by the Valuer are as stipulated in the Lease Agreements of the respective Subject Properties with the lessees who are not related to the Interested Parties and in the ordinary course of business are as follows:</p> <table border="1" data-bbox="582 185 1396 1176"> <thead> <tr> <th>Subject Properties</th> <th>Date of Lease Agreements</th> <th>Lessees</th> <th>Lease term</th> <th>Monthly gross rental rates⁽¹⁾ RM/sq ft</th> </tr> </thead> <tbody> <tr> <td>i-TechValley 34</td> <td>27 March 2024</td> <td>Ametalin Sdn Bhd</td> <td>5 years</td> <td>1.55 to 1.80</td> </tr> <tr> <td>i-TechValley 46</td> <td>7 March 2024</td> <td>Titanium Systems Sdn Bhd</td> <td>10 years with 3-month rent free period</td> <td>1.50 to 1.90</td> </tr> <tr> <td>i-Park SAC 23 & 24</td> <td>15 March 2023 and 9 May 2023</td> <td>AAC Technologies (Malaysia) Sdn Bhd</td> <td>10 years</td> <td>2.20 to 2.50 (inclusive of approximately RM0.50/sq ft for the leasing of high tension electricity system and waterproofing membrane)</td> </tr> <tr> <td>i-Park SAC 60 & 61</td> <td>23 January 2024</td> <td>Resmed Malaysia Operations Sdn Bhd</td> <td>From issuance of CCC to 28 July 2032 with 2-month rent free period</td> <td>1.75 to 2.05</td> </tr> </tbody> </table>	Subject Properties	Date of Lease Agreements	Lessees	Lease term	Monthly gross rental rates ⁽¹⁾ RM/sq ft	i-TechValley 34	27 March 2024	Ametalin Sdn Bhd	5 years	1.55 to 1.80	i-TechValley 46	7 March 2024	Titanium Systems Sdn Bhd	10 years with 3-month rent free period	1.50 to 1.90	i-Park SAC 23 & 24	15 March 2023 and 9 May 2023	AAC Technologies (Malaysia) Sdn Bhd	10 years	2.20 to 2.50 (inclusive of approximately RM0.50/sq ft for the leasing of high tension electricity system and waterproofing membrane)	i-Park SAC 60 & 61	23 January 2024	Resmed Malaysia Operations Sdn Bhd	From issuance of CCC to 28 July 2032 with 2-month rent free period	1.75 to 2.05
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Basis and assumption	Our comments																																				
<p>(i) Revisionary gross monthly rental</p> <p>In arriving at the market rent of the Subject Properties under the reversionary valuation, the Valuer had considered the following market evidence:</p> <p><u>Market evidence for i-TechValley 34 and i-TechValley 46</u></p> <table border="1" data-bbox="837 1176 1412 2051"> <thead> <tr> <th>Details</th> <th>Comparable 1</th> <th>Comparable 2</th> <th>Comparable 3</th> </tr> </thead> <tbody> <tr> <td>Location</td> <td>← Perindustrian Nusa Cemerlang</td> <td>Taman Perindustrian Iskandar Puteri, Johor</td> <td>→ Kawasan Perindustrian SILC</td> </tr> <tr> <td>Type</td> <td>←</td> <td>→ Detached factory</td> <td>→</td> </tr> <tr> <td>Date of lease agreement</td> <td>June 2023</td> <td>March 2023</td> <td>January 2021</td> </tr> <tr> <td>Monthly rental</td> <td>RM1.30/sq ft</td> <td>RM1.30/sq ft</td> <td>RM1.75/sq ft</td> </tr> <tr> <td>Adjustment</td> <td colspan="3">Adjustments were made on location / accessibility, size as well as design and condition of the building</td> </tr> <tr> <td colspan="4"><u>Adjusted monthly rental for:</u></td> </tr> <tr> <td>i-TechValley 34</td> <td>RM1.37/sq ft</td> <td>RM1.37/sq ft</td> <td>RM1.66/sq ft</td> </tr> <tr> <td>i-TechValley 46</td> <td>RM1.43/sq ft</td> <td>RM1.43/sq ft</td> <td>RM1.75/sq ft</td> </tr> </tbody> </table>	Details	Comparable 1	Comparable 2	Comparable 3	Location	← Perindustrian Nusa Cemerlang	Taman Perindustrian Iskandar Puteri, Johor	→ Kawasan Perindustrian SILC	Type	←	→ Detached factory	→	Date of lease agreement	June 2023	March 2023	January 2021	Monthly rental	RM1.30/sq ft	RM1.30/sq ft	RM1.75/sq ft	Adjustment	Adjustments were made on location / accessibility, size as well as design and condition of the building			<u>Adjusted monthly rental for:</u>				i-TechValley 34	RM1.37/sq ft	RM1.37/sq ft	RM1.66/sq ft	i-TechValley 46	RM1.43/sq ft	RM1.43/sq ft	RM1.75/sq ft	<p><u>Note:</u></p> <p>(1) <i>The rental rates are based on the negotiations between the respective Vendors and the lessees as well as differences in the lease term and building specifications of the properties.</i></p> <p>Subsequent to the date of valuation, the lease term of i-TechValley 34 has been revised to include a 1-month rent free period. This revision does not alter the rental term and as such, it does not materially affect our basis of evaluation.</p> <p>This assumption is justifiable premised on the above.</p>
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<p>(iii) Annual outgoings</p> <p>The basis adopted by the Valuer in estimating the annual outgoings of the Subject Properties is as follows:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Basis of annual outgoings</th> <th style="text-align: center; border-bottom: 1px solid black;">Fixed term</th> <th style="text-align: center; border-bottom: 1px solid black;">Reversionary term</th> </tr> </thead> <tbody> <tr> <td>Quit rent</td> <td style="text-align: center;">←</td> <td style="text-align: center;">→</td> </tr> <tr> <td>Assessment</td> <td style="text-align: center;">←</td> <td style="text-align: center;">→</td> </tr> <tr> <td>Fire insurance premium</td> <td colspan="2" style="text-align: center;">Estimated for all the Subject Properties except for i-TechValley 46 where actual expenses was applied</td> </tr> <tr> <td>Repair and maintenance cost</td> <td style="text-align: center;">1% of gross annual rental</td> <td style="text-align: center;">2% of gross annual rental</td> </tr> <tr> <td>Property management fees</td> <td colspan="2" style="text-align: center;">1% of gross annual rental</td> </tr> </tbody> </table>	Basis of annual outgoings	Fixed term	Reversionary term	Quit rent	←	→	Assessment	←	→	Fire insurance premium	Estimated for all the Subject Properties except for i-TechValley 46 where actual expenses was applied		Repair and maintenance cost	1% of gross annual rental	2% of gross annual rental	Property management fees	1% of gross annual rental		<p>We noted the following:</p> <p>(a) Quit rent expenses considered by the Valuer over the fixed and reversionary rental terms are in line with the existing costs incurred by the Subject Properties;</p> <p>(b) In respect of i-TechValley 34 and i-TechValley 46, the Valuer had benchmarked the rate of assessment for industrial properties at 0.28% of the market valuation provided in the tax assessment guideline of Majlis Bandaraya Iskandar Puteri in view that the properties are in a new development area and have not been accorded any actual rates. We further noted that the assessment rates of i-Park SAC 23 & 24 and i-Park SAC 60 & 61 are based on existing assessment rates of comparable industrial properties within the same development;</p> <p>(c) Fire insurance premium of i-TechValley 46 is based on actual expenses incurred in 2024 whilst the fire insurance premiums of the remaining Subject Properties which were under construction as at the date of valuation are benchmarked against the insurance premiums charged to the comparable industrial properties within immediate vicinity of the Subject Properties;</p> <p>(d) The proportion of the provisional costs for the repair and maintenance was estimated at 1% of the gross annual rental of the Subject Properties over the fixed term in view that the Subject Properties are/will be newly completed whilst a higher rate of 2% of the gross annual rental is estimated over the reversionary term to take into consideration normal wear and tear of the Subject Properties and after having benchmarked against the similar comparable properties by the Valuer; and</p>
Basis of annual outgoings	Fixed term	Reversionary term																	
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Basis and assumption	Our comments
	<p>(e) As at the LTD, the proportion of the repair and maintenance cost as well as property management fees over the gross annual rental income of the Subject Properties during the fixed term and reversionary term are within the industry range of annual outgoings established by the comparable industrial real estate investment trusts listed on Bursa Securities, of between 0.9% to 6.1% for repair and maintenance cost and 0.5% to 3.4% for property management fees. (Sources: <i>Announcements of listed real estate investment trusts of Bursa Securities</i>)</p> <p>This assumption is justifiable premised on the above.</p>
<p>(iv) Void</p> <p>A long-term void allowance of 5% was adopted by the Valuer to cater for the vacancy period between rent reviews, rent free period and risk of vacancy uncertainty.</p>	<p>This assumption is justifiable as the long-term void allowance rate of 5% employed by the Valuer is within the range of the void allowance rate of up to 10% based on the precedent transactions in relation to the disposal of properties by the various sponsors to the real estate investment trusts in Malaysia and listed on Bursa Securities for the past 5 years up to the LTD. (Sources: <i>Announcements of listed companies in Bursa Securities</i>)</p>
<p>(v) Yield/capitalisation rate</p> <p>The Valuer had applied the term yields range from 5.75% to 6.50% over the fixed terms whilst adopted the reversionary yield of 6%.</p>	<p>We noted the following:</p> <p>(a) The Valuer had analysed the yields based on recent past transactions on industrial premises which ranged from 5.0% to 6.6%;</p> <p>(b) The Valuer had adopted yields for current fixed terms and reversionary terms after taking into consideration, amongst others, the current property market condition as well as the location, tenure, tenants' profile, quality and condition of the building of the Subject Properties; and</p> <p>(c) The yields/capitalisation rates employed by the Valuer which ranged from 5.75% to 6.5% are in line with the net yield range of the transactions for industrial premises of 5.0% to 6.6%.</p> <p>These assumptions are acceptable premised on the above.</p>

Premised on the above, we are of the view that the bases and assumptions adopted by the Valuer in the Income Approach (Investment Method) in arriving at the valuation of the Subject Properties are reasonable.

7.2.1.2. Comparison Approach

The secondary approach adopted by the Valuer for the Subject Properties was the Comparison Approach. In arriving at the valuation of the Subject Properties using the Comparison Approach, the Valuer had compiled and analysed sale evidences in the localities of the Subject Properties sourced from the Valuation and Property Services Department and selected suitable sale evidences are considered and adopted.

The Valuer compared the Subject Properties against the industrial premises sale transactions in recent years with similarities in terms of locality and adjustments were made to the comparable sale prices to account for differences in time factor, location, size as well as age, condition and design of building, as set out in the ensuing sections:

(i) i-TechValley 34 & i-TechValley 46

The Valuer described i-TechValley 34 and i-TechValley 46 as industrial premises comprising a single storey detached factory with mezzanine office and other ancillary buildings. Further details of recent industrial premises transactions are as follows:

Comparable industrial premises transaction	Property type	Tenure	Land area/MFA sq ft	Transaction date	Analysed price/MFA RM/sq ft	i-TechValley 34		i-TechValley 46	
						Total adjustment ⁽¹⁾	Adjusted transaction price/MFA RM/sq ft	Total adjustment ⁽¹⁾	Adjusted transaction price/MFA RM/sq ft
Lot 150567, <i>No. 1, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri</i>	Single storey detached factory with mezzanine office annex	Freehold/ Term in perpetuity	71,472/ 40,165	3 February 2023	319	+3.4% (2)(3)(4)	330	+9.1% (2)(3)(4)	348
PTD 7667, <i>No. 19, Jalan Bioteknologi 3, Kawasan Perindustrian SILC</i>	Single storey detached factory with mezzanine office annex	Freehold/ Term in perpetuity	56,403/ 43,152	24 August 2022	310	-2.3% (3)(4)	303	-2.3% (3)(4)	303

Comparable industrial premises transaction	Property type	Tenure	Land area/MFA	Transaction date	Analysed price/MFA	i-TechValley 34		i-TechValley 46	
						Total adjustment ⁽¹⁾	Adjusted transaction price/MFA	Total adjustment ⁽¹⁾	Adjusted transaction price/MFA
PTD 7669 & PTD 7670, Nos. 23 & 25, <i>Jalan Bioteknologi 3, Kawasan Perindustrian SILC</i>	Single storey detached factory with mezzanine office annex	Freehold/ Term in perpetuity	108,500/ 86,304	19 July 2022	278	+20.9% ⁽⁴⁾	336	+20.9% ⁽⁴⁾	336
Lot 169267 & Lot 169268 <i>Jalan SILC 2/3, Kawasan Perindustrian SILC</i>	Single storey detached factory with mezzanine office annex	Freehold/ Term in perpetuity	87,554/ 51,426	17 March 2022	364	-8.0% ⁽³⁾	335	-2.2% ⁽³⁾⁽⁴⁾	356
Subject properties: i-TechValley 34 <i>No. 8, Jalan SILC 3/1, Kawasan Perindustrian SILC, 79200 Iskandar Puteri</i>	Single storey detached factory with mezzanine office and other ancillary buildings	Freehold/ Term in perpetuity	131,104/ 88,827	N/A	N/A	N/A	330	N/A	
i-TechValley 46 No. 9, Persiaran Bioteknologi, Kawasan Perindustrian SILC, 79200 Iskandar Puteri	Single storey detached factory with mezzanine office and other ancillary buildings	Freehold/ Term in perpetuity	131,104/ 89,205	N/A	N/A	N/A		N/A	350

Notes:

- (1) *An upward adjustment of 15% was first made as the industrial premises were transacted approximately/at least 1.5 years prior to the date of valuation to arrive at a base value for subsequent adjustments*
 - (2) *An upward adjustment of 5% was made as i-TechValley 34 or i-TechValley 46 is in a better location with accessibility as compared to the comparable industrial premises*
 - (3) *A downward adjustment of 20% was made to account for variance in size as i-TechValley 34 or i-TechValley 46 have larger MFA and are approximately twice the size of the comparable industrial premises. Based on market evidence, the Valuer had noted that larger industrial premises generally have a lower transaction price per square foot due to economies of scale and vice versa*
 - (4) *An upward adjustment of 5% to 10% was made as i-TechValley 34 or i-TechValley 46 is in a better condition as compared to the comparable industrial premises*
- N/A Not applicable*
(Sources: Valuation Reports and Valuation Certificate)

Our comments:

We noted that the following on the comparable industrial premises:

- (a) Transacted from March 2022 to February 2023 and the Valuer had accounted for the time factor;
- (b) Vicinity are within 5 km radius of the two Subject Properties, out of which 75% is in the same industrial area;
- (c) The Valuer made adjustments to cater for differences in location/accessibility, size, age, condition and design of building;
- (d) The Valuer derived the adopted value/MFA for the two Subject Properties after taking into consideration the average price of the best comparables within the population;
- (e) The adopted value/MFA of RM330/sq ft for i-TechValley 34 is within the range of the adjusted values for the comparable industrial properties which ranged from RM303/sq ft to RM336/sq ft; and
- (f) The adopted value/MFA of RM350/sq ft for i-TechValley 46 is within the range of the adjusted values for the comparable industrial properties which ranged from RM303/sq ft to RM356/sq ft.

(ii) i-Park SAC 23 & 24 and i-Park SAC 60 & 61

The Valuer described i-Park SAC 23 & 24 and i-Park SAC 60 & 61 as industrial premises comprising a single storey detached factory with mezzanine office and other ancillary buildings. Further details of recent industrial premises transactions are as follows:

Comparable industrial premises transaction	Property type	Tenure	Land area/MFA sq ft	Transaction date	Analysed price/MFA RM/sq ft	i-Park SAC 23 & 24		i-Park SAC 60 & 61	
						Total adjustment ⁽¹⁾	Adjusted transaction price/MFA RM/sq ft	Total adjustment ⁽¹⁾	Adjusted transaction price/MFA RM/sq ft
PTD 112794 , No. 62, Jalan I-Park SAC 6, Taman Perindustrian I-Park SAC, Senai	Single storey detached factory with mezzanine office	Freehold/ Term in perpetuity	78,146/ 54,168	30 March 2023	335	+3.6% ⁽²⁾⁽³⁾	347	+15.2%	386
PTD 112796 , No. 60, Jalan I-Park SAC 6, Taman Perindustrian I-Park SAC, Senai	Single storey detached factory with mezzanine office	Freehold/ Term in perpetuity	82,228/ 47,566	5 December 2022	342	+3.5% ⁽²⁾⁽³⁾	354	+14.9%	393
PTD 112829 , No. 22, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, Senai	Single storey detached factory with mezzanine office	Freehold/ Term in perpetuity	164,095/ 118,155	19 July 2022	398	+9.3% ⁽⁴⁾	435	+20.6% ⁽⁵⁾⁽⁶⁾	480
Subject properties: i-Park SAC 23 & 24 No. 30, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC 81400 Senai	Single storey detached factory with mezzanine office and other ancillary buildings	Freehold/ Term in perpetuity	162,212/ 114,302	N/A	N/A	N/A	390	N/A	390
i-Park SAC 60 & 61 Nos. 82 & 83, Jalan I-Park SAC 5, Taman Perindustrian I-Park SAC, 81400 Senai	Single storey detached factory with mezzanine office and other ancillary buildings	Freehold/ Term in perpetuity	85,390/ 55,208	N/A	N/A	N/A		N/A	390

Notes:

- (1) *An upward adjustment of 15% was first made as the industrial premises were transacted approximately/at least 1.5 years prior to the date of valuation to arrive at a base value for subsequent adjustments*
 - (2) *A downward adjustment of 20% was made to account for variance in size as i-Park SAC 23 & 24 has larger MFA and is approximately twice the size of the comparable industrial premises. Based on the market evidence, the Valuer had noted that larger industrial premises generally have a lower transaction price per square foot due to economies of scale and vice versa*
 - (3) *An upward adjustment of 10% was made as i-Park SAC 23 & 24 is in a better condition as compared to the comparable industrial premises*
 - (4) *A downward adjustment of 5% was made as the specification of the comparable industrial premises is better than that of i-Park SAC 23 & 24*
 - (5) *An upward adjustment of 20% was made to account for variance in size as i-Park SAC 60 & 61 has smaller MFA as compared to the comparable industrial premises and is approximately half of the size of the comparable industrial premise. Based on the market evidence, the Valuer had noted that larger industrial premises generally have a lower transaction price per square foot due to economies of scale and vice versa*
 - (6) *A downward adjustment of 15% was made as i-Park SAC 60 & 61 is a premises without specification such as the higher power supply and chiller systems as compared to the comparable industrial premises*
- N/A Not applicable
(Sources: Valuation Reports and Valuation Certificate)

Our comments:

We noted that the following on the comparable industrial premises:

- (a) Transacted from July 2022 to March 2023 and the Valuer had accounted for the time factor;
- (b) Vicinity are within 5 km radius of the two Subject Properties, all of which are in the same industrial area;
- (c) The Valuer made adjustments to cater for differences in location/accessibility, size, age, condition and design of building;
- (d) The Valuer derived the adopted value/MFA for the two Subject Properties after taking into consideration the average price of the best comparables within the population;
- (e) The adopted value/MFA of RM390/sq ft for i-Park SAC 23 & 24 is within the range of the adjusted values for the comparable industrial properties which ranged from RM347/sq ft to RM435/sq ft; and
- (f) The adopted value/MFA of RM390/sq ft for i-Park SAC 60 & 61 is within the range of the adjusted values for the comparable industrial properties which ranged from RM386/sq ft to RM480/sq ft.

Premised on the above, we are of the view that the bases and assumptions adopted by the Valuer in the Comparison Approach in arriving at the valuation of the Subject Properties are reasonable.

7.2.1.3. Summary of the valuation methods

A summary of the valuation methods utilised by the Valuer for the Subject Properties is as follows:

Valuation method	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
<u>Primary method</u>					
Income Approach (Investment Method)	27,000	29,000	46,000	20,000	122,000
<u>Secondary method</u>					
Comparison Approach	29,000	31,000	44,500	21,500	126,000
Market value	27,000	29,000	46,000	20,000	122,000

Our comments:

We are of the view that the aggregate market value of the Subject Properties of RM122.0 million ascribed by the Valuer is fair based on the following:

- (i) The Valuer used two valuation approaches with the Income Approach (Investment Method) as the primary valuation approach in arriving at the market value of the Subject Properties;
- (ii) The Valuer in adopting the Income Approach (Investment Method) as the primary valuation approach is considered reasonable based on the considerations set out in Section 7.2.1 of this IAL;
- (iii) The bases and assumptions adopted by the Valuer in the Income Approach (Investment Method) in arriving at the valuation of the Subject Properties are reasonable;
- (iv) The bases and assumptions of adopted by the Valuer in the Comparison Approach which is adopted as a check method for the market value derived using the Income Approach (Investment Method) are reasonable; and
- (v) The Valuers have relied on, inter-alia, an independent source, namely the Valuation and Property Services Department in analysing precedent transactions of industrial premises.

7.2.2. Evaluation of the Disposal Consideration

The Subject Properties, on a combined basis, are being acquired at a discount of approximately RM2.6 million or 2.1% in relation to the valuation ascribed by the Valuer. On an individual plot basis, the effective premium of the disposal consideration to the respective valuation are set out below:

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

Notes:

(1) $(C)=(B)-(A)$

(2) $(E)=(C)+(D)$

* Represent the Pre-Completion Rental (as defined in the paragraph below) for the rental of i-TechValley 46 from July 2024 to June 2025 and the rental of i-Park SAC 23 & 24 from August 2024 to January 2025, adjusted for estimated outgoings and discounted at rates adopted by the Valuer

We noted that i-TechValley 46 and i-Park SAC 23 & 24 (which have been valued by the Valuer as at 4 July 2024) have been issued with a CCC on 9 January 2024 and 8 August 2024 respectively. The leases for the said properties have commenced in April 2024 and August 2024 respectively. The lease for i-TechValley 46 consists of a 3-month rent free period from April 2024 until June 2024. We noted from Part A of this Circular that the Proposed i-TechValley 46 Disposal is expected to be completed in the second quarter of 2025 in view that there is a condition precedent in the i-TechValley 46 SPA for certain upgrading works to be completed. Pending completion, AME Elite anticipates to continue to receive monthly rent for the lease period from July 2024 until June 2025. The Proposed i-Park SAC 23 & 24 Disposal is expected to be completed in January 2025, pending which AME Elite anticipates to continue to receive monthly rent for the lease period from August 2024 until January 2025 (the rental pending completion for the aforementioned properties are hereinafter defined as “Pre-Completion Rental”).

Consequently, we have factored in the Pre-Completion Rental in our evaluation of the Disposal Consideration as depicted in the table above. Based on the Disposal Consideration and the Pre-Completion Rental, the effective premium given for the Proposed Disposals will amount to RM0.43 million or 0.4% premium. 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.

We have considered the following in our evaluation of the discount given for the Subject Properties:

- (i) Based on the market value of the Subject Properties of RM122.0 million and accounting for various expenses to be incurred for the Proposed Disposals, there will be a pro forma gain on disposal of approximately RM22.9 million attributable to the Company;
- (ii) The effective premium of 0.4% of the total Disposal Consideration to the market value of the Subject Properties vis-à-vis above the range of discounts of up to 2.5% based on the precedent transactions in relation to the disposal of property by the sponsors to the real estate investment trusts listed in Malaysia for the past 5 years up to the LTD, which are tabulated as follows:

Announcement date	Sponsor	Real Estate Investment Trust (“REIT”)	Subject property	Discount of the consideration to the market value
25 July 2023	Malaysian Resources Corporation Berhad	Sentral REIT	Menara CelcomDigi, No. 6, Persiaran Barat, Seksyen 52, PJ Sentral, 46200 Petaling Jaya, Selangor	% -

Announcement date	Sponsor	Real Estate Investment Trust (“REIT”)	Subject property	Discount of the consideration to the market value
22 November 2022	Malton Berhad	Pavilion REIT	Pavilion Bukit Jalil Mall, Lot 101899, Mukim of Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	-% -
28 September 2020	UOA Development Berhad	UOA REIT	UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur	2.5%

(Sources: Announcements of listed companies of Bursa Securities)

It should be noted that the precedent transactions above may not be directly comparable or similar to the Proposed Disposals. The above transactions are not exhaustive and are not exactly similar in terms of timing, quantum and scale of the transaction as well as the size, type, track record, future prospects and property risks of the Subject Properties;

- (iii) We also considered the individual discounts given for each property in view that the Proposed Disposals are not inter-conditional. The Disposal Consideration for each property are at valuation or at an effective premium ranging between 0.2% to 0.8%;
- (iv) The proceeds from the Proposed Disposals will provide immediate cash flows amounting to RM119.02 million to the Company to fund the on-going development of i-TechValley and future industrial property development and investment projects.

If the Group opts for debt to fund aforementioned development and investment projects, AME Elite would have to bear additional cash outflows to service its loan repayments as well as interest payments. For illustrative purposes, should AME Elite obtain funding via bank borrowings equivalent to RM119.02 million at the pre-tax cost of debt of approximately 5.26% per annum (which is the average lending rate across the banking institutions for August 2024), the Company would need to incur interest expense of approximately RM6.26 million per annum. *(Source: Monthly Highlights & Statistics for August 2024, Bank Negara Malaysia)*

- (v) The Proposed Disposals will save time and resources for AME Elite to look for buyers for the individual Subject Properties. Furthermore, it allows the Company to save on transaction costs such as marketing expenses and fees to real estate agents which are normally incurred in the transactions with third parties; and
- (vi) The Board, save for the Interested Directors, is of the view that the Disposal Consideration is justifiable because it reflects a discount of approximately RM2.6 million or 2.1% to the market value of the Subject Properties as ascribed by the Valuer which is deemed to be at a fair value transaction on arm’s length basis.

Premise on the above, we are of the view that the Disposal Consideration is fair.

7.3. Salient terms of the SPAs and the Lease Agreements

7.3.1. Salient terms of the SPAs

The salient terms of the SPAs, as extracted from Appendix II of this Circular, and our comments are as follows:

No.	Salient Terms of SPAs	Our comments
1.	<p>Overview of the SPAs</p> <p><i>Pursuant to the SPAs, the Vendors shall sell to the Trustee (on behalf of AME REIT) and the Trustee (on behalf of AME REIT) shall purchase from the Vendors, on the basis that the Subject Properties are, among others, as follows:</i></p>	<p>This clause is reasonable as it sets out the mutual agreement between the Vendors and the Trustee as well as the property assets to be disposed of pursuant to the Proposed Disposals.</p>
(i)	<p><i>subject to the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the documents of title to the Subject Properties;</i></p>	<p>The Vendors are selling the Subject Properties free from all encumbrances but subject to amongst others, any restrictions-in-interest, conditions of the land title, existing lease and tenancy as well as completion of the building construction.</p>
(ii)	<p><i>in respect of i-TechValley 34, i-Park SAC 23 & 24 and i-Park SAC 60 & 61, completed in accordance with the building plans and specifications as approved by the relevant local authority and with CCC obtained;</i></p>	
(iii)	<p><i>in respect of i-TechValley 46, sold together with the fixtures and fittings and in its current condition on an “as is where is” basis;</i></p>	
(iv)	<p><i>in respect of i-TechValley 34, i-Park SAC 23 & 24 and i-Park SAC 60 & 61, without vacant possession on the basis that the Subject Properties are built in accordance with the specification and requirements as agreed upon in the lease between the Vendors and the existing lessees; and</i></p>	
(v)	<p><i>in respect of i-TechValley 46, without vacant possession on the basis that the Subject Property will continue to be occupied by the existing lessee with all its rights, benefits and obligations remaining intact;</i></p>	

No.	Salient Terms of SPAs	Our comments
	<p>(vi) <i>free from encumbrances, save for the leases which the parties acknowledge may be registered on the documents of title to the Subject Properties before or after the completion of the sale and purchase of the Subject Properties; and</i></p> <p>(vii) <i>in respect of i-Park SAC 60 & 61, released of the Bumiputera restriction pursuant to the approval duly obtained by the Vendor from the appropriate authority.</i></p>	
<p>2.</p> <p>Conditions Precedent</p> <p><i>The completion of the sale and purchase of the Subject Properties shall be subject to the prior fulfilment of, among others, the following conditions precedent:</i></p> <p>(i) <i>the respective Vendors having obtained all necessary approvals and consents for the disposal of the Subject Properties to the Trustee (on behalf of AME REIT). For avoidance of doubt, the necessary approvals and consents for the Proposed Disposals shall include the approval of the Company's shareholders;</i></p> <p>(ii) <i>the respective Vendors having notified the respective lessees in writing in connection with the disposal of the Subject Properties to the Trustee (on behalf of AME REIT);</i></p> <p>(iii) <i>the Subject Properties are constructed in accordance with the approved building plans, and that the CCC for the buildings have been obtained, and in respect of i-Park SAC 60 & 61, the Amalgamation shall have been completed prior to the issuance of the CCC;</i></p> <p>(iv) <i>the written confirmation from the respective Vendors confirming the rental commencement date pursuant to the lease agreements ("Rental Commencement Date") where such written confirmation must be given within 30 days prior to the Rental Commencement Date;</i></p>	<p>This clause requires the Vendors and the Trustee to secure the necessary approvals to facilitate the Proposed Disposals which include the approvals from shareholders of the Company and AME REIT, the lessees and the relevant authorities as well as receipt of CCC for the Subject Properties which are under construction.</p> <p>These terms are reasonable as the terms facilitate compliance with applicable laws and regulatory requirement and fulfilment of specific obligations of the parties to give effect to the Proposed Disposals.</p>	

No.	Salient Terms of SPAs	Our comments
(v)	<p><i>in respect of i-Tech Valley 46, the Vendor having procured the agreed upgrading works in connection with the power supply to the Subject Property as stipulated under Clause 8 of the Special Conditions of the lease agreement and the Quotation (Ref No.: PTG/TSSB/2024/Q090) dated 13 May 2024 issued by the Vendor to the existing lessee (“Agreed Power Supply Upgrading Works”) or any further modifications, alterations, amendments or variations subsequent to the Agreed Power Supply Upgrading Works as may be mutually agreed between the Vendor and the lessee, be completed within the upgrading period agreed with the lessee and in accordance with the terms and conditions of the lease agreement;</i></p>	
(vi)	<p><i>in respect of i-Park SAC 23 & 24, the Vendor having procured the new guarantee issued by the holding company of the existing lessee as the corporate guarantor in favour of the Trustee (on behalf of AME REIT) to guarantee the lessee’s due observance, performance and compliance of the lease agreement;</i></p>	
(vii)	<p><i>the approval of the unitholders of AME REIT for the sale and purchase of the Subject Properties. For avoidance of doubt, this condition precedent shall not be waived; and</i></p>	
(viii)	<p><i>the Trustee (on behalf of AME REIT) shall cause the valuation reports prepared by the Valuer in relation to the Subject Properties to be prepared in accordance with the relevant regulatory requirements and be submitted to Bursa Securities or such relevant authorities as soon as practicable.</i></p>	

No.	Salient Terms of SPAs	Our comments																									
3.	<p data-bbox="247 448 279 1816">Manner Of Payment of The Purchase Price</p> <p data-bbox="279 448 359 1816"><i>The mode of consideration of the purchase price for the Subject Properties shall be by way of cash consideration only.</i></p> <p data-bbox="359 448 438 1816"><i>The purchase price for the Subject Properties shall be satisfied by the Trustee (on behalf of AME REIT) in the following manner:</i></p> <p data-bbox="438 448 678 1816">(i) <i>2.0% of the purchase price in respect of i-TechValley 34, i-TechValley 46 and i-Park SAC 60 & 61, or 10.0% of the purchase price in respect of i-Park SAC 23 & 24, as the case may be, being the deposit payable to the relevant Vendors upon the execution of the respective SPAs; and</i></p> <p data-bbox="678 448 758 1816">(ii) <i>the balance of the purchase price to be paid to the relevant Vendors on the Completion Date of the respective SPAs.</i></p>	<p data-bbox="247 1816 279 2004">The Disposal Consideration shall be satisfied entirely in cash.</p> <p data-bbox="279 1816 359 2004">Upon signing of the SPAs, the Trustee is to pay an amount equivalent to 2% of the disposal consideration of i-TechValley 34, i-TechValley 46, and i-Park SAC 60 & 61 whilst 10% of the disposal consideration of i-Park SAC 23 & 24 as deposit. The balance amount of the Disposal Consideration is to be settled upon completion of the respective Proposed Disposals.</p> <p data-bbox="359 1816 438 2004">We have taken into consideration the following as at the LPD:</p> <table border="1" data-bbox="438 1816 678 2004"> <thead> <tr> <th data-bbox="438 1816 478 2004"></th> <th data-bbox="478 1816 518 2004">i-TechValley 34</th> <th data-bbox="518 1816 558 2004">i-TechValley 46</th> <th data-bbox="558 1816 598 2004">i-Park SAC 23 & 24</th> <th data-bbox="598 1816 638 2004">i-Park SAC 60 & 61</th> </tr> </thead> <tbody> <tr> <td data-bbox="438 1816 478 2004">Deposit</td> <td data-bbox="478 1816 518 2004">2%</td> <td data-bbox="518 1816 558 2004">2%</td> <td data-bbox="558 1816 598 2004">10%</td> <td data-bbox="598 1816 638 2004">2%</td> </tr> <tr> <td data-bbox="438 1816 478 2004">Stage of construction</td> <td data-bbox="478 1816 518 2004">47.5%</td> <td data-bbox="518 1816 558 2004">Completed</td> <td data-bbox="558 1816 598 2004">Completed</td> <td data-bbox="598 1816 638 2004">44.4%</td> </tr> <tr> <td data-bbox="438 1816 478 2004">Expected date of receiving CCC</td> <td data-bbox="478 1816 518 2004">2nd quarter of 2025</td> <td data-bbox="518 1816 558 2004">CCC obtained</td> <td data-bbox="558 1816 598 2004">CCC obtained</td> <td data-bbox="598 1816 638 2004">2nd quarter of 2025</td> </tr> <tr> <td data-bbox="438 1816 478 2004">Expected completion of the proposed disposal</td> <td data-bbox="478 1816 518 2004">3rd quarter of 2025</td> <td data-bbox="518 1816 558 2004">2nd quarter of 2025</td> <td data-bbox="558 1816 598 2004">1st quarter of 2025</td> <td data-bbox="598 1816 638 2004">3rd quarter of 2025</td> </tr> </tbody> </table> <p data-bbox="678 1816 758 2004">The 2% and 10% deposits paid by the Trustee for the Subject Properties are within the range observed from transactions of similar nature.</p>		i-TechValley 34	i-TechValley 46	i-Park SAC 23 & 24	i-Park SAC 60 & 61	Deposit	2%	2%	10%	2%	Stage of construction	47.5%	Completed	Completed	44.4%	Expected date of receiving CCC	2 nd quarter of 2025	CCC obtained	CCC obtained	2 nd quarter of 2025	Expected completion of the proposed disposal	3 rd quarter of 2025	2 nd quarter of 2025	1 st quarter of 2025	3 rd quarter of 2025
	i-TechValley 34	i-TechValley 46	i-Park SAC 23 & 24	i-Park SAC 60 & 61																							
Deposit	2%	2%	10%	2%																							
Stage of construction	47.5%	Completed	Completed	44.4%																							
Expected date of receiving CCC	2 nd quarter of 2025	CCC obtained	CCC obtained	2 nd quarter of 2025																							
Expected completion of the proposed disposal	3 rd quarter of 2025	2 nd quarter of 2025	1 st quarter of 2025	3 rd quarter of 2025																							

No.	Salient Terms of SPAs	Our comments
4.	<p>Adjustment of The Purchase Price</p> <p><i>In the event that the market value of the relevant Subject Property is adjusted by way of a revision to the valuation report issued by the Valuer and/or any subsequent valuation report issued by an independent valuer pursuant to comments provided by relevant authorities prior to the fulfilment of the conditions precedent as set out in Section 2 of Appendix II of this Circular, the Trustee (on behalf of AME REIT) and the respective Vendors shall, within 14 days from the adjustment, mutually determine in good faith whether an adjustment of the purchase price for the Subject Property is required.</i></p> <p><i>In the event the Trustee (on behalf of AME REIT) and the respective Vendors mutually determine that an adjustment of the purchase price is required, the Trustee (on behalf of AME REIT) and the respective Vendors shall either:</i></p> <ul style="list-style-type: none"> <i>(i) mutually agree to adjust the purchase price of the relevant Subject Property by way of a supplemental agreement; or</i> <i>(ii) terminate the said SPA and the respective Vendors shall refund the deposit to the Trustee (on behalf of AME REIT) in accordance with Section 7(iii) of Appendix II of this Circular in the event the Trustee (on behalf of AME REIT) and the respective Vendors cannot agree to an adjusted purchase price.</i> 	<p>This clause is reasonable as it provides a mechanism for the Vendors and the Trustee to engage in further discussions and negotiations to adjust the Disposal Consideration in the event there is any revision to the appraised market value pursuant to any comments provided by the relevant authorities on the Valuation Reports. Alternatively, either party is entitled to terminate the SPAs if mutual agreement could not be reached on the price adjustment and all deposits will be refunded to the Trustee.</p>
5.	<p>Completion</p> <p><i>Subject to the fulfilment of the conditions precedent set out in Section 2 of Appendix II of this Circular, the following shall occur on the Completion Date of the respective SPAs (unless otherwise indicated):</i></p> <ul style="list-style-type: none"> <i>(i) the rights, benefits, title, interests, in and to the Subject Properties shall pass from the respective Vendors to the Trustee (on behalf of AME REIT) whereupon the respective Vendors shall be deemed to hold on trust the Subject Property for the Trustee (on behalf of AME REIT) until the Trustee (on behalf of AME REIT) is registered as the proprietor at the relevant land registry and the legal possession of the Subject Property shall be deemed delivered to the Trustee (on behalf of AME REIT);</i> 	<p>This clause provides the events to take place upon the satisfaction of the Disposal Consideration and details the responsibilities of the respective parties towards the completion of the Proposed Disposals. The terms are reasonable as the risks and benefits associated with the Subject Properties will be transferred from the Vendors to the Trustee on the Completion Date.</p>

No.	Salient Terms of SPAs	Our comments
	<p>(ii) <i>the rights, benefits, interests, obligations and liabilities in the lease in respect of the Subject Properties, which are subsisting on the Completion Date of the respective SPAs, shall be deemed to have passed to the Trustee (on behalf of AME REIT) and shall be novated by the respective Vendors to the Trustee (on behalf of AME REIT) immediately or as soon as practicable;</i></p>	
	<p>(iii) <i>all existing contracts pertaining to the Subject Properties shall be novated to the Trustee (on behalf of AME REIT) (and to the extent there are no obligations to be transferred to the Trustee (on behalf of AME REIT) under an existing contract, then on the basis that all remaining benefits, rights, titles, entitlements and interests of the respective Vendors under such existing contracts are assigned to the Trustee (on behalf of AME REIT) and due notice that is given to the applicable third party) immediately or as soon as practicable;</i></p>	
	<p>(iv) <i>the takaful coverage or insurance taken up in respect of the Subject Properties which are subsisting on the Completion Date of the respective SPAs may be cancelled by the Vendor on or after the Completion Date of the respective SPAs and the Trustee (on behalf of AME REIT) shall be entitled to take up such other takaful coverage or insurance which the Trustee (on behalf of AME REIT) deem necessary;</i></p>	
	<p>(v) <i>all outgoings in respect of the Subject Properties shall be apportioned on the Completion Date of the respective SPAs and the respective Vendors shall bear and settle the outgoings due and payable up to the date immediately preceding the Completion Date of the respective SPAs and the Trustee (on behalf of AME REIT) shall bear and settle the outgoings due and payable on and from the Completion Date of the respective SPAs;</i></p>	

No.	Salient Terms of SPAs	Our comments
	<p>(vi) <i>all income in respect of the Subject Properties including rental income shall be apportioned on the Completion Date of the respective SPAs and the respective Vendors shall be entitled to all income received up to the date immediately preceding the Completion Date of the respective SPAs and the Trustee (on behalf of AME REIT) shall, in addition to Sections 4(ii) and (iii) of Appendix II of this Circular, be entitled to all income received on and from the Completion Date of the respective SPAs; and</i></p> <p>(vii) <i>all security and utility deposits, rental and other payments paid by the lessees which are retained or in the custody of the respective Vendors as well as the outgoings under Section 4(v) of Appendix II of this Circular and the income under Section 4(vi) of Appendix II of this Circular which are to be paid to the Trustee (on behalf of AME REIT) (if any) shall be held on trust for the Trustee (on behalf of AME REIT) from the Completion Date of the respective SPAs and the respective Vendors shall pay the same to the Trustee (on behalf of AME REIT) immediately or as soon as practicable.</i></p>	
6.	<p>Representations and Warranties <i>The respective Vendors have given specific representations and warranties relating to, among others, their capacities, the Subject Properties and the leases. If any event or circumstance, which arises or becomes known to the Trustee (on behalf of AME REIT) after the date of the relevant SPA(s) and prior to the Completion Date of the relevant SPA(s), is inconsistent with any of the representations and warranties by the relevant Vendor(s), the Trustee (on behalf of AME REIT) may give a written notice to the relevant Vendor(s) to remedy the same within 30 days from the date of the notice. If the relevant Vendor(s) fail(s) to remedy the same, the Trustee (on behalf of AME REIT) shall be entitled to terminate the relevant SPA(s).</i></p>	<p>It is reasonable for the Vendors to provide representations and warranties relating to among others, their capacities, the Subject Properties and the leases pursuant to the Proposed Disposals.</p> <p>We further note the indemnity clause in the SPAs that in an event of default, the non-defaulting party will be indemnified against all losses, damage, costs, expenses and outgoing arising from a breach of contractual obligations by the defaulting party.</p>

No.	Salient Terms of SPAs	Our comments
7.	<p>Termination</p> <p>(i) Vendor(s)' right to terminate</p> <p><i>If the Trustee (on behalf of AME REIT) defaults in the satisfaction of the purchase price in accordance with the provisions of the respective SPA(s), the respective Vendor(s) is/are entitled to terminate the respective SPA(s) by notice in writing to the Trustee (on behalf of AME REIT) if the Trustee (on behalf of AME REIT) fails to remedy the breach or the matter within seven (7) days of receipt of a notice from the respective Vendor(s) to remedy the breach of the matter.</i></p>	<p>In the event of default by the Vendors or the Trustee on or prior to Completion Date, the SPA can be terminated. This clause safeguards the interests of the non-defaulting party from the other party's breach of any material obligation of the SPA. Under such circumstances, the non-defaulting party is entitled to the right of specific performance under the SPA or terminate the SPA with immediate effect. Both parties have the same rights as a non-defaulting party.</p>
	<p>(ii) Trustee's right to terminate</p>	
	<p><i>The Trustee (on behalf of AME REIT) is entitled, at any time, to give notice to the respective Vendor(s) to terminate the respective SPA(s) if:</i></p>	
	<p>(a) <i>any of the representations and warranties given by the respective Vendor(s) are found to be untrue or incorrect;</i></p>	
	<p>(b) <i>the respective Vendor(s) fail, neglect or refuse to complete the sale in accordance with the provisions of their respective SPA(s);</i></p>	
	<p>(c) <i>insolvency proceedings are instituted against the respective Vendor(s); or</i></p>	
	<p>(d) <i>the memorandum of transfer of all rights, title and interest of the respective Subject Properties to the Trustee (on behalf of AME REIT) cannot be presented or registered for any reason whatsoever (other than reasons caused by or attributable to any act, default or omission of the Trustee (on behalf of AME REIT)).</i></p>	

No.	Salient Terms of SPAs	Our comments
(iii)	Consequences of termination	
	<p><i>In the event of termination of the respective SPA(s), then within 14 days of the giving of such notice:</i></p>	
(a)	<p><i>the respective Vendor(s) must return, or cause to be refunded, free of interest, the deposit or any part of the purchase price which has been received by the respective Vendors pursuant to the provisions of the respective SPAs, to the Trustee (on behalf of AME REIT);</i></p>	
(b)	<p><i>the Trustee (on behalf of AME REIT) must return or cause to be returned all rights, title and interest of the respective Subject Properties to the respective Vendor(s) with the respective Vendor(s)' interest intact; and</i></p>	
(c)	<p><i>The Trustee's (on behalf of AME REIT) solicitors shall (to the extent that they are in the custody and possession) be duly authorised to return to the respective Vendor(s) the completion documents and the respective Vendor(s)' documents and to the Trustee (on behalf of AME REIT), the Trustee's documents.</i></p>	

Based on the above, we are of the view that the salient terms of the SPAs are acceptable.

7.3.2. Salient terms of the Lease Agreements

We noted the information on the Lease Agreements in Appendix III of this Circular. The terms of the Lease Agreements have been mutually negotiated and agreed by the Vendors and the lessees. As the Lease Agreements are entered into the ordinary course of business by the respective Vendors with the lessees who are not related to the Interested Parties, the risks and benefits of the Lease Agreements accrue to the Company as a whole, thereby having the same effect on all shareholders of the Company.

In addition, we noted that the monthly gross rental rates of the Subject Properties are within or above the range of adjusted lease rental rates of the comparable industrial properties identified in the Valuation Reports. These monthly gross rental rates of the Subject Properties have been utilised by the Valuer in deriving the valuation of the Subject Properties.

7.4. Industry outlook and prospects

7.4.1. The global and regional economic outlook

Global economy

Global growth is projected to be at 3.2% in 2024 and 3.3% in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalisation.

Overall, risks to the outlook remain balanced, but some near-term risks have gained prominence. These include upside risks to inflation that stem from a lack of progress on services disinflation and price pressures emanating from renewed trade or geopolitical tensions. Bumpiness along the remaining disinflation path could destabilise the return to price stability if short term expectations spike upward as a result of disappointing inflation data.

(Source: World Economy Outlook July 2024, International Monetary Fund)

Malaysian economy

The Malaysian economy grew by 3.7% in 2023 despite facing challenges stemming from weak external demand, disruptions in commodity production and higher cost of living. Growth was mainly supported by resilient domestic demand and recovery in tourism activities. Private sector capital spending drove overall investment activity, particularly in information technology and electrical and electronics.

(Source: Economic and Monetary Review 2023, Bank Negara Malaysia)

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (First quarter of 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (First quarter of 2024: 1.5%).

(Source: Press release dated 16 August 2024, Bank Negara Malaysia)

The growth outlook faces downside risks from weaker-than-expected external demand, further escalation of geopolitical conflicts and lower-than-expected commodity production. Nevertheless, greater spillover from the tech upcycle, more robust tourism activities, and faster implementation of new and existing investment projects provide upside to Malaysia's economic outlook.

(Source: Quarterly Bulletin, Second Quarter 2024, Bank Negara Malaysia)

The gross domestic product is forecast to expand by between 4% and 5% in 2024. The Malaysian Government acknowledged the World Bank's forecast that Malaysia's growth will be 4.3% in 2024, which is slightly higher than its initial estimate. This is in line with Malaysia's 2024 growth projection, which will be achieved through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures in the new National Energy Transition Roadmap, New Industrial Master Plan 2030 ("NIMP 2030"), and the Mid-Term Review of the Twelfth Malaysia Plan ("MTR of the Twelfth Plan").

The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. The implementation of NIMP 2030 is expected to further strengthen the performance of non-residential buildings subsector as the plan will provide a platform to attract more investments into the country. Meanwhile, the real estate and business services subsector is poised to grow by 5.4% attributed to sustained demand for professional services, particularly in the field of engineering following vigorous construction activities. In addition, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions.

(Source: Economic Outlook 2024, Ministry of Finance)

7.4.2. Overview and outlook of the property industry in Malaysia

Property industry in Malaysia

The property market performance recorded an increase in the first half of 2024. A total of 198,906 transactions worth RM105.65 billion were recorded, showing an increase of 8.0% in volume and 23.8% in value compared to the first half of 2023, which recorded 184,140 transactions worth RM85.37 billion.

Sectoral market activity performance showed upward movements. All subsectors recorded year-on-year growth in volume of transactions; residential (6.1%), commercial (22.4%), industrial (2.3%), agricultural (6.5%), and development land and others (12.1%). Value of transactions recorded higher increase for all sub-sectors, i.e. residential, commercial, industrial, agriculture and development land and others, each at 10.4%, 41.5%, 23.4%, 37.8% and 59.3% respectively.

The residential sub-sector dominated the overall property market, with 61.3% contribution in volume. This was followed by agriculture (19.5%), commercial (10.9%), development land and others (6.4%) and industrial (1.9%). Similarly in value, residential took the lead with 46.8% share, followed by commercial (22.4%), industrial (12.8%), agriculture (9.2%) and development land and others (8.8%).

(Source: Property Market Report for the First Half 2024, National Property Information Centre)

Industrial property sub-sector in Malaysia

Industrial sub-sector recorded an increase in market activity. There were 3,822 transactions worth RM13.50 billion recorded in the first half of 2024. Compared to a similar period last year, market activity slightly increased by 2.3% in volume and 23.4% in value (First half of 2023: 3,735 transactions worth RM10.94 billion). Selangor continued to dominate the market, with 34.1% (1,302 transactions) of the national transaction volume, followed by Johor (19.2%), Sarawak (7.4%), and Perak (7.1%).

The industrial overhang situation improved in the first half of 2024 as the numbers gradually decreased. The overhang volume and value indicate a decrease of 7.7% and 7.0% to 746 overhang units with a total value of RM0.78 billion, respectively (Second half of 2023: 808 overhang units worth RM0.84 billion).

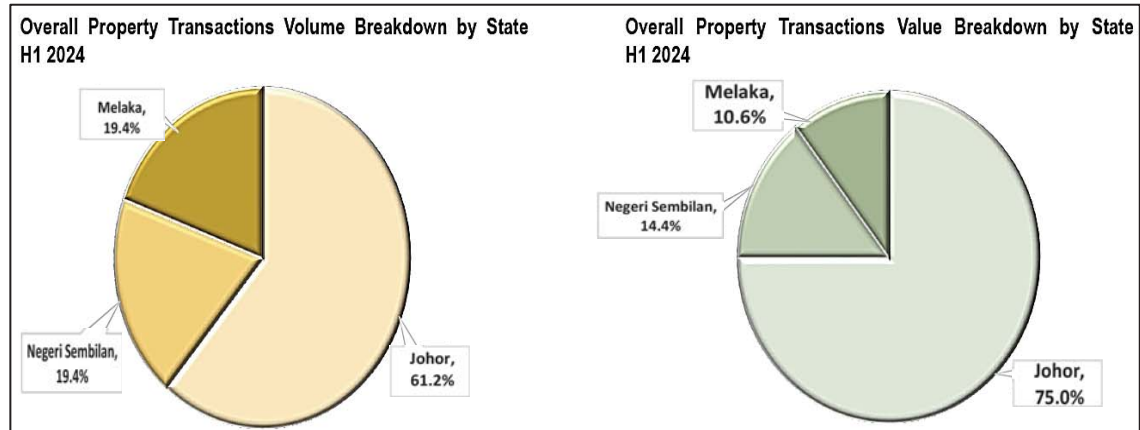
On the construction front, the industrial sub-sector remains in a low-tone. Completions recorded 149 units, starts 301 units, and new planned supply 148 units, each showing a decline against the first half of 2023.

The industrial property has shown an improvement across the states, with some increments witnessed for terraced factories. The upward trend could be attributed to growing demand for warehouses and storage due to the expansion of e-commerce.

(Source: Property Market Report for the First Half 2024, National Property Information Centre)

Industrial property sub-sector in Johor

The property market performance of the southern region in Malaysia registered 48,885 transactions worth RM28.76 billion, increased by 5.3% and 31.0% in volume and value, respectively, as compared to the first half of 2023. Property market performance in Melaka increased by 28.4%, followed by Johor (9.0%). Meanwhile, Negeri Sembilan shown slightly down at 18.2%. Johor dominated the region's overall property transaction volume with 61.2% (29,953 transactions) and 75.0% (RM21.6 billion) of the total transaction value.



The performance of the industrial property market in the southern region recorded a slight decrease of 1.3% in the number of transactions (First half of 2023: 1,163 transactions) and an increase of 36.4% in value (First half of 2023: RM2.9 billion). Nevertheless, Johor leads in industrial market activity with 732 transactions (63.8% of the total transactions in the region). In terms of transaction value, Melaka showed the highest increase of 98.4%, followed by Johor (53.0%).

The southern region showed a moderate industrial property market situation as there was a reduction in the number of unsold units in the overhang stage, while an increase in unsold under construction. The highest decrease was recorded in Johor by 32.4%, while the highest increase was recorded in Negeri Sembilan which is more than two-fold compared to the second half of 2023.

Construction activity for industrial property construction activities remained low. Nevertheless, Johor is a data contributor on the new planned supply stage, increased to 40 units as compared to the first half of 2023 (2 units).

(Source: Property Market Report for the First Half 2024, National Property Information Centre)

Outlook for the property market

The performance of the property market in the first half of 2024 continue to improve, driven by stronger market activity, an improvement in market status, and encouraging construction activity. The government has introduced several efforts and catalytic projects to drive the local economy while simultaneously stimulating the development of the property market. These include improving the flexibility of application requirements for the Malaysia My Second Home programme, developing the Johor-Singapore Special Economic Zone, and establishing a Special Financial Zone in Forest City. Additionally, bolstering demands for property are positive, impact of developments such as the Rapid Transit Link project in Johor, the East Coast Rail Link, and the Pan Borneo Highway project in Sabah and Sarawak.

The expansion of the e-commerce sector, major industrial projects in the northern region, and the NIMP 2030 are expected to promote the performance of the industrial property market as well as serves as a catalyst for a stronger property market.

(Source: Property Market Report for the First Half 2024, National Property Information Centre)

7.4.3. Prospects of the Subject Properties

We noted from the Valuation Reports that “A memorandum of understanding on Johor-Singapore Special Economic Zone (JSSEZ) signed between Singapore’s Trade and Industry Minister and Malaysia’s Minister of Economy shows an ambitious collaborative initiation between Malaysia and Singapore aimed at boosting economic development in the southern region of Johor and the adjacent area of Singapore. It creates a more competitive and attractive environment for businesses and investors by improving transportation infrastructure such as Rapid Transit System (RTS) Link, encouraging industrial collaboration from both sides of the border and offering investment incentives to attract foreign and domestic investment in targeted industries such as manufacturing, logistics, technology and digital.

The announcement of JSSEZ will leverage Johor’s industrial expansion, attract both local and international enterprises and boost the chances of fulfilling its potential as a key investment destination. Therefore, the Valuer expects Iskandar Malaysia will continue to record positive investment numbers which can benefit industrial sectors.”

(Sources: Valuation Reports)

Growth in Malaysia strengthened in the second quarter of 2024 whilst global growth is projected for 2024 and 2025. The outlook of the Malaysian economy and forecast growth in the construction sector represents an opportunity for the Company to unlock the value of its investment in the Subject Properties via the Proposed Disposals and redeploy its resources towards property development and future investment projects. In addition, the Company will continue to enjoy recurring income distribution and profits contributed by AME REIT.

Premised on the above, we believe that the Proposed Disposals will contribute positively to the long-term prospects of the Group.

7.5. Financial effects of the Proposed Disposals

Our comments on the financial effects of the Proposed Disposals as detailed in Section 6 of Part A of this Circular are as follows:

Financial effects on	Our comments
(i) Share capital and Substantial shareholders’ shareholdings	The Proposed Disposals have no impact on the share capital and substantial shareholdings in AME Elite as the entire Disposal Consideration will be satisfied with cash.
(ii) NA and gearing	<p>The Proposed Disposals will on a pro forma basis result in the audited consolidated NA per AME Elite Share as at 31 March 2024 to increase from RM1.37 to RM1.40 arising from the net gain on disposal of the Subject Properties.</p> <p>The pro forma gearing ratio of the Group is expected to increase from 0.2 times to 0.3 times mainly due to the consolidation of RM118.5 million net borrowings to be utilised by AME REIT to partly fund the Disposal Consideration. Nonetheless, AME Elite will receive the Disposal Consideration amounting to RM119.5 million in cash upon the completion of the Proposed Disposals which will hence be a corresponding increase in cash for the Company.</p>

Financial effects on	Our comments
(iii) Earnings and EPS	<p>The pro forma consolidated PAT of the Company will increase from RM93.1 million to RM115.5 million mainly arising from the net gain on the disposal of Subject Properties attributable to the Company upon completion of the Proposed Disposals. Accordingly, the proforma EPS of the Group will increase from 14.57 sen to 18.08 sen.</p> <p>We noted that the proceeds raised from the Proposed Disposals will be utilised for funding, amongst others, the ongoing development of i-TechValley and future industrial property development, which may in turn contribute positively to the Group. Additionally, the Group can continue to enjoy income distribution from AME REIT after the Proposed Disposals in the future.</p>

Premised on the above, we are of the view that the financial effects of the Proposed Disposals, taken as a whole, are not expected to be adverse for AME Elite.

7.6. Risk factors associated with the Proposed Disposals

Apart from the risk factors associated with the Proposed Disposals as highlighted in Section 5 of Part A of this Circular, the Non-Interested Shareholders should note that risk factors are non-exhaustive in nature and also carefully consider the following risk factor:

(i) Loss of lease income from the Subject Properties

Pursuant to the Proposed Disposals, the Company will no longer enjoy the full lease income from the secured leases. Nonetheless, the Company will continue to have an indirect interest in the Subject Properties via its unitholding in AME REIT and will be able to continue enjoying the distributions and share of profits from AME REIT, depending on, amongst others, the renewal of lease agreements and financial performance of the property assets including Subject Properties under AME REIT's portfolio. In addition, the Company will receive the disposal proceeds upfront and enhance the availability of cash flows for its property development projects.

The Non-Interested Shareholders should take note of the risk factors relating to the Proposed Disposals and the relevant mitigating measures undertaken to mitigate such risks as set out in Section 5 of Part A of this Circular. There can be no assurance that one or a combination of the risk factors will not occur and have a material and adverse effect on the business and financial position of AME Elite.

8. FURTHER INFORMATION

The Non-Interested Shareholders of AME Elite are advised to refer to Part A of this Circular together with the appendices for further information.

9. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Disposals taking into consideration various factors as summarised below:

IAL section	Area of evaluation	Our comments
7.1	Rationale of the Proposed Disposals	<p>In assessing the rationale, we considered the following:</p> <p>(i) Align with the business goals of the Group</p> <p>The Proposed Disposals will enable the Company to inject the property investments into the real estate investment trust and continue to enjoy the income distribution from AME REIT.</p> <p>(ii) Realise the investment in the Subject Properties</p> <p>The Proposed Disposals will unlock AME Elite's investment in the Subject Properties and record a pro forma gain of approximately RM22.9 million.</p> <p>(iii) Improve the cash flow position of the Group</p> <p>The Proposed Disposals will generate gross proceeds of approximately RM119.5 million which will support the Company's cash flows requirement for amongst others, its property development segment and investment projects.</p> <p>(iv) Redeploy resources to on-going and future property development and investment projects</p> <p>The Proposed Disposals represent an opportunity for the Company to channel its resources toward ongoing and future property development and investment projects.</p>
7.2	Basis of arriving at the Disposal Consideration	<p>In our evaluation of the Disposal Consideration, we noted the following:</p> <p>(i) The market value of the Subject Properties of RM122.0 million is derived by the Valuer, adopting the Income Approach (Investment Method) as the primary valuation method and cross-checked with the Comparison Approach; and</p> <p>(ii) The bases and assumptions adopted by the Valuer in arriving at the valuation of the Subject Properties are reasonable.</p>

IAL section	Area of evaluation	Our comments
		<p>In our evaluation of the discount of the Disposal Consideration to the market value of the Subject Properties, we have considered amongst others, the Pre-Completion Rental of i-TechValley 46 and i-Park SAC 23 & 24, the pro forma gain arising from the Proposed Disposals, range of discounts of the precedent transactions as well as the cash flow requirement of the Company.</p>
7.3	Salient terms of the SPAs and the Lease Agreements	<p>The salient terms of the SPAs which were mutually agreed between the parties are acceptable. In addition, the terms of the Lease Agreements have been mutually negotiated and agreed by the Vendors and the lessees.</p>
7.4	Industry outlook and prospects	<p>The outlook of the Malaysian economy and forecast growth in the construction sector represents an opportunity for the Company to unlock the value of its investment in the Subject Properties via the Proposed Disposals.</p>
7.5	Financial effects of the Proposed Disposals	<p>We believe that the Proposed Disposals will contribute positively to the long-term prospects of the Group.</p> <p>The Proposed Disposals have no impact on the share capital and substantial shareholdings in AME Elite as the entire Disposal Consideration will be satisfied with cash.</p> <p>The proforma NA per Share will increase from RM1.37 to RM1.40 while the EPS of the Group will increase from 14.57 sen to 18.08 sen mainly arising from the net gain on the disposal of Subject Properties attributable to the Company upon completion of the Proposed Disposals.</p>
7.6	Risk factors associated with the Proposed Disposals	<p>The risk factors associated with the Proposed Disposals include, but not limited to completion risk, regulatory risk, risk associated with the value appreciation of the Subject Properties, and risk associated with loss of lease income from the Subject Properties.</p> <p>The Non-Interested Shareholders should take note of the risk factors relating to the Proposed Disposals and the relevant mitigating measures undertaken to mitigate such risks (if any); and that there can be no assurance that one or a combination of the risk factors will not occur and have a material and adverse effect on the business and financial position of AME Elite.</p>

Premised on the abovementioned factors and our evaluation and consideration as set out in this IAL, we are of the opinion that, on the basis of the information available to us, 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 at the forthcoming EGM.

The Non-Interested Shareholders should consider all relevant and pertinent factors including those set out in Part A of this Circular and this IAL, the recommendation of the Board, our recommendation herein together with the limitations of our evaluation prior to making the decision on whether to take that course of action.

Yours faithfully
cfSolutions Sdn Bhd

Calvin Chun
Director

Tan Zi Yi
Manager

INFORMATION ON THE SUBJECT PROPERTIES

The information on the i-TechValley 34 and i-TechValley 46 are as follows:

	i-TechValley 34	i-TechValley 46
Subject Property	Pentagon Land	Pentagon Land
Registered owner	Trustee (on behalf of AME REIT)	Trustee (on behalf of AME REIT)
Purchaser	No. 8, Jalan SILC 3/1, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor	No. 9, Persiaran Bioteknologi, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor
Postal address	Geran 587959, Lot 169211, Mukim of Pulai, District of Johor Bahru, State of Johor	Geran 587971, Lot 169223, Mukim of Pulai, District of Johor Bahru, State of Johor
Title detail		
Brief description	<p>i-TechValley 34 is proposed to be a single storey detached factory with mezzanine office, and other ancillary buildings with a GDC of approximately RM19.9 million, to be located within a gated and guarded development known as i-TechValley⁽¹⁾</p> <p>The construction of i-TechValley 34 commenced in May 2024. As at the LPD, the construction of i-TechValley 34 is 47.5% completed, and is expected to be completed in January 2025</p>	<p>A single storey detached factory with mezzanine office, and other ancillary buildings with a GDC of approximately RM19.1 million, located within a gated and guarded development known as i-TechValley</p> <p>The construction of i-TechValley 46 was completed in July 2023 and the CCC had been obtained in January 2024</p>
Existing/proposed use as at the LPD	i-TechValley 34 is under construction/ Lease by Ametalin Sdn Bhd is expected to commence in the 2 nd quarter of 2025 ⁽²⁾	Lease by Titanium Systems Sdn Bhd commenced on 1 April 2024 ⁽²⁾
Gross/Expected gross monthly rental income (RM)	Expected gross monthly rental income of RM153,086.22, subject to the terms of the lease agreement between Pentagon Land and Ametalin Sdn Bhd	Gross monthly rental income of RM148,760.69, subject to the terms of the lease agreement between Pentagon Land and Titanium Systems Sdn Bhd
Approximate age of the building as at the LPD	Not applicable as the building is under construction	Less than 1 year
Tenure	Freehold/Term in perpetuity	Freehold/Term in perpetuity
Market value as at 4 July 2024 (RM'000)	27,000	29,000
Audited NBV as at 31 March 2024 (RM'000)	7,857	17,564
Gross floor area	Approximately 97,627 sq ft	Approximately 98,030 sq ft
Land area/ALA⁽³⁾	Approximately 131,104 sq ft/Approximately 98,765 sq ft	Approximately 131,104 sq ft/Approximately 99,174 sq ft

INFORMATION ON THE SUBJECT PROPERTIES (Cont'd)

Subject Property	i-TechValley 34	i-TechValley 46
Occupancy rate	Not applicable as at the LPD. However, based on the lease agreement between Pentagon Land and Ametalin Sdn Bhd, the occupancy rate is expected to be 100.0%	100.0%
Category of land use	<i>Perusahaan/Perindustrian</i>	<i>Perusahaan/Perindustrian</i>
Encumbrances/ Other endorsements	Nil/ Vide Presentation No. 32854/2024 Lienholder's caveat lodged by RHB Islamic Bank Berhad, registered on 23 July 2024 ⁽⁴⁾	Nil/ Vide Presentation No. 18395/2023 Lienholder's caveat lodged by RHB Islamic Bank Berhad registered on 8 May 2023 ⁽⁴⁾
		Vide Presentation No. 91346/2024 Lease in favour of Titanium Systems Sdn Bhd for a lease tenure of 10 years commencing from 1 April 2024 to 31 March 2034 registered on 3 September 2024

The information on the i-Park SAC 23 & 24 and i-Park SAC 60 & 61 are as follows:

Subject Property	i-Park SAC 23 & 24		i-Park SAC 60 & 61	
Registered owner	ipark Development		ipark Development	
Purchaser	Trustee (on behalf of AME REIT)		Trustee (on behalf of AME REIT)	
Postal address	No. 30, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor		No.82 (Lot 60) & 83 (Lot 61), Jalan I-Park SAC 5, Taman Perindustrian I-Park SAC, 81400 Senai, Johor	
Title detail	HSD 80929, PTD 114240, Mukim of Senai, District of Kulai, State of Johor. i-Park SAC 23 & 24 was formerly 2 parcels of land which have been amalgamated. The application for amalgamation ("Amalgamation") was approved by the Pejabat Tanah Johor Bahru in July 2020 and the process of Amalgamation was completed in March 2023		(i) HSD 596308, PTD 196194, Mukim of Tebrau, District of Johor Bahru, State of Johor; and (ii) HSD 596309, PTD 196195, Mukim of Tebrau, District of Johor Bahru, State of Johor	
Brief description	A single storey detached factory with mezzanine office and other ancillary buildings with a GDC of approximately RM30.5 million, located within a gated and guarded development known as i-Park @ SAC/ The construction of i-Park SAC 23 & 24 was completed in May 2024 and the CCC had been obtained in August 2024		The Amalgamation has been approved by the Pejabat Tanah Johor Bahru on 12 February 2024, subject to conditions. As at the LPD, the Amalgamation process is still ongoing i-Park SAC 60 & 61 is proposed to be a single storey detached factory with mezzanine office and other ancillary buildings with a GDC of approximately RM14.3 million, located within a gated and guarded development known as i-Park @ SAC ⁽¹⁾ / The construction of i-Park SAC 60 & 61 commenced in March 2024. As at the LPD, the construction of i-Park SAC 60 & 61 is 44.4% completed and is expected to be completed in January 2025	

INFORMATION ON THE SUBJECT PROPERTIES (Cont'd)

Subject Property	i-Park SAC 23 & 24	i-Park SAC 60 & 61
Existing/proposed use as at the LPD	Lease by AAC Technologies (Malaysia) Sdn Bhd commenced in August 2024 ⁽²⁾	i-Park SAC 60 & 61 is under construction/ Lease by Resmed Malaysia Operations Sdn Bhd is expected to commence in the 2 nd quarter of 2025 ⁽²⁾
Gross/Expected gross monthly rental income (RM)	Gross monthly rental income of RM284,102.80, subject to the terms of the lease agreement between Ipark Development and AAC Technologies (Malaysia) Sdn Bhd	Expected gross monthly rental income of RM113,679.23, subject to the terms of the lease agreement between Ipark Development and Resmed Malaysia Operations Sdn Bhd
Approximate age of the building as at the LPD	Less than 1 year	Not applicable as the building is under construction
Tenure	Freehold/Term in perpetuity	Freehold/Term in perpetuity
Market value as at 4 July 2024 (RM'000)	46,000	20,000
Audited NBV as at 31 March 2024 (RM'000)	29,000	5,322
Gross floor area	Approximately 127,531 sq ft	Approximately 65,240 sq ft
Land area/ALA⁽³⁾	Approximately 162,212 sq ft/Approximately 128,973 sq ft	Approximately 85,390 sq ft/Approximately 64,960 sq ft
Occupancy rate	100.0%	Not applicable as at the LPD. However, based on the lease agreement between Ipark Development and Resmed Malaysia Operations Sdn Bhd, the occupancy rate is expected to be 100.0%
Category of land use	Perusahaan/Perindustrian	Perusahaan/Perindustrian
Encumbrances/ Other endorsements	Nil	Nil
		Charged to RHB Islamic Bank Berhad vide Presentation No. 45095/2020 on 23 July 2020 PTD 196194 & PTD 196195 <i>Permohonan serahbalik seluruh tanah</i> PTD 196195 <i>Lot untuk Bumiputera⁽⁵⁾</i>

INFORMATION ON THE SUBJECT PROPERTIES (Cont'd)

Notes:

- (1) The CCCs for i-TechValley 34 and i-Park SAC 60 & 61 are expected to be issued in the 2nd quarter of 2025 respectively.

For avoidance of doubt, the i-TechValley 34 SPA and i-Park SAC 60 & 61 SPA will only complete upon satisfaction of all the conditions precedent of the respective SPAs, including the issuance of the CCCs for the respective Subject Properties, and the leases to the existing lessees have commenced.

- (2) The respective Lease Agreements will be novated to the Trustee (on behalf of AME REIT) upon the completion of the Proposed Disposals for the continuity of existing operations under similar terms being entered into prior thereto, in the respective Lease Agreements.
- (3) Based on the respective Lease Agreements.
- (4) A lienholder's caveat has been registered in favour of RHB Islamic Bank Berhad in respect of i-TechValley 34 and i-TechValley 46 on 23 July 2024 and 8 May 2023 respectively. The said lienholders' caveats have been lodged due to borrowings undertaken by Pentagon Land and will be removed pursuant to the completion of the i-TechValley 34 SPA and i-TechValley 46 SPA. In this regard, the lienholders' caveats will not impede the completion of the i-TechValley 34 SPA and i-TechValley 46 SPA respectively.
- (5) On 29 March 2021, the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) issued a letter approving the release of, among others, i-Park SAC 60, from complying with the *Lot untuk Bumiputera* restriction, subject to conditions as set out in the said letter. The payment of contribution for the release of such Bumiputera restriction has been paid on 29 March 2021. For avoidance of doubt, i-Park SAC 61 has no Bumiputera restriction imposed.

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SALIENT TERMS OF THE SPAs

The salient terms of the SPAs are as follows:

1. OVERVIEW OF THE SPAS

Pursuant to the SPAs, the Vendors shall sell to the Trustee (on behalf of AME REIT) and the Trustee (on behalf of AME REIT) shall purchase from the Vendors, on the basis that the Subject Properties are, among others, as follows:

- (i) subject to the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the documents of title to the Subject Properties;
- (ii) in respect of i-TechValley 34, i-Park SAC 23 & 24 and i-Park SAC 60 & 61, completed in accordance with the building plans and specifications as approved by the relevant local authority and with CCC obtained;
- (iii) in respect of i-TechValley 46, sold together with the fixtures and fittings and in its current condition on an “as is where is” basis;
- (iv) in respect of i-TechValley 34, i-Park SAC 23 & 24 and i-Park SAC 60 & 61, without vacant possession on the basis that the Subject Properties are built in accordance with the specification and requirements as agreed upon in the lease between the Vendors and the existing lessees; and
- (v) in respect of i-TechValley 46, without vacant possession on the basis that the Subject Property will continue to be occupied by the existing lessee with all its rights, benefits and obligations remaining intact;
- (vi) free from encumbrances, save for the leases which the parties acknowledge may be registered on the documents of title to the Subject Properties before or after the completion of the sale and purchase of the Subject Properties; and
- (vii) in respect of i-Park SAC 60 & 61, released of the Bumiputera restriction pursuant to the approval duly obtained by the Vendor from the appropriate authority.

2. CONDITIONS PRECEDENT

The completion of the sale and purchase of the Subject Properties shall be subject to the prior fulfilment of, among others, the following conditions precedent:

- (i) the respective Vendors having obtained all necessary approvals and consents for the disposal of the Subject Properties to the Trustee (on behalf of AME REIT). For avoidance of doubt, the necessary approvals and consents for the Proposed Disposals shall include the approval of our Company’s shareholders;
- (ii) the respective Vendors having notified the respective lessees in writing in connection with the disposal of the Subject Properties to the Trustee (on behalf of AME REIT);
- (iii) the Subject Properties are constructed in accordance with the approved building plans, and that the CCC for the buildings have been obtained, and in respect of i-Park SAC 60 & 61, the Amalgamation shall have been completed prior to the issuance of the CCC;
- (iv) the written confirmation from the respective Vendors confirming the rental commencement date pursuant to the lease agreements (“**Rental Commencement Date**”) where such written confirmation must be given within 30 days prior to the Rental Commencement Date;

SALIENT TERMS OF THE SPAS (Cont'd)

- (v) in respect of i-TechValley 46, the Vendor having procured the agreed upgrading works in connection with the power supply to the Subject Property as stipulated under Clause 8 of the Special Conditions of the lease agreement and the Quotation (Ref No.: PTG/TSSB/2024/Q090) dated 13 May 2024 issued by the Vendor to the existing lessee ("**Agreed Power Supply Upgrading Works**") or any further modifications, alterations, amendments or variations subsequent to the Agreed Power Supply Upgrading Works as may be mutually agreed between the Vendor and the lessee, be completed within the upgrading period agreed with the lessee and in accordance with the terms and conditions of the lease agreement;
- (vi) in respect of i-Park SAC 23 & 24, the Vendor having procured the new guarantee issued by the holding company of the existing lessee as the corporate guarantor in favour of the Trustee (on behalf of AME REIT) to guarantee the lessee's due observance, performance and compliance of the lease agreement;
- (vii) the approval of the unitholders of AME REIT for the sale and purchase of the Subject Properties. For avoidance of doubt, this condition precedent shall not be waived; and
- (viii) the Trustee (on behalf of AME REIT) shall cause the valuation reports prepared by the Valuer in relation to the Subject Properties to be prepared in accordance with the relevant regulatory requirements and be submitted to Bursa Securities or such relevant authorities as soon as practicable.

As at the LPD, save as disclosed below, all the conditions precedent are pending fulfillment:

- (a) *in connection with **Section 2(ii)** of **Appendix II** of this Circular, Ipark Development has by virtue of its letter dated 4 September 2024 notified AAC Technologies (Malaysia) Sdn Bhd in connection with the disposal of i-Park SAC 23 & 24 to the Trustee (on behalf of AME REIT);*
- (b) *in connection with **Section 2(iii)** of **Appendix II** of this Circular, i-TechValley 46 and i-Park SAC 23 & 24 have been constructed in accordance with the approved building plans, and that the CCC for the buildings have been obtained in January 2024 and August 2024, respectively;*
- (c) *in connection with **Section 2(iv)** of **Appendix II** of this Circular, Pentagon Land and Ipark Development have issued the notices of lease and rental commencement dated 2 April 2024 and 22 August 2024 to the respective lessees in respect of i-TechValley 46 and i-Park SAC 23 & 24 confirming that the rental commencement date is 1 July 2024 and 22 August 2024, respectively; and*
- (d) *in connection with **Section 2(viii)** of **Appendix II** of this Circular, the Trustee (on behalf of AME REIT) has caused the valuation reports prepared by the Valuer in relation to the Subject Properties to be prepared in accordance with the relevant regulatory requirements and submitted to Bursa Securities on 29 July 2024.*

3. MANNER OF PAYMENT OF THE PURCHASE PRICE

The mode of consideration of the purchase price for the Subject Properties shall be by way of cash consideration only.

The purchase price for the Subject Properties shall be satisfied by the Trustee (on behalf of AME REIT) in the following manner:

- (i) 2.0% of the purchase price in respect of i-TechValley 34, i-TechValley 46 and i-Park SAC 60 & 61, or 10.0% of the purchase price in respect of i-Park SAC 23 & 24, as the case may be, being the deposit payable to the relevant Vendors upon the execution of the respective SPAs; and
- (ii) the balance of the purchase price to be paid to the relevant Vendors on the Completion Date of the respective SPAs.

SALIENT TERMS OF THE SPAS (Cont'd)

4. ADJUSTMENT OF THE PURCHASE PRICE

In the event that the market value of the relevant Subject Property is adjusted by way of a revision to the valuation report issued by the Valuer and/or any subsequent valuation report issued by an independent valuer pursuant to comments provided by relevant authorities prior to the fulfilment of the conditions precedent as set out in **Section 2 of Appendix II** of this Circular, the Trustee (on behalf of AME REIT) and the respective Vendors shall, within 14 days from the adjustment, mutually determine in good faith whether an adjustment of the purchase price for the Subject Property is required.

In the event the Trustee (on behalf of AME REIT) and the respective Vendors mutually determine that an adjustment of the purchase price is required, the Trustee (on behalf of AME REIT) and the respective Vendors shall either:

- (i) mutually agree to adjust the purchase price of the relevant Subject Property by way of a supplemental agreement; or
- (ii) terminate the said SPA and the respective Vendors shall refund the deposit to the Trustee (on behalf of AME REIT) in accordance with **Section 7(iii) of Appendix II** of this Circular in the event the Trustee (on behalf of AME REIT) and the respective Vendors cannot agree to an adjusted purchase price.

5. COMPLETION

Subject to the fulfilment of the conditions precedent set out in **Section 2 of Appendix II** of this Circular, the following shall occur on the Completion Date of the respective SPAs (unless otherwise indicated):

- (i) the rights, benefits, title, interests, in and to the Subject Properties shall pass from the respective Vendors to the Trustee (on behalf of AME REIT) whereupon the respective Vendors shall be deemed to hold on trust the Subject Property for the Trustee (on behalf of AME REIT) until the Trustee (on behalf of AME REIT) is registered as the proprietor at the relevant land registry and the legal possession of the Subject Property shall be deemed delivered to the Trustee (on behalf of AME REIT);
- (ii) the rights, benefits, interests, obligations and liabilities in the lease in respect of the Subject Properties, which are subsisting on the Completion Date of the respective SPAs, shall be deemed to have passed to the Trustee (on behalf of AME REIT) and shall be novated by the respective Vendors to the Trustee (on behalf of AME REIT) immediately or as soon as practicable;
- (iii) all existing contracts pertaining to the Subject Properties shall be novated to the Trustee (on behalf of AME REIT) (and to the extent there are no obligations to be transferred to the Trustee (on behalf of AME REIT) under an existing contract, then on the basis that all remaining benefits, rights, titles, entitlements and interests of the respective Vendors under such existing contracts are assigned to the Trustee (on behalf of AME REIT) and due notice that is given to the applicable third party) immediately or as soon as practicable;
- (iv) the takaful coverage or insurance taken up in respect of the Subject Properties which are subsisting on the Completion Date of the respective SPAs may be cancelled by the Vendor on or after the Completion Date of the respective SPAs and the Trustee (on behalf of AME REIT) shall be entitled to take up such other takaful coverage or insurance which the Trustee (on behalf of AME REIT) deem necessary;

SALIENT TERMS OF THE SPAS (Cont'd)

- (v) all outgoings in respect of the Subject Properties shall be apportioned on the Completion Date of the respective SPAs and the respective Vendors shall bear and settle the outgoings due and payable up to the date immediately preceding the Completion Date of the respective SPAs and the Trustee (on behalf of AME REIT) shall bear and settle the outgoings due and payable on and from the Completion Date of the respective SPAs;
- (vi) all income in respect of the Subject Properties including rental income shall be apportioned on the Completion Date of the respective SPAs and the respective Vendors shall be entitled to all income received up to the date immediately preceding the Completion Date of the respective SPAs and the Trustee (on behalf of AME REIT) shall, in addition to **Sections 4(ii) and (iii) of Appendix II** of this Circular, be entitled to all income received on and from the Completion Date of the respective SPAs; and
- (vii) all security and utility deposits, rental and other payments paid by the lessees which are retained or in the custody of the respective Vendors as well as the outgoings under **Section 4(v) of Appendix II** of this Circular and the income under **Section 4(vi) of Appendix II** of this Circular which are to be paid to the Trustee (on behalf of AME REIT) (if any) shall be held on trust for the Trustee (on behalf of AME REIT) from the Completion Date of the respective SPAs and the respective Vendors shall pay the same to the Trustee (on behalf of AME REIT) immediately or as soon as practicable.

6. REPRESENTATIONS AND WARRANTIES

The respective Vendors have given specific representations and warranties relating to, among others, their capacities, the Subject Properties and the leases. If any event or circumstance, which arises or becomes known to the Trustee (on behalf of AME REIT) after the date of the relevant SPA(s) and prior to the Completion Date of the relevant SPA(s), is inconsistent with any of the representations and warranties by the relevant Vendor(s), the Trustee (on behalf of AME REIT) may give a written notice to the relevant Vendor(s) to remedy the same within 30 days from the date of the notice. If the relevant Vendor(s) fail(s) to remedy the same, the Trustee (on behalf of AME REIT) shall be entitled to terminate the relevant SPA(s).

7. TERMINATION**(i) Vendor(s)' right to terminate**

If the Trustee (on behalf of AME REIT) defaults in the satisfaction of the purchase price in accordance with the provisions of the respective SPA(s), the respective Vendor(s) is/are entitled to terminate the respective SPA(s) by notice in writing to the Trustee (on behalf of AME REIT) if the Trustee (on behalf of AME REIT) fails to remedy the breach or the matter within seven (7) days of receipt of a notice from the respective Vendor(s) to remedy the breach of the matter.

(ii) Trustee's right to terminate

The Trustee (on behalf of AME REIT) is entitled, at any time, to give notice to the respective Vendor(s) to terminate the respective SPA(s) if:

- (a) any of the representations and warranties given by the respective Vendor(s) are found to be untrue or incorrect;
- (b) the respective Vendor(s) fail, neglect or refuse to complete the sale in accordance with the provisions of their respective SPA(s);
- (c) insolvency proceedings are instituted against the respective Vendor(s); or

SALIENT TERMS OF THE SPAS (Cont'd)

- (d) the memorandum of transfer of all rights, title and interest of the respective Subject Properties to the Trustee (on behalf of AME REIT) cannot be presented or registered for any reason whatsoever (other than reasons caused by or attributable to any act, default or omission of the Trustee (on behalf of AME REIT)).

(iii) Consequences of termination

In the event of termination of the respective SPA(s), then within 14 days of the giving of such notice:

- (a) the respective Vendor(s) must return, or cause to be refunded, free of interest, the deposit or any part of the purchase price which has been received by the respective Vendors pursuant to the provisions of the respective SPAs, to the Trustee (on behalf of AME REIT);
- (b) the Trustee (on behalf of AME REIT) must return or cause to be returned all rights, title and interest of the respective Subject Properties to the respective Vendor(s) with the respective Vendor(s)' interest intact; and
- (c) The Trustee's (on behalf of AME REIT) solicitors shall (to the extent that they are in the custody and possession) be duly authorised to return to the respective Vendor(s) the completion documents and the respective Vendor(s)' documents and to the Trustee (on behalf of AME REIT), the Trustee's documents.

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INFORMATION ON THE LEASE AGREEMENTS

The information on the i-TechValley 34 and i-TechValley 46 lease agreements are as follows:

Subject Property	i-TechValley 34	i-TechValley 46
Date of lease agreement	27 March 2024. On 16 October 2024, Pentagon Land and the lessee had, vide a supplementary letter, varied certain terms of the lease agreement	7 March 2024. On 3 September 2024, Pentagon Land and the lessee had, vide a letter, varied certain terms of the lease agreement
Lessee⁽¹⁾	Ametalin Sdn Bhd	Titanium Systems Sdn Bhd
Lease term	Fixed 5 years and 1 month from the lease commencement date, subject to the terms of the lease agreement and the supplementary letter to the lease agreement between Pentagon Land and Ametalin Sdn Bhd. For avoidance of doubt, the Parties agree that during the period of 1 calendar month from the lease commencement date, no agreed rental shall be payable by the lessee save and except for the advance rental as stated in the lease agreement which shall be paid in advance on or before execution of the lease agreement	Fixed 10 years from the lease commencement date (including 3 months' rent free period), subject to the terms of the lease agreement between Pentagon Land and Titanium Systems Sdn Bhd
Rental rate	Expected gross monthly rental income of RM153,086.22 for the first term, subject to the terms of the lease agreement between Pentagon Land and Ametalin Sdn Bhd. Over the entire lease term, the rental escalation will be approximately 16.1%	Gross monthly rental income of RM148,760.69 for the first term, subject to the terms of the lease agreement between Pentagon Land and Titanium Systems Sdn Bhd. Over the entire lease term, the rental escalation will be approximately 26.7%
Renewal option	<u>First Renewed Period</u> Fixed 3 years from the last day of the lease term <u>Second Renewed Period</u> Fixed 3 years from the expiration of the First Renewed Period	Fixed 3 years or such other longer period as Pentagon Land and Titanium Systems Sdn Bhd may mutually agree in writing
Permitted use	Solely for manufacturing of thermal insulation products, building wraps, specialty laminates and packaging materials, thermal storage products and its related activities and office only.	For the purpose of industrial manufacturing of healthcare and/or pharmaceutical products including plastic cartridges, sterile liquid transfer devices, cell therapy manufacturing instruments, cell therapies, biologics, and pharmaceutical related products. The lessee may use certain part of i-TechValley 46 as office space, storage space and other use incidental thereto
Security Deposit	Rental deposit of approximately RM0.83 million, subject to the terms of the lease agreement between Pentagon Land and Ametalin Sdn Bhd	Rental deposit of approximately RM1.05 million, subject to the terms of the lease agreement between Pentagon Land and Titanium Systems Sdn Bhd

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

	i-TechValley 34	i-TechValley 46
<p>Subject Property</p> <p>Late payment charge</p>	<p>Without prejudice to any other rights and remedies which the lessor has against the lessee, if any money payable by the lessee to the lessor shall become due and be unpaid, the lessee shall pay to the lessor the late payment charges on such overdue sum at the rate of 1.5% per calendar month, such charges shall be calculated on daily basis from the date on which such money falls due for payment to the date such money is actually received by the lessor (as well as after judgment).</p>	<p>Without prejudice to any other rights and remedies which the parties may have against the other party, if any money payable by a party ("Paying Party") to the other party ("Receiving Party") shall become due and be unpaid, the Paying Party shall pay to the Receiving Party the late payment charges on such overdue sum at the rate of 8% per calendar month, such charges shall be calculated on daily basis from the date on which such money falls due for payment to the date such money is actually received by the Receiving Party (before as well as after judgment is granted by a court of competent jurisdiction).</p>
<p>Events of default</p>	<p>The lessee agrees that one or more of the following events, among others, shall be considered "events of default" as the said term is used herein:</p> <ul style="list-style-type: none"> (i) the lessee shall quit or attempt to quit and deliver vacant possession of i-TechValley 34 at any time prior to the expiration date for any reason; or (ii) the lessee shall determine the lease agreement at any time prior to the lease commencement date or prior to the expiry of the lease term or renewed period for any reason. 	<p>The parties agree that the following event, among others, shall be considered "events of default" as the said term is used herein:</p> <p>the lessee shall unilaterally terminate the lease agreement at any time prior to the expiry of the lease term or renewed period for any reason.</p>
<p>Other salient terms</p>	<p>(A) <u>The premises</u></p> <ul style="list-style-type: none"> (i) The construction of the building is estimated to be completed with issuance of a CCC for i-TechValley 34 pursuant to the Street, Drainage and Building Act 1974 within 15 months from the date of the lease agreement ("Estimated Completion Date") provided always that the Estimated Completion Date and/or issuance of CCC is unaffected by any cause that is beyond the reasonable control of the lessor including any amendments, variations or substitutions to the building plans and/or specifications, any acts and/or omission attributable to the lessee or force majeure as defined in the lease agreement. 	<p>(A) <u>Confidential information</u></p> <ul style="list-style-type: none"> (i) Each of the parties agrees to keep strictly secret and confidential, and under no circumstances to disclose to any person or entity which is not a party, any information reasonably be considered as confidential arising from or in connection with the lease agreement and any other confidential information acquire with respect to the other party pursuant with its dealings contemplated in the lease agreement during the lease term and where applicable, the renewed period unless disclosure of such information is expressly permitted in Section 15.14(b) of the lease agreement and/ or otherwise the prior written consent of the other party.

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

Subject Property	i-TechValley 34	i-TechValley 46
<p>Other salient terms (Cont'd)</p>	<p>(B) <u>Dealings by the lessor</u></p> <p>(i) The parties agree that the lessor shall have the right to deal with the proprietary interests, benefits or rights in i-TechValley 34 and the lease agreement in any manner it deems fit. The lessor shall notify the lessee in writing if it disposes, transfers, assigns or novates all or any part of the interest or rights under the lease agreement to any third party provided always in such eventuality, the lessee hereby irrevocably agrees that it will upon notification by the lessor execute the necessary instruments, deeds or documents, as may be required by the lessor to give effect to such disposal, transfer, assignment or novation to any third party by the lessor. The lessor shall thereby be released from any further responsibility hereunder save and except for any antecedent breach prior to the said disposal, transfer, assignment or novation and the lessee agrees to look solely to such successor in interest of the lessor for performance of such obligation.</p>	<p>(B) <u>Dealings by the lessor</u></p> <p>(i) Subject to the lessee's rights to make an offer to purchase i-TechValley 46 and the rights of first refusal, the lessor shall have the right to deal with the proprietary interests, benefits or rights in i-TechValley 46 and the lease agreement in any manner it deems fit to the extent permitted under the terms of the lease agreement and subject to the interest of the lessee pursuant to the lease agreement. The lessor shall notify the lessee in writing if it disposes, transfers, assigns or novates all or any part of the interest or rights under the lease agreement to any third party provided always that:</p> <p>(a) such disposal, transfer, assignment and novation will not be made in favour of any lessee's competitors and the lessee's competitors affiliates as confirmed and verified by the lessee,</p> <p>(b) such disposal, transfer, assignment and novation will be subject to the lease as contemplated under the lease agreement; and</p> <p>(c) lessee's interest under the lease agreement will remain intact.</p>

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

<p>Subject Property</p>	<p>i-TechValley 34</p> <p>(C) <u>Registration of the lease</u></p> <p>(i) If during the lease term and the renewed term (if any), the lessee decides to register the lease under the lease agreement, the lessee shall notify the lessor in writing and shall bear all costs and expenses including any levy, costs, charges and fees payable to the appropriate authority to put into effect such registration subject always to the terms and conditions that the lessor may impose upon receiving such written notification by the lessee including the lessee undertakes at its own costs and expense to remove such endorsement on the issue document of title to i-TechValley 34 upon termination or expiration date of the lease agreement.</p> <p>(ii) Both parties agree that the lease agreement shall be fully effective and binding as a contractual lease, notwithstanding any non-registration of the lease under the lease agreement.</p>	<p>i-TechValley 46</p> <p>In such eventuality, the lessee hereby irrevocably agrees that it will upon notification by the lessor execute the necessary instruments, deeds or documents, as may be required by the lessor to give effect to such disposal, transfer, assignment or novation to any third party by the lessor in accordance with the terms and conditions of the lease agreement. The lessor shall thereby be released from any further responsibility hereunder save and except for any antecedent breach prior to the said disposal, transfer, assignment or novation and the lessee agrees to look solely to such successor in interest of the lessor for performance of such obligation.</p>
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INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

Subject Property	i-TechValley 34	i-TechValley 46
Other salient terms (Cont'd)		<p>(C) <u>Power supply to the premises</u></p> <p>(i) The lessee agrees and acknowledges that the lessor will complete and deliver vacant possession of i-TechValley 46 to the lessee with power supply of MSB1250A, LV System (Incoming setting at 1000A) on the handover date. Subject to the upgrading work for the incoming setting for electricity supply to 2000A(1) (the "Agreed Upgrading Works") to be awarded to the lessor or its appointed contractor as the lessee's alteration works with costs and expenses to be mutually agreed, the lessor or its appointed contractor will procure the execution and completion of the Agreed Upgrading Works and the lessee will bear and pay for the agreed costs and expenses for such Agreed Upgrading Works. The Agreed Upgrading Works shall be completed within 7 calendar months from the date of successful submission of such application for the Agreed Upgrading Works to Tenaga Nasional Berhad with an automatic extension of 2 calendar months from the expiry thereof (the "Upgrading Period"). In the event for reason not attributable to the lessee, the Agreed Upgrading Works is not completed within the Upgrading Period, then notwithstanding anything to the contrary in the lease agreement, the lessor agrees that:</p>

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

Subject Property	i-TechValley 34	i-TechValley 46
		<p>(a) the lessee shall be entitled to rescind the lease agreement without any liability to compensate the lessor and the lessor shall in accordance with the provisions of the lease agreement refund to the lessee free of interest the Rental Deposit and the unutilised agreed rental (if any) which the lessee has paid under the lease agreement and thereafter the lease agreement shall be null and void and neither party shall have any further claim whatsoever against each other; or</p> <p>(b) the parties may mutually agree to another extension of time for the completion of the Agreed Upgrading Works.</p> <p>(ii) Notwithstanding the foregoing, Pentagon Land and Titanium Systems Sdn Bhd have agreed that:</p> <p>(a) the incoming setting for electricity supply to be amended from 2000A to 4000A; and</p> <p>(b) the completion period for the Agreed Upgrading Works to be amended from 7 calendar months to 8 calendar months.</p>

The information on the i-Park SAC 23 & 24 and i-Park SAC 60 & 61 lease agreements are as follows:

Subject Property	i-Park SAC 23 & 24	
Date of lease agreement	15 March 2023. On 9 May 2023, Ipark Development and the lessee had, vide a supplemental lease agreement, varied certain terms of the lease agreement	
Lessees⁽¹⁾	AAC Technologies (Malaysia) Sdn Bhd	
Lease term	Fixed 10 years from the lease commencement date	
	i-Park SAC 60 & 61	
Date of lease agreement	23 January 2024	
Lessees⁽¹⁾	Resmed Malaysia Operations Sdn Bhd	
Lease term	Lease commencement date to 28 July 2032	

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

	i-Park SAC 23 & 24	i-Park SAC 60 & 61
Subject Property		
Rental rate	Gross monthly rental income of RM284,102.80 for the first term, subject to the terms of the lease agreement between Ipark Development and AAC Technologies (Malaysia) Sdn Bhd. Over the entire lease term, the rental escalation will be approximately 13.6%	Expected gross monthly rental income of RM113,679.23 for the first term, subject to the terms of the lease agreement between Ipark Development and Resmed Malaysia Operations Sdn Bhd. Over the entire lease term, the rental escalation will be approximately 17.1%
Renewal option	Fixed 5 years	Fixed 5 years immediately after end July 2032
Permitted use	Solely for manufacturing, research and development of engineering and technology relating to smart phones and/or smart devices, as required by the lessee's operation and its other connected activities and office only.	Solely for manufacture, design, development, storage and distribution of medical devices and related parts and its related activities and offices only.
Security Deposit	Rental deposit of approximately RM1.85 million, subject to the terms of the lease agreement between Ipark Development and AAC Technologies (Malaysia) Sdn Bhd	Rental deposit of approximately RM0.73 million, subject to the terms of the lease agreement between Ipark Development and Resmed Malaysia Operations Sdn Bhd
Late payment charge	Without prejudice to any other rights and remedies which the lessor has against the lessee, if any money payable by the lessee to the lessor shall become due and be unpaid, the lessee shall pay to the lessor the late payment charges on such overdue sum at the rate of 1% per calendar month, such charges shall be calculated on daily basis from the date on which such money falls due for payment to the date such money is actually received by the lessor (as well as after judgment).	Without prejudice to any other rights and remedies which one party has against the other party, if any money payable by one party to the other party shall become due and be unpaid, the defaulting party shall pay to the other party the late payment charges on such overdue sum at the rate of 1.5% per calendar month, such charges shall be calculated on daily basis from the date on which such money falls due for payment to the date such money is actually received by the non-defaulting party (as well as after judgment).
Events of default	<p>The lessee agrees that one or more of the following events, among others, shall be considered "events of default" as the said term is used herein:</p> <p>(i) the lessee shall quit or attempt to quit and deliver vacant possession of i-Park SAC 23 & 24 at any time prior to the expiration date of the lease agreement for any reason, unless such delivery of vacant possession of i-Park SAC 23 & 24 has been mutually agreed in writing between the parties; or</p> <p>(ii) the lessee shall terminate the lease agreement at any time prior to lease commencement date or prior to the expiry of the lease term for any reason, unless such termination has been mutually agreed in writing between the parties.</p>	<p>The lessee agrees that one or more of the following events, among others, shall be considered "lessee's events of default" as the said term is used herein:</p> <p>(i) the lessee shall quit or attempt to quit and deliver vacant possession of i-Park SAC 60 & 61 at any time prior to the expiration date of the lease agreement for any reason other than as permitted under the provisions of the lease agreement; or</p> <p>(ii) the lessee shall determine the lease agreement at any time prior to the lease commencement date or prior to the expiry of the lease term or renewal period for any reason other than as permitted under the provisions of the lease agreement.</p>

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

Subject Property	i-Park SAC 23 & 24	i-Park SAC 60 & 61
<p>Other salient terms</p> <p>(A) <u>The premises</u></p> <p>(i) The construction of the building is estimated to be completed with issuance of a CCC for i-Park SAC 23 & 24 pursuant to the Street, Drainage and Building Act 1974 within a period of 12 calendar months from the date of the building plans are finalised in accordance with clause 4 of the special conditions of the lease agreement or the expiry of the building plans (together with the CCC Period, if so affected) being finalised by the parties within 45 days from the date of the lease agreement, as the case may be subject to clause 4 of the special conditions ("CCC Period") provided always that issuance of the CCC is unaffected by any cause that is beyond the reasonable control of the lessor including any amendments, variations or substitutions to the building plans and/or specification, any acts and/or omissions attributable to the lessee or event of force majeure. The lessor agrees that the lessee shall, on a reasonable basis and at normal working hours, be allowed to inspect i-Park SAC 23 & 24 during the construction period provided that the lessee:</p> <p>(a) shall give at least 3 days' notice of such inspection;</p> <p>(b) shall ensure that it will not impede or obstruct the construction works; and</p> <p>(c) will not issue any instructions to the lessor's contractors or workmen employed on the site but shall only address any comments or issues to the lessor.</p>	<p><u>Dealings by the lessor</u></p> <p>(i) The parties hereto hereby agree that the lessor shall have the right to deal with the proprietary interests, benefits or rights in i-Park SAC 60 & 61 and the lease agreement in any manner it deems fit. The lessor shall notify the lessee in writing if the lessor disposes, transfers, assigns or novates all or any part of the interest or rights under the lease agreement to any third party, in such eventuality, such disposal, transfer, assignment and/or novation shall be made subject to the lessee's lease under the lease agreement and the lessee hereby irrevocably agrees that it will, at the lessor's sole cost, and expense, upon written notification by the lessor execute the necessary instruments, deeds or documents, as may be required by the lessor to give effect to such disposal, transfer, assignment or novation to any third party by the lessor subject to the lessee's lease under the lease agreement. The lessor shall thereby be released from any further responsibility hereunder save and except for any antecedent breach prior to the said disposal, transfer, assignment or novation and the lessee agrees to look solely to such successor in interest of the lessor for performance of such obligation.</p>	

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

Subject Property	i-Park SAC 23 & 24	i-Park SAC 60 & 61
Other salient terms (Cont'd)	<p>(ii) Subject to Paragraph (A)(i) above and provided that the lessee has complied with its obligations, in the event that the CCC has not been issued by the end of the CCC Period, there shall be an automatic extension period of 2 calendar months ("Extended CCC Period") and upon expiry of the Extended CCC Period until actual issuance of the CCC, the lessee shall be entitled to a rent free period corresponding to such delay from the day following the expiry of the Extended CCC Period until the date of the vacant possession notice provided that the CCC shall be obtained within 6 calendar months from the expiry of the Extended CCC Period ("Second Extended CCC Period") or failing which either party shall be entitled to rescind the lease agreement by notice in writing to the other upon expiry of the Second Extended CCC Period and all sums paid by the lessee shall be refunded free of interest within 14 days from the other party's receipt of such notice of rescission whereby the lease agreement shall be null and void and neither party shall have any further claim against each other or both parties may mutually agree to an extension of time for the CCC to be issued.</p>	<p>(B) <u>Construction of building and issuance of the CCC</u> Subject to Clause 4 of this Special Conditions of the lease agreement, the building shall be constructed and completed by the lessor in accordance with the building plans and specifications approved or to be approved by the appropriate authority and set out under Appendix C and Appendix D of the lease agreement respectively; or the lease granted herein. The lessee has inspected and accepted the building plans and the specifications before or at the time of execution hereof and agrees that the lessor shall be entitled at any time hereafter and from time to time, to make such amendments; variations or substitutions thereto as may be required by the appropriate authority or as the lessor, the lessor's architect or engineer may consider expedient or necessary including such changes that are prompted by the conditions and requirements imposed by the appropriate authority.</p> <p>(C) <u>Vacant possession and rent free period</u> (i) The parties agree that during the period of 2 calendar months from the vacant possession date ("Rent Free Period"), no agreed rental shall be payable by the lessee to the lessor. (ii) If the Rent Free Period shall be extended pursuant to Paragraph (C)(i) above, the rental commencement date shall automatically be postponed correspondingly in accordance with the provision of Paragraph (C)(i) above.</p>

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

<p>Subject Property</p>	<p>(B) Dealings by the lessor</p> <p>(i) The parties hereto hereby agree that the lessor shall have the right to deal with the proprietary interests, benefits or rights in i-Park SAC 23 & 24 and the lease agreement in any manner it deems fit provided that the lessor complies with its obligations. The lessor shall notify the lessee in writing if it disposes, transfers, assigns or novates all or any part of the interest or rights under the lease agreement to any third party ("Purchaser") in such eventuality, the lessee hereby irrevocably agrees that it will upon notification by the lessor execute the necessary instruments, deeds or documents, as may be reasonably required by the lessor to give effect to such assignment or novation to any third party by the lessor, provided always that the lessor shall procure the Purchaser to enter into a novation agreement with the lessor and lessee where the Purchaser agrees to grant the lessee a lease of i-Park SAC 23 & 24 of the remaining term of the lease term and where applicable, the renewed period, based on the same terms and conditions of the lease agreement. The lessor shall thereby be released from any further responsibility hereunder save and except for any antecedent breach prior to the said disposal, transfer, assignment or novation and the lessee agrees to look solely to such successor in interest of the lessor for performance of such obligation.</p>	<p>i-Park SAC 60 & 61</p> <p>(D) Restriction in interest – Bumiputera status</p> <p>The lessor hereby acknowledges that the land held under HS(D) 596309 PTD 196195, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor (which is part of i-Park SAC 60 & 61) was allocated for Bumiputera. The lessor further confirms that the approval from the appropriate authority for the release of the Bumiputera restriction has been duly obtained by the lessor.</p>
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INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

Subject Property	i-Park SAC 23 & 24	i-Park SAC 60 & 61
Other salient terms (Cont'd)	<p>(C) <u>Compulsory acquisition</u></p> <p>(i) In the event the appropriate authority acquiring after the execution of the lease agreement, i-Park SAC 23 & 24 or any part of i-Park SAC 23 & 24 such that the lessee is unable to continue to operate its business from i-Park SAC 23 & 24, the lessor shall immediately notify the lessee of the same and the lessee shall be at liberty to terminate the lease by notice in writing to the lessor to that effect and upon such termination the lessor shall refund to the lessee the security deposit less any deductions made by the lessor to remedy or rectify an breach or non-observance by the lessee of the covenants on the part of the lessee in the lease agreement without prejudice to any other rights and remedies available to the lessor or pursuant to the lease agreement.</p> <p>(D) <u>Corporate guarantee</u></p> <p>(i) The lessee agrees and undertakes with the lessor to procure its holding company in Singapore, AAC Technologies Pte. Ltd (Registration No. 200807951G) ("Corporate Guarantor") to provide a guarantee in favour of the lessor in the form and substance acceptable to the lessor ("Corporate Guarantee") and contemporaneously with the execution of the lease agreement as further security and to guarantee the lessee's due observance, performance and compliance of the lease agreement.</p>	

INFORMATION ON THE LEASE AGREEMENTS (Cont'd)

Subject Property	i-Park SAC 23 & 24	i-Park SAC 60 & 61
Other salient terms (Cont'd)	(ii) In respect of Section 8.02 of the lease agreement, in granting the consent for the assignment/subletting, the lessor shall be entitled to request the lessee to procure a new guarantee to be issued by the Corporate Guarantor and/ or any other party as requested by the lessor, in form and substance similar to the Corporate Guarantee.	

Note:

- (1) For avoidance of doubt, none of the lessees are related to the Interested Parties.

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VALUATION CERTIFICATE



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
 (formerly known as C H Williams Talbot & Wong Sdn Bhd)

Unit 15B Level 15 Menara Ansar
 65 Jalan Trus P O Box 320
 80000 Johor Bahru
 Johor Darul Takzim
 Malaysia

Report and Valuation

24 July 2024

PRIVATE & CONFIDENTIAL

AME ELITE CONSORTIUM BERHAD

No. 2, Jalan I-Park SAC 1/1
 Taman Perindustrian I-Park SAC
 81400 Senai
 Johor

RHB TRUSTEES BERHAD (as the trustee of
 AME REIT)

Level 10, Tower One, RHB Centre
 Jalan Tun Razak
 50400 Kuala Lumpur

T +(6 07) 224 3388
 F +(6 07) 224 9769

E johorbahru@cbre-wtw.com.my
 www.cbre-wtw.com.my

Dear Sirs,

**CERTIFICATE OF VALUATION OF FOUR (4) INDUSTRIAL PROPERTIES FOR THE
 PURPOSE OF SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD ("BURSA
 MALAYSIA") IN RELATION TO**

- a) PROPOSED DISPOSALS OF FOUR (4) INDUSTRIAL PROPERTIES BY
 SUBSIDIARIES OF AME ELITE CONSORTIUM BERHAD ("AME ELITE")
 ("PROPOSED DISPOSALS"); AND**
- b) PROPOSED ACQUISITIONS OF FOUR (4) INDUSTRIAL PROPERTIES BY RHB
 TRUSTEES BERHAD (ACTING ON BEHALF OF AME REAL ESTATE
 INVESTMENT TRUST ("AME REIT")) ("PROPOSED ACQUISITIONS")**

We thank you for your instructions to carry out a formal valuation on the above-mentioned property and to provide our opinion of the market value of the property for the purpose of submission to Bursa Malaysia in relation to the following:

- a) proposed disposals of four (4) industrial properties by subsidiaries of AME Elite; and
 b) proposed acquisitions of four (4) industrial properties by RHB Trustees Berhad (acting on behalf of AME REIT).

This Certificate of Valuation is prepared for inclusion in the circular to the shareholders of AME Elite in relation to the Proposed Disposals and the circular to the unitholders of AME REIT in relation to the Proposed Acquisitions.

The valuation has been prepared in accordance with the requirements stipulated in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

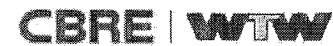
For all intents and purposes, this Certificate of Valuation should be read in conjunction with the full Report and Valuation.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have inspected the subject property on 4 July 2024. The material date of valuation is taken as 4 July 2024.



VALUATION CERTIFICATE (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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METHOD OF VALUATION

In arriving at our opinion of Market Values, we have adopted the following Valuation Methodologies:-

Income Approach (Investment Method)

We have adopted the Income Approach (Investment Method) as our main approach.

The 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 rental. This method is premised on the principle that the value of an income-producing property is represented by "the present worth of future rights to income, or utility".

The passing rents of the existing tenancies are adopted as the 'Term' income whilst the rent for 'Reversion' is benchmarked against recently concluded tenancies within the same property as the main guide as well as market rental evidences for other similar type of properties.

In arriving at the market rent of the subject property under the reversionary valuation, we have considered the following market evidences:-

i) i-Park @ Senai Airport City

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Tenancy Agreement	Lease Agreement	Lease Agreement	Lease Agreement
Location	Taman Perindustrian I-Park SAC, Senai, Johor	Taman Perindustrian I-Park SAC, Senai, Johor	Taman Perindustrian I-Park SAC, Senai, Johor	Taman Perindustrian I-Park SAC, Senai, Johor
Type	Single storey detached factory with mezzanine office			
Tenure	Freehold / Term In Perpetuity			
Lettable Floor Area	58,074 sq ft	58,074 sq ft	56,814 sq ft	72,177 sq ft
Date of Agreement	15/07/2023	29/05/2023	10/08/2022	20/01/2020
Concluded Rental	RM95,822/-	RM113,015/-	RM93,744/-	RM136,415/-
Analysis Rental (RM psf)	RM1.65 psf	RM1.95 psf	RM1.65 psf	RM1.89 psf

ii) i-TechValley @ Kawasan Perindustrian SILC

Details	Comparable 1	Comparable 2	Comparable 3
Source	Tenancy Agreement	Tenancy Agreement	Tenancy Renewal
Location	Taman Perindustrian Nusa Cemerlang, Iskandar Puteri, Johor	Taman Perindustrian Nusa Cemerlang, Iskandar Puteri, Johor	Kawasan Perindustrian SILC, Iskandar Puteri, Johor
Type	Detached factory		
Tenure	Freehold / Term in perpetuity		
Lettable Floor Area	86,453 sq ft	63,280 sq ft	45,984 sq ft
Date of Agreement	06/06/2023	14/03/2023	16/01/2021
Concluded Rental	RM112,389/-	RM82,264/-	RM80,472/-
Analysis Rental (RM psf)	RM1.30 psf	RM1.30 psf	RM1.75 psf

Summary of the gross rentals adopted for the term and reversionary are tabulated as follows:-

Locality	Term Rental	Reversionary Rental
i-Park SAC 23 & 24	RM2.20 - RM2.50 psf/month	RM1.75 psf/month
i-TechValley 34	RM1.55 - RM1.80 psf/month	RM1.50 psf/month
i-TechValley 46	RM1.50 - RM1.90 psf/month	RM1.55 psf/month
i-Park SAC 60 & 61	RM1.75 - RM2.05 psf/month	RM1.70 psf/month

The other component of the Investment Method is the annual outgoings which comprises all the property related expenses such as property taxes, insurance, repair & maintenance cost as well as provision for property management fees. Void factor which relates to non-generation of rental income during the period between rent reviews and rent-free period is also construed as property expenses.

VALUATION CERTIFICATE (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (1974-01001098)

Page 3

METHOD OF VALUATION

Income Approach (Investment Method) (Cont'd)

We have adopted a market corroborated capitalisation rate to arrive at the capital value of the subject property. In arriving at our opinion of the appropriate capitalisation rate, we have examined and analysed several past and recent sales of industrial premise. Exercising judgement based on our experience in the industry, we have compared the relative investment characteristics of the subject property and the sales. We have made necessary diligent adjustments to arrive at the capitalisation rate with emphasis given on the current property market condition, location, tenure, tenants' profile, quality and condition of the subject building. We also have taken into account the current economic condition, the existing and future demand and supply of industrial space in arriving the capitalisation rate.

The yield analysis of selected industrial premises based on the past and recent transactions is tabulated as follows:-

Comparable	1	2	3	4	5	6
Location	No. 20, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, Senai	No. 18, Jalan Kargo 2, Taman Perindustrian I-Park SAC, Senai	No. 69, Jalan I-Park SAC 8, Taman Perindustrian I-Park SAC, Senai	No. 48, Jalan I-Park SAC 7, Taman Perindustrian I-Park SAC, Senai	No. 89A, Jalan I-Park 1/6, Kaw. Perindustrian i-Park, Bandar Indahpura, Kulai	No. 21, Jalan Bioteknologi 3, Kaw. Perindustrian SILC, Iskandar Puteri
Date	19/07/2022	19/07/2022	19/07/2022	19/07/2022	22/02/2022	31/07/2019
Consideration	RM14,000,000/-	RM38,000,000/-	RM17,000,000/-	RM21,000,000/-	RM16,300,000/-	RM14,300,000/-
Lettable Area	58,074 sq ft	82,829 sq ft	64,592 sq ft	100,366 sq ft	59,956 sq ft	45,984 sq ft
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Estimated Net Yield Rate	6.6%	5.0%	6.2%	6.3%	6.1%	5.2%

Source: CBRE|WTW Research

The above analysis revealed yields ranging from 5.0% to 6.6%. Our research on the yield trend revealed that yields of industrial premise are under further compression due to scarcity of quality investment which allows for long term rental income along with capital appreciation.

Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.00% whilst the adopted term yields range from 5.75% to 6.50% to reflect the contracted rental rates are over or at market rate.

The yield rate adopted in the reversionary is market derived and we have allowed a higher yield to reflect a risk premium, i.e., tenant risk and market risk during the reversionary period of an investment compared to the secured rental income received for the term.

Comparison Approach

Comparison Approach was used as a check method to see the reasonability of the value generated by the Income Approach (Investment Method).

The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, size of the building, age and condition of unit and building, size and shape of land, tenure, planning status, title restrictions if any and other relevant characteristics to arrive at the market value.

The principle of comparison is based on the economic concept of substitution, that a knowledgeable and prudent person would not pay more for a property than the cost of acquiring an equally satisfactory substitute. This implies that, within a suitable time-frame, the values of properties that are considered to be close substitutes in terms of location, utility and desirability will tend to be similar and the lowest price of the best alternative tends to establish market value.

We have compiled and analysed sale evidences in the localities of the subject property. In arriving at our opinion of value of the subject property using the Comparison Approach, the selected suitable sale evidences, amongst others, are considered and adopted.

The transactions data adopted in our valuation are from Valuation and Property Services Department (JPPH) which can be relied upon with significant level of certainty.

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Page 4

METHOD OF VALUATION**OPINION OF VALUE**

The table below is a summary of Market Values for the properties valued: -

No.	Property Details	Market Value
1	Lot No. PTD 114240, Mukim of Senai, District of Kulai, Johor (No. 30, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC 81400 Senai, Johor) @ i-Park SAC 23 & 24 A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/014047A/24/GXZ)	RM46,000,000/-
2	Lot 169211, Mukim of Pulai, District of Johor Bahru, Johor (No. 8, Jalan SILC 3/1, Kawasan Perindustrian SILC 79200 Iskandar Puteri, Johor) @ I-TechValley 34 A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/014047B/24/GKN)	RM27,000,000/-
3	Lot 169223, Mukim of Pulai, District of Johor Bahru, Johor (No. 9, Persiaran Bioteknologi, Kawasan Perindustrian SILC 79200 Iskandar Puteri, Johor) @ I-TechValley 46 A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/014047C/24/GKN)	RM29,000,000/-
4	Lot Nos. PTD 196194 & PTD 196915, Mukim of Tebrau, District of Johor Bahru, Johor [Nos. 82 & 83 (Plot 60 & 61), Jalan I-Park SAC 5, Taman Perindustrian I-Park SAC, 81400 Senai, Johor] @ i-Park SAC 60 & 61 A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/014047D/24/GXZ)	RM20,000,000/-
Grand Total		RM122,000,000/-

Yours faithfully

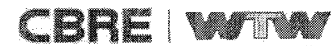
for and on behalf of

CBRE WTW Valuation & Advisory Sdn Bhd

(formerly known as C.H Williams Talhar & Wong Sdn Bhd)

Sr CHONG SHEK HEONG

M. Com. (Applied Finance), B. Bus. (Property), MRISM
Registered Valuer (V-0951)

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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CERTIFICATES OF VALUATION

1. No. 30, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor @ I-Park SAC 23 & 24
(Our Ref: WTW/04/V/014047A/24/GXZ)

TERMS OF REFERENCE

Vide the Sale and Purchase Agreement to be entered into between Ipark Development Sdn Bhd ("Vendor") and RHB Trustees Berhad (as trustee for AME Real Estate Investment Trust) ("Purchaser"), the Purchaser is desirous of acquiring the subject property from the Vendor upon the terms therein.

Pursuant to the Agreement, the Parties thereby agree that the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, on the basis that the subject property is :

- (i) subject to the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the Title;
- (ii) completed in accordance with the building plans and specifications as approved by the relevant local authority as annexed thereto as Annexure A ("Approved Building Plans") and with CCC obtained;
- (iii) without vacant possession on the basis that the subject property is built in accordance with the specification and requirements as agreed upon in the Lease between the Vendor and the Lessee;
- (iv) free from Encumbrances, save for the Lease which the Parties acknowledge may be registered on the Title before or after the Completion as disclosed in Section 2 of Schedule 2 thereto; and
- (v) acquired by the Purchaser acting in its capacity as trustee for and on behalf of AME REIT and accordingly, the rights of the Purchaser pursuant to that Agreement is solely for the benefit of AME REIT.

As at the date of valuation, the subject property is under construction and we were made to understand that it is scheduled to be completed with Certificate of Completion and Compliance ("CCC") issued by the end of August 2024.

Notwithstanding the above, as instructed, the valuation is carried out based on the following **BASIS(S)**:

THE SUBJECT BUILDING HAS BEEN CONSTRUCTED / COMPLETED IN ACCORDANCE WITH THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH CERTIFICATE OF COMPLETION AND COMPLIANCE ("CCC") BY THE RELEVANT AUTHORITIES.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS IS INVALID/INCORRECT.

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No.30, Jalan I-Park SAC 4, Taman Perindustrian I-Park SAC, 81400 Senai, Johor
Title No.	:	HSD 80929
Lot No.	:	PTD 114240, Mukim of Senai, District of Kulai, Johor
Land Area	:	15,070 square metres (1.507 hectares / 3.724 acres)
Gross Floor Area	:	11,848 square metres (127,531 square feet)*
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Encumbrances	:	Nil
Other Endorsement	:	Nil
Date of Valuation	:	4 July 2024

*Note :- * We have computed the Gross Floor Area ("GFA") in accordance with the Uniform Method of Measurement of Buildings ("UMMB") issued by the Royal Institution of Surveyors Malaysia.*

The differences between the computed GFA and the area as per the respective building plans are mainly on the loading bay and awning/ roof covered area, in which our computation has considered the same as Ancillary Floor Area ("AFA") in accordance with the UMMB whilst the same were not reflected in the tabulated area in the respective building plans.

In relation to the agreed lettable areas stipulated in the respective Lease Agreements, the same has been agreed upon between the respective lessors and lessees to include all the area that has been constructed / built-upon by the developer including soffit, slab and facade etc.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office and other ancillary buildings.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls and glass curtain walls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil. It has a ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m² for the factory, indoor and outdoor utility platform areas and 2.5kN/m² for office area.

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor and plastered brickwalls covered over with metal deck roofing sheets / reinforced concrete flat roof.

The building plans for the subject property have been approved by the Majlis Perbandaran Kulai on 5 February 2024 vide Plan No. MPKu4/2-13/2016K_PIND1.

Based on the Valuation for Interim Certificate No. 12, the Value of Workdone for building and external work certified by the consultant, i.e. Messrs. Smart Growth Management Sdn Bhd is RM13,848,486.50 for the period ending 31 May 2024. Based on the Recommend of Work Progress Payment Certificate No. 6, the Total Value of Work Done for the mechanical and electrical works certified by the consultant, i.e. Messrs. KAC Projects Sdn Bhd is RM1,765,769.31 for the period ending 27 May 2024.

The construction of the subject building is estimated at about 98.9% completion.

We were made to understand that the subject property is scheduled to be completed with CCC issued by end of August 2024.

For the purpose of this valuation, we were specifically instructed to value the subject property on the basis that the subject building has been constructed / completed in accordance with the approved building plans and specifications and issued with a CCC by the relevant authorities.

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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OCCUPATION

The subject property will be leased to AAC Technologies (Malaysia) Sdn Bhd for fixed ten (10) years from the Lease Commencement Date (i.e. as at the Vacant Possession Date upon issuance of CCC). We were made to understand that it is expected to be commenced by the end of August 2024.

Vide the Lease Agreement dated 15 March 2023 and Supplemental Agreement dated 9 May 2023 entered into between Ipark Development Sdn Bhd ("the Lessor") and AAC Technologies (Malaysia) Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property with an Agreed Lettable Area measuring approximately 11,981.89 square metres or 128,973.06 square feet.

The Lease Term is for fixed ten (10) years from the Lease Commencement Date (i.e. as at the Vacant Possession Date upon issuance of CCC) at the following Agreed Rental: -

Term	Year 1	Year 2 to 4	Year 5 to 7	Year 8 to 10
Building	RM219,234.20 only (at the rate of RM1.70 per square foot on the Agreed Lettable Area)	RM225,702.86 only (at the rate of RM1.75 per square foot on the Agreed Lettable Area)	RM245,048.81 only (at the rate of RM1.90 per square foot on the Agreed Lettable Area)	RM257,946.12 only (at the rate of RM2.00 per square foot on the Agreed Lettable Area)
Installation	RM64,848.60 only			
Agreed Rental per month	RM284,102.80 only	RM290,551.46 only	RM309,897.41 only	RM322,794.72 only

Subject to the terms and conditions of the Lease Agreement and upon request by the Lessee, the Lessor had agreed to install High Tension Electricity System and Waterproofing Membrane (GCP) underneath of concrete slab (collectively "Installation") at the subject property.

The Lessee had agreed to lease the Installation and the Agreed Rental for the subject property shall include the monthly rental for the Installation.

Subject to the Lessee being in compliance with all its covenants, obligations, responsibilities and/or liabilities therein and not being in breach of any provisions therein, the Lessor thereby agrees to grant to the Lessee an option to renew the Lease Term for further term of fixed five (5) years ("Renewed Period").

The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and if the option to renew is exercised by the Lessee in the time and manner, the Agreed Rental for the Renewed Period shall be at the prevailing market rate to be mutually agreed upon by the Parties in writing.

PLANNING PROVISION

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

VALUATION CERTIFICATE (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION

I. INCOME APPROACH (INVESTMENT METHOD)

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent as stipulated in the Supplemental Agreement dated 9 May 2023 entered into between Ipark Development Sdn Bhd ("the Lessor") and AAC Technologies (Malaysia) Sdn Bhd ("the Lessee").
Reversionary Rental	<p>Vide the Lease Agreement dated 15 March 2023 and Supplemental Agreement dated 9 May 2023 entered into between Ipark Development Sdn Bhd ("the Lessor") and AAC Technologies (Malaysia) Sdn Bhd ("the Lessee"), the subject property will be equipped with High-Tension Electricity System and Waterproofing Membrane. This is the special requisition signified by the lessee to the lessor as the lessee's business model requires the said installation / feature.</p> <p>Based on the previous site inspection of CBRE WTW and data / information of the building / specification of the comparables available, we have taken into consideration the differences in age of the buildings, depreciation, functionality and cost of the additional installation / feature for the comparables and therefore made the necessary adjustments in our valuation accordingly.</p> <p>We have adopted a gross market rental rate of RM1.75 per square foot per month which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.</p>
Outgoings	<p>We have adopted the actual expenses for quit rent, estimated assessment at RM140,000 and estimated fire insurance premium at RM34,000, whilst for the costs of upkeep and maintenance as well as property management fees are based on 1% of gross annual rental in view of the subject property is to be newly completed.</p> <p>For the reversionary, we have allocated a 2% of the gross annual rental as the projected allocation for upkeep and maintenance, as fair representation after having benchmarked against the similar comparable properties.</p>
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	<p>Based on the past and recent sales of industrial premise, the yields range from 5.0% to 6.6%.</p> <p>Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.00% whilst the adopted term yields range from 5.75% to 6.50% to reflect the contracted rental rates are over or at market rate.</p> <p>The yield rate adopted in the reversionary is market derived and we have allowed higher yield to reflect a risk premium, i.e., tenant risk and market risk during the reversionary period of an investment compared to the secured rental income received for the term.</p>

II. COMPARISON APPROACH

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation & Property Services Department		
Lot No., Town, District and State	PTD 112794, Mukim of Senai, District of Kulai, Johor	PTD 112796, Mukim of Senai, District of Kulai, Johor	PTD 112829, Mukim of Senai, District of Kulai, Johor
Address	No. 62, Jalan I-Park SAC 6, Taman Perindustrian I-Park SAC, Senai	No. 60, Jalan I-Park SAC 6, Taman Perindustrian I-Park SAC, Senai	No. 22, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, Senai
Type	Single storey detached factory with mezzanine office		
Tenure	Freehold / Term in perpetuity		
Land Area	7,260.00 sqm (78,146 sqft)	7,639.20 sqm (82,228 sqft)	15,244.90 sqm (164,095 sqft)
Main Floor Area	5,032 sqm (54,168 sqft)	4,419 sqm (47,566 sqft)	10,977 sqm (118,155 sqft)
Date	30/03/2023	05/12/2022	19/07/2022
Vendor	Ipark Development Sdn Bhd	Ipark Development Sdn Bhd	Ipark Development Sdn Bhd
Purchaser	Hochuen Medical Sdn Bhd	RHB Trustee Berhad	RHB Trustee Berhad
Consideration	RM18,158,082/-	RM16,250,000/-	RM47,000,000/-
Analysis Value / MFA (RM psm)	RM3,608 psm	RM3,677 psm	RM4,282 psm
Analysis Value / MFA (RM psf)	RM335 psf	RM342 psf	RM398 psf
Adjustments	Adjustments are made on time/market condition, size of the building and age, condition and design of the building.		
Adjusted Value / MFA (RM psf)	RM347 psf	RM354 psf	RM435 psf

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM347 to RM435 per square foot. We have placed greater emphasis on Comparable No. 1 and 3 by reason of they are among the latest transactions and have similar building size with the subject property.

We have adopted RM390 per square foot over the main floor area for the subject property as a fair representation.

RECONCILIATION OF VALUE

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM46,000,000/-
Comparison Approach	RM44,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease with the lessee, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer and free from all encumbrances at **RM46,000,000/- (Ringgit Malaysia : Forty Six Million Only)**.

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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2. No. 8, Jalan SILC 3/1, Kawasan Perindustrian SILC 79200 Iskandar Puteri, Johor @ I-TechValley 34
(Our Ref : WTW/04/V/014047B/24/GKN)

TERMS OF REFERENCE

Vide the Sale and Purchase Agreement to be entered into between Pentagon Land Sdn Bhd ("Vendor") and RHB Trustees Berhad (as trustee for AME REIT) ("Purchaser"), the Purchaser is desirous of acquiring the subject property from the Vendor upon the terms therein.

Pursuant to the agreement, the parties thereby agree that the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, on the basis that the subject property is:

- (i) subject to the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the Title;
- (ii) completed in accordance with the building plans and specifications as approved by the relevant local authority as annexed hereto as Annexure A ("Approved Building Plans") and with CCC obtained;
- (iii) without vacant possession on the basis that the Subject Property is built in accordance with the specification and requirements as agreed upon in the Lease between the Vendor and the Lessee;
- (iv) free from Encumbrances, save for the Lease which the Parties acknowledge may be registered on the Title before or after the Completion as disclosed in Section 2 of Schedule 2 hereto; and
- (v) acquired by the Purchaser acting in its capacity as trustee for and on behalf of AME REIT and accordingly, the rights of the Purchaser pursuant to this Agreement is solely for the benefit of AME REIT.

As at the date of valuation, the subject property is under construction and we were made to understand that it is scheduled to be completed with Certificate of Completion and Compliance ("CCC") issued by the end of June 2025.

Notwithstanding the above, as instructed, the valuation is carried out based on the following **BASIS(S)**:

THE SUBJECT BUILDING HAS BEEN CONSTRUCTED / COMPLETED IN ACCORDANCE WITH THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH CERTIFICATE OF COMPLETION AND COMPLIANCE ("CCC") BY THE RELEVANT AUTHORITIES.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS IS INVALID/INCORRECT.

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 8, Jalan SILC 3/1, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor
Title No.	:	GRN 587959
Lot No.	:	Lot 169211, Mukim of Pulai, District of Johor Bahru, Johor
Land Area	:	12,180 square metres (131,104 square feet or 3.01 acres)
Gross Floor Area	:	9,070 square metres (97,627 square feet)*
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Pentagon Land Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Encumbrances	:	Nil
Other Endorsement	:	Vide Presentation No. 32854/2024 Lienholder's Caveat on Land lodged on 23 July 2024
Date of Valuation	:	4 July 2024

*Note :- * We have computed the Gross Floor Area ("GFA") in accordance with the Uniform Method of Measurement of Buildings ("UMMB") issued by the Royal Institution of Surveyors Malaysia.*

The differences between the computed GFA and the area as per the respective building plans are mainly on the loading bay and awning/ roof covered area, in which our computation has considered the same as Ancillary Floor Area ("AFA") in accordance with the UMMB whilst the same were not reflected in the tabulated area in the respective building plans.

In relation to the agreed lettable areas stipulated in the respective Lease Agreements, the same has been agreed upon between the respective lessors and lessees to include all the area that has been constructed / built-upon by the developer including soffit, slab and façade etc.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office and other ancillary buildings.

The single storey detached factory with mezzanine office will be constructed of steel portal framework with concrete floors, plastered brickwalls topped with metal claddings and supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil. It will have a ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m² and 2.5kN/m² for the factory and office areas respectively.

The ancillary buildings will be constructed of reinforced concrete framework with concrete floor and plastered brickwalls supporting a concrete flat roof / covered over with metal deck roofing sheets.

At the time of our inspection, we noted that the subject site is undergoing building construction works. The site boundaries are generally demarcated by metal hoardings.

The building plans for the subject property have been approved by the Majlis Bandaraya Iskandar Puteri on 16 August 2023 vide Plan No. MBIP(JB)BS/9/14/2023(23).

Based on the Valuation for Interim Certificate No. 2, the Value of Workdone certified by the consultant, i.e. Messrs. CEM Project PLT is at RM192,658.17 for the period ending 31 May 2024. The construction of the subject building is estimated at about 1.87% completion.

We were made to understand that the subject property is scheduled to be completed with CCC issued by the end of June 2025.

For the purpose of this valuation, we were specifically instructed to value the subject property on the basis that the subject building has been constructed / completed in accordance with the approved building plans and specifications and issued with a CCC by the relevant authorities.

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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OCCUPATION

The subject property was leased to Ametalin Sdn Bhd for a fixed five (5) years from the Lease Commencement Date (as at the Vacant Possession Date). We were made to understand that it is expected to be commenced by the end of June 2025.

Vide the Lease Agreement dated 27 March 2024 entered into between Pentagon Land Sdn Bhd ("the Lessor") and Ametalin Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property with an Agreed Lettable Area measuring approximately 98,765.30 square feet.

The Lease Term is for a fixed five (5) years from the Lease Commencement Date (as at the Vacant Possession Date) at the following Agreed Rental :-

Term	Year 1	Year 2 to 3	Year 4 to 5
Agreed Rental per month	RM153,086.22 only (at the rate of RM1.55 per square foot on the Agreed Lettable Area)	RM162,962.75 only (at the rate of RM1.65 per square foot on the Agreed Lettable Area)	RM177,777.54 only (at the rate of RM1.80 per square foot on the Agreed Lettable Area)

Subject to the Lessee being in compliance with all its covenants, obligations, responsibilities and/or liabilities therein and not being in breach of any provisions therein, the Lessor thereby agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("First Renewed Period") and another three (3) years from the expiration of first renewed period ("Second Renewed Period").

The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate but to be mutually agreed upon by the Parties in writing.

The agreed rental for First and Second Renewed Period shall be at the prevailing market rate to be mutually agreed upon by the Parties in writing and provided that the Agreed Rental for First Renewed Period shall not be less than the Agreed Rental payable during Year 4 to 5 and Agreed Rental for Second Renewed Period shall not be less than the Agreed Rental for First Renewed Period.

PLANNING PROVISION

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

VALUATION CERTIFICATE (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION

I. INCOME APPROACH (INVESTMENT METHOD)

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent as stipulated in Lease Agreement dated 27 March 2024 entered into between Pentagon Land Sdn Bhd ("the Lessor") and Ametalin Sdn Bhd ("the Lessee").
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Outgoings	We have adopted the actual expenses for quit rent, estimated assessment at RM81,000 and estimated fire insurance premium at RM18,000, whilst for the costs of upkeep and maintenance as well as property management fees are based on 1% of gross annual rental in view of the subject property is to be newly completed. For the reversionary, we have allocated a 2% of the gross annual rental as the projected allocation for upkeep and maintenance, as fair representation after having benchmarked against the similar comparable properties.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.0% to 6.6%. Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.00% whilst the adopted term yields range from 5.75% to 6.25% to reflect the contracted rental rates are over or at market rate. The yield rate adopted in the reversionary is market derived and we have allowed higher yield to reflect a risk premium, i.e. tenant risk and market risk during the reversionary period of an investment compared to the secured rental income received for the term.

II. COMPARISON APPROACH

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation & Property Services Department			
Lot No., Town, District and State	Lot 150567, Mukim of Pulai, District of Johor Bahru, Johor	PTD 7667, Mukim of Jelutong, District of Johor Bahru, Johor	PTD 7669 & PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor	Lot 169267 & Lot 169268, Mukim of Pulai, District of Johor Bahru, Johor
Address	No. 1, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri, Johor	No. 19, Jalan Bioteknologi 3, Kawasan Perindustrian SILC	Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SILC	Lot 169267 & Lot 169268, Jalan SILC 2/3, Kawasan Perindustrian SILC
Type	Single storey detached factory with mezzanine office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,640 sqm (71,472 sqft)	5,240 sqm (56,403 sqft)	10,080 sqm (108,500 sqft)	8,134 sqm (87,554 sqft)
Approximate Main Floor Area	3,731 sqm (40,165 sqft)	4,283 sqm (43,152 sqft)	8,018 sqm (86,304 sqft)	4,778 sqm (51,426 sqft)
Date	03/02/2023	24/08/2022	19/07/2022	17/03/2022
Vendor	Techwah Pharmapack Solutions Sdn Bhd	Symphony Square Sdn Bhd	Symphony Square Sdn Bhd & Twin Sunrich Sdn Bhd	Pentagon Land Sdn Bhd
Purchaser	Goldenlink Auto Holdings Sdn Bhd	Owen Mumford Sdn Bhd	RHB Trustee Berhad (Trustee for AME REIT)	Tapis Teknik Sdn Bhd
Consideration	RM12,800,000/-	RM13,360,732/-	RM24,000,000/-	RM18,711,364/-
Analysis Value / MFA (RM psm)	RM3,430 psm	RM3,120 psm	RM2,993 psm	RM3,916 psm
Analysis Value / MFA (RM psf)	RM319 psf	RM310 psf	RM278 psf	RM364 psf
Adjustments	Adjustments are made on time/market condition, size, age, condition & design of the building			
Adjusted Value / MFA (RM psf)	RM330 psf	RM303 psf	RM336 psf	RM335 psf

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM303 to RM336 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 4 as Comparable 1 is the latest transaction and Comparable 4 is located nearest to the subject property.

We have adopted RM330 per square foot over the main floor area for the subject property as a fair representation.

RECONCILIATION OF VALUE

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM27,000,000/-
Comparison Approach	RM29,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease with the lessee, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** free from all encumbrances at **RM27,000,000/- (Ringgit Malaysia : Twenty Seven Million Only)**.

VALUATION CERTIFICATE (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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**3. No. 9, Persiaran Bioteknologi, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor
@ I-TechValley 46
(Our Ref : WTW/04/V/014047C/24/GKN)**

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 9, Persiaran Bioteknologi, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor
Title No.	:	GRN 587971
Lot No.	:	Lot 169223, Mukim of Pulai, District of Johor Bahru, Johor
Land Area	:	12,180 square metres (131,104 square feet or 3.01 acres)
Gross Floor Area	:	9,107 square metres (98,030 square feet)*
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Pentagon Land Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Encumbrances	:	Nil
Other Endorsement	:	Vide Presentation No. 18395/2023 Lienholder's Caveat on Land lodged by RHB Islamic Bank Berhad registered on 8 May 2023
Date of Valuation	:	4 July 2024

*Note :- * We have computed the Gross Floor Area ("GFA") in accordance with the Uniform Method of Measurement of Buildings ("UMMB") issued by the Royal Institution of Surveyors Malaysia.*

The differences between the computed GFA and the area as per the respective building plans are mainly on the loading bay and awning/ roof covered area, in which our computation has considered the same as Ancillary Floor Area ("AFA") in accordance with the UMMB whilst the same were not reflected in the tabulated area in the respective building plans.

In relation to the agreed lettable areas stipulated in the respective Lease Agreements, the same has been agreed upon between the respective lessors and lessees to include all the area that has been constructed / built-upon by the developer including soffit, slab and façade etc.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office and other ancillary buildings.

The single storey detached factory with mezzanine office is constructed of steel portal framework with concrete floors, plastered brickwalls topped with metal claddings and supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil. It has a ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m² and 2.5kN/m² for the factory and office areas respectively.

The ancillary buildings are constructed of reinforced concrete framework with concrete floor and plastered brickwalls supporting a concrete flat roof / covered over with metal deck roofing sheets.

At the time of our inspection, the buildings were generally in a good state of repair and maintenance.

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/00287 dated 9 January 2024. The buildings are newly completed.

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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OCCUPATION

The subject property was leased to Titanium Systems Sdn Bhd commenced on 1 April 2024 with three (3) months' rent free period and expiring on 31 March 2034.

Vide the Lease Agreement dated 7 March 2024 entered into between Pentagon Land Sdn Bhd ("the Lessor") and Titanium Systems Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property with an Agreed Lettable Area measuring approximately 99,173.79 square feet.

The Lease Term is for a fixed ten (10) years (upon obtaining the S433B Approval), commenced on 1 April 2024 with three (3) months' rent free period and expiring on 31 March 2034 at the following Agreed Rental: -

Term	First Fixed Term (Year 1)	Second Fixed Term (Year 2 to 4)	Third Fixed Term (Year 5 to 7)	Fourth Fixed Term (Year 8 to 10)
Agreed Rental per month	RM148,760-69 only (at the rate of RM1.50 per square foot on the Agreed Lettable Area)	RM163,636-75 only (at the rate of RM1.65 per square foot on the Agreed Lettable Area)	RM178,512.82 only (at the rate of RM1.80 per square foot on the Agreed Lettable Area)	RM188,430.20 only (at the rate of RM1.90 per square foot on the Agreed Lettable Area)

Subject to the Lessee being in compliance with all its covenants, obligations, responsibilities and/or liabilities therein and not being in breach of any provisions therein, the Lessor thereby agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Lease Renewed Period") or such other longer period as the mutually agreed upon by the Parties in writing.

The option to renew shall be exercised by the Lessee by written notice to the Lessor at least six (6) months prior to the Expiration Date and the Agreed Rental for the Renewed Period shall be at the prevailing market rate but to be mutually agreed upon by the Parties in writing.

The agreed rental for Lease Renewed Period shall be at the prevailing market rate to be mutually agreed upon by the Parties in writing and provided that:-

- (i) the Agreed Rental for the Lease Renewed Period shall not be less than the Agreed Rental payable during the Fourth Fixed Term (Year 8 to 10); and
- (ii) any increment thereto shall not exceed ten per centum (10%) of the Agreed Rental payable during the Fourth Fixed Term (Year 8 to 10).

PLANNING PROVISION

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

VALUATION CERTIFICATE (Cont'd)

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CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION

II. INCOME APPROACH (INVESTMENT METHOD)

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent as stipulated in Lease Agreement dated Lease Agreement dated 7 March 2024 entered into between Pentagon Land Sdn Bhd ("the Lessor") and Titanium Systems Sdn Bhd ("the Lessee").
Reversionary Rental	We have adopted a gross market rental rate of RM1.55 per square foot per month which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Outgoings	We have adopted the actual expenses for quit rent, fire insurance premium and estimated assessment at RM81,000, whilst for the costs of upkeep and maintenance as well as property management fees are based on 1% of gross annual rental in view of the subject property is newly completed. For the reversionary, we have allocated a 2% of the gross annual rental as the projected allocation for upkeep and maintenance, as fair representation after having benchmarked against the similar comparable properties.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.0% to 6.6%. Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.00% whilst the adopted term yields range from 5.75% to 6.25% to reflect the contracted rental rates are over or at market rate. The yield rate adopted in the reversionary is market derived and we have allowed higher yield to reflect a risk premium, i.e., tenant risk and market risk during the reversionary period of an investment compared to the secured rental income received for the term.

II. COMPARISON APPROACH

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation & Property Services Department			
Lot No., Town, District and State	Lot 150567, Mukim of Pulai, District of Johor Bahru, Johor	PTD 7667, Mukim of Jelutong, District of Johor Bahru, Johor	PTD 7669 & PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor	Lot 169267 & Lot 169268 Mukim of Pulai, District of Johor Bahru, Johor
Address	No. 1, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri, Johor	No. 19, Jalan Bioteknologi 3, Kawasan Perindustrian SILC	Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SILC	Lot 169267 & Lot 169268 Jalan SILC 2/3, Kawasan Perindustrian SILC
Type	Single storey detached factory with mezzanine office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,640 sqm (71,472 sqft)	5,240 sqm (56,403 sqft)	10,080 sqm (108,500 sqft)	8,134 sqm (87,554 sqft)
Approximate Main Floor Area	3,731 sqm (40,165 sqft)	4,283 sqm (43,152 sqft)	8,018 sqm (86,304 sqft)	4,778 sqm (51,426 sqft)
Date	03/02/2023	24/08/2022	19/07/2022	17/03/2022
Vendor	Techwah Pharmapack Solutions Sdn Bhd	Symphony Square Sdn Bhd	Symphony Square Sdn Bhd & Twin Sunrich Sdn Bhd	Pentagon Land Sdn Bhd
Purchaser	Goldenlink Auto Holdings Sdn Bhd	Owen Mumford Sdn Bhd	RHB Trustee Berhad (Trustee for AME REIT)	Tapis Teknik Sdn Bhd
Consideration	RM12,800,000/-	RM13,360,732/-	RM24,000,000/-	RM18,711,364/-
Analysis Value / MFA (RM psm)	RM3,430 psm	RM3,120 psm	RM2,993 psm	RM3,916 psm
Analysis Value / MFA (RM psf)	RM319 psf	RM310 psf	RM278 psf	RM364 psf
Adjustments	Adjustments are made on time/market condition, size, age, condition & design of the building			
Adjusted Value / MFA (RM psf)	RM348 psf	RM303 psf	RM336 psf	RM356 psf

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM303 to RM356 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 4 as Comparable 1 is the latest transaction and Comparable 4 is located nearest to the subject property.

We have adopted RM350 per square foot over the main floor area for the subject property as a fair representation.

Vide the Sale and Purchase Agreement entered into between UEM Land Berhad ("the Vendor"), Nusajaya Heights Sdn Bhd ("the Proprietor") and Pentagon Land Sdn Bhd ("the Purchaser") dated 30 December 2020, the subject property was transacted as a parcel of vacant industrial land at a consideration of RM7,669,584/- (as part of the total consideration of RM233,532,994.50/-) pursuant to the terms and conditions stipulated in the agreement. The transaction was completed on 8 July 2022 whilst the change of ownership was registered on 5 October 2022.

RECONCILIATION OF VALUE

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM29,000,000/-
Comparison Approach	RM31,000,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease with the lessee, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property free from all encumbrances at **RM29,000,000/- (Ringgit Malaysia : Twenty Nine Million Only)**.

VALUATION CERTIFICATE (Cont'd)



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4. Nos. 82 & 83 (Plot 60 & 61), Jalan I-Park SAC 5, Taman Perindustrian I-Park SAC, 81400 Senai, Johor
(Our Ref: WTW/04/V/014047D/24/GXZ)

TERMS OF REFERENCE

Vide the Sale and Purchase Agreement to be entered into between Ipark Development Sdn Bhd ("Vendor") and RHB Trustees Berhad (as trustee for AME Real Estate Investment Trust) ("Purchaser"), the Purchaser is desirous of acquiring the subject property from the Vendor upon the terms therein.

Pursuant to the Agreement, the Parties thereby agree that the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, on the basis that the subject property is :

- (i) subject to the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the Title;
- (ii) released of the Bumiputera restriction pursuant to the approval duly obtained by the Vendor from the appropriate authority;
- (iii) completed in accordance with the building plans and specifications as annexed hereto as Annexure A and including any modifications, variations or alterations subsequent to the building plans and specifications, to be approved by the relevant local authority ("Approved Building Plans") and with CCC obtained;
- (iv) without vacant possession on the basis that the subject property is built in accordance with the specification and requirements as agreed upon in the Lease between the Vendor and the Lessee;
- (v) free from Encumbrances, save for the Lease which the Parties acknowledge may be registered on the Title before or after the Completion as disclosed in Section 2 of Schedule 2 thereto; and
- (vi) acquired by the Purchaser acting in its capacity as trustee for and on behalf of AME REIT and accordingly, the rights of the Purchaser pursuant to that Agreement is solely for the benefit of AME REIT.

As at the date of valuation, the subject property is under construction and we were made to understand that it is scheduled to be completed with Certificate of Completion and Compliance ("CCC") issued by the early of May 2025.

Notwithstanding the above, as instructed, the valuation is carried out based on the following **BASIS(S)**:

- I. AN INDIVIDUAL MARKETABLE AND REGISTRABLE TITLE WITH INDUSTRY CATEGORY OF LAND USE AND EXPRESS CONDITION FOR MEDIUM INDUSTRIAL IS ISSUED TO THE SUBJECT PROPERTY AS PER THE APPROVED PRE-COMPUTATION PLAN BEARING FILE NO. PTG02/08/03/0100/0032/2023/0952/2023 DATED 6 DECEMBER 2023.**
- II. THE SUBJECT PROPERTY HAS A LAND AREA OF ABOUT 7,933 SQUARE METRES (0.7933 HECTARE).**
- III. THE SUBJECT PROPERTY HAS A TERM IN PERPETUITY.**
- IV. THE SUBJECT PROPERTY HAS BEEN OBTAINED THE APPROVAL BY THE RELEVANT AUTHORITIES FOR THE RELEASE OF BUMIPUTERA RESTRICTION.**
- V. THE SUBMISSION DRAWING BEARING DRAWING NOS. SP-L-01/GFP-L-01/FFP-L-01/RP-L-01/ELV-01/SEC-01 PREPARED BY JURUTERA JRK SDN BHD HAS BEEN APPROVED BY THE RELEVANT AUTHORITIES.**
- VI. THE SUBJECT BUILDING HAS BEEN CONSTRUCTED / COMPLETED IN ACCORDANCE WITH THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH CERTIFICATE OF COMPLETION AND COMPLIANCE ("CCC") BY THE RELEVANT AUTHORITIES.**

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS(S) WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS(S) IS INVALID/INCORRECT.

VALUATION CERTIFICATE (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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PROPERTY IDENTIFICATION

The Subject Property : A single storey detached factory with mezzanine office and other ancillary buildings

Address : Nos. 82 & 83 (Plot 60 & 61), Jalan I-Park SAC 5, Taman Perindustrian I-Park SAC, 81400 Senai, Johor

Title Nos. / Lot Nos. /
Titled Land Area :

Title No.	Lot No.	Land Area (square metre)
HSD 596308	PTD 196194	3,966.5
HSD 596309	PTD 196195	3,966.5

Both within Mukim of Tebrau, District of Johor Bahru, Johor

Land Area Under Valuation : 7,933 square metres (0.7933 hectare)⁽¹⁾

Gross Floor Area : 6,061 square metres (65,240 square feet)⁽²⁾

Tenure : Freehold / Term In Perpetuity

Registered Proprietor : Ipark Development Sdn Bhd

Category of Land Use : Perusahaan / Perindustrian

Encumbrances : Vide Presentation No. 45095/2020 Charged to RHB Islamic Bank Berhad registered on 23 July 2020

Other Endorsement : 1) Vide Presentation No. 4243/2023 Application for Surrender of Entire Land registered on 26 June 2023
2) PTD 196195⁽²⁾ - Vide Presentation No. 790/2020 Bumiputera Lot registered on 13 February 2020

Date of Valuation : 4 July 2024

Note :

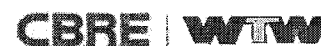
⁽¹⁾ Vide the Pre-Computation Plan approved by the Pejabat Tanah Dan Galian Johor bearing file no. PTG/02/08/03/0100/0032/2023/0952/2023 dated 6 December 2023, the subject property has been amalgamated into one (1) parcel with a surveyed land area of 7,933 square metres (0.7933 hectare). For the purpose of this valuation, we have adopted the surveyed land area in our valuation.

⁽²⁾ The Bumiputera Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/02/2829 dated 29 March 2021 expressly stated that the subject property, i.e. PTD 196195 has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

⁽³⁾ We have computed the Gross Floor Area ("GFA") in accordance with the Uniform Method of Measurement of Buildings ("UMMB") issued by the Royal Institution of Surveyors Malaysia.

The differences between the computed GFA and the area as per the respective building plans are mainly on the loading bay and awning/ roof covered area, in which our computation has considered the same as Ancillary Floor Area ("AFA") in accordance with the UMMB whilst the same were not reflected in the tabulated area in the respective building plans.

In relation to the agreed lettable areas stipulated in the respective Lease Agreements, the same has been agreed upon between the respective lessors and lessees to include all the area that has been constructed / built-upon by the developer including soffit, slab and façade etc

VALUATION CERTIFICATE (Cont'd)

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GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office and other ancillary buildings.

The single storey detached factory with mezzanine office will be constructed of steel portal framework with concrete floors, plastered brickwalls and glass curtain walls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil. It will have a ground to eaves height of about 10.6-metre whilst the floor loads are 20kN/m² and 2.5kN/m² for the factory and office areas respectively.

The ancillary buildings will be constructed of reinforced concrete framework with concrete floor and plastered brickwalls covered over with reinforced concrete flat roof / metal deck roofing sheets.

At the time of our inspection, we noted that the subject site is undergoing building construction works. The site boundaries are generally not demarcated by any fencing except for its south-eastern boundary which is demarcated by metal hoardings.

Based on the Valuation for Interim Certificate No. 2 dated 24 June 2024, the Value of Workdone certified by the consultant, i.e. Messrs. Smart Growth Management Sdn Bhd is RM605,218.94 for the period ending 31 May 2024. The construction of the subject building is estimated at about 5.4% completion.

We were made to understand that the subject property is scheduled to be completed with CCC issued by early of May 2025.

For the purpose of this valuation, we were specifically instructed to value the subject property on the basis that the submission drawing bearing drawing nos. SP-L-01/GFP-L-01/FFP-L-01/RP-L-01/ELV-01/SEC-01 prepared by Messrs. Jurutera JRK Sdn Bhd has been approved by the relevant authorities, and the subject building has been constructed / completed in accordance with the approved building plans and specifications and issued with a Certificate of Completion and Compliance ("CCC") by the relevant authorities.

We were made to understand by the client that the application for building plan approval has been made on 3 July 2024 and pending the relevant authorities' approval.

OCCUPATION

The subject property will be leased to Resmed Malaysia Operations Sdn Bhd for a period from the Lease Commencement Date (i.e. as at the Vacant Possession Date upon issuance of CCC) until the Lease Expiration Date on 28 July 2032. We were made to understand that it is expected to be commenced by the early of May 2025.

Vide the Lease Agreement dated 23 January 2024 entered into between Ipark Development Sdn Bhd ("the Lessor") and Resmed Malaysia Operations Sdn Bhd ("the Lessee"), the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Lessor, a lease of the subject property with an Agreed Lettable Area measuring approximately 64,959.56 square feet.

The Lease Term is for a period from the Lease Commencement Date (i.e. as at the Vacant Possession Date upon issuance of CCC) until the Lease Expiration Date on 28 July 2032 at the following Agreed Rental: -

Term	Month 1 to 12	Month 13 to 48	Month 49 to 84 or to the Expiration Date	Month 85 until the Expiration Date
Agreed Rental per month	RM113,679.23 only (at the rate of RM1.75 per square foot on the Agreed Lettable Area)	RM116,927.21 only (at the rate of RM1.80 per square foot on the Agreed Lettable Area)	RM126,671.14 only (at the rate of RM1.95 per square foot on the Agreed Lettable Area)	RM133,167.10 only (at the rate of RM2.05 per square foot on the Agreed Lettable Area)

VALUATION CERTIFICATE (Cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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OCCUPATION (Cont'd)

Subject to the Lessee being in compliance with all its covenants, obligations, responsibilities and/or liabilities therein and not being in breach of any provisions therein, the Lessor thereby agrees to grant to the Lessee an option to renew the Lease Term for further term of fixed five (5) years ("Renewed Period").

The option to renew shall be exercised by the Lessee by written notice to the Lessor at least three (3) months prior to the Expiration Date and if the option to renew is exercised by the Lessee in the time and manner, the Agreed Rental for the Renewed Period shall be at the prevailing market rate applicable to a property of the same type and located within the same project/development of the premises which is to be mutually agreed upon by the Parties in writing no later than three (3) months prior to the Expiration Date, provided that any adjustment and/or variation to the Agreed Rental for the Renewed Period shall not exceed fifteen per centum (15%) of the Agreed Rental payable during the Third Fixed Term.

PLANNING PROVISION

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Income Approach (Investment Method). The Comparison Approach is used as a check.

VALUE CONSIDERATION**III. INCOME APPROACH (INVESTMENT METHOD)**

The following outlines the parameters adopted in undertaking our assessment: -

Item	Remarks
Term Rental	We have adopted the current passing rent as stipulated in the Lease Agreement dated 23 January 2024 entered into between Ipark Development Sdn Bhd ("the Lessor") and Resmed Malaysia Operations Sdn Bhd ("the Lessee").
Reversionary Rental	We have adopted a gross market rental rate of RM1.70 per square foot per month which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Outgoings	We have adopted the actual expenses for quit rent, estimated assessment at RM70,000 and estimated fire insurance premium at RM14,000, whilst for the costs of upkeep and maintenance as well as property management fees are based on 1% of gross annual rental in view of the subject property is to be newly completed. For the reversionary, we have allocated a 2% of the gross annual rental as the projected allocation for upkeep and maintenance, as fair representation after having benchmarked against the similar comparable properties.
Void	We have adopted 5% void for the vacancy period between rent reviews, rent free period and risk of vacancy and uncertainty.
Capitalisation Rate	Based on the past and recent sales of industrial premise, the yields range from 5.0% to 6.6%. Having considered the relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.00% whilst the adopted term yields range from 5.75% to 6.50% to reflect the contracted rental rates are over or at market rate. The yield rate adopted in the reversionary is market derived and we have allowed higher yield to reflect a risk premium, i.e. tenant risk and market risk during the reversionary period of an investment compared to the secured rental income received for the term.

VALUATION CERTIFICATE (Cont'd)



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VALUE CONSIDERATION (Cont'd)

II. COMPARISON APPROACH

In arriving at the market value of the subject property, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation & Property Services Department		
Lot No., Town, District and State	PTD 112794, Mukim of Senai, District of Kulai, Johor	PTD 112796, Mukim of Senai, District of Kulai, Johor	PTD 112829, Mukim of Senai, District of Kulai, Johor
Address	No. 62, Jalan I-Park SAC 6, Taman Perindustrian I-Park SAC, Senai	No. 60, Jalan I-Park SAC 6, Taman Perindustrian I-Park SAC, Senai	No. 22, Jalan I-Park SAC 3, Taman Perindustrian I-Park SAC, Senai
Type	Single storey detached factory with mezzanine office		
Tenure	Freehold / Term in perpetuity		
Land Area	7,260.00 sqm (78,146 sqft)	7,639.20 sqm (82,228 sqft)	15,244.90 sqm (164,095 sqft)
Main Floor Area	5,032 sqm (54,168 sqft)	4,419 sqm (47,566 sqft)	10,977 sqm (118,155 sqft)
Date	30/03/2023	05/12/2022	19/07/2022
Vendor	Ipark Development Sdn Bhd	Ipark Development Sdn Bhd	Ipark Development Sdn Bhd
Purchaser	Hochuen Medical Sdn Bhd	RHB Trustee Berhad	RHB Trustee Berhad
Consideration	RM18,158,082/-	RM16,250,000/-	RM47,000,000/-
Analysis Value / MFA (RM psm)	RM3,608 psm	RM3,677 psm	RM4,282 psm
Analysis Value / MFA (RM psf)	RM335 psf	RM342 psf	RM398 psf
Adjustments	Adjustments are made on time/market condition, size of the building and age, condition and design of the building.		
Adjusted Value / MFA (RM psf)	RM386 psf	RM393 psf	RM480 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM386 to RM480 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 by reason of they are among the latest transactions and have similar size with the subject property.

We have adopted RM390 per square foot over the main floor area for the subject property as a fair representation.

RECONCILIATION OF VALUE

We have arrived the market value of the subject property using the Income Approach (Investment Method) and Comparison Approach as tabulated below: -

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM20,000,000/-
Comparison Approach	RM21,500,000/-

We have adopted the market value derived from the Income Approach (Investment Method) as a fair representation, considering the legal owner of the subject property has entered into a long-term lease with the lessee, and gives them the right to use or occupy the subject property for a periodic income. The reasonability of this method is subsequently counter-checked with the value generated by the Comparison Approach.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to sell, lease, transfer and free from all encumbrances at **RM20,000,000/- (Ringgit Malaysia : Twenty Million Only)**.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of our Board have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

All statements and information in relation to the Trustee, AME REIT and the Manager contained in this Circular were obtained from publicly available documents and the Manager. The sole responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Circular.

2. CONSENTS AND CONFLICT OF INTEREST**2.1 CBRE WTW**

CBRE WTW, being the Valuer for the Subject Properties, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

CBRE WTW confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Valuer for the Subject Properties.

2.2 cfSolutions

cfSolutions, being the Independent Adviser to our non-interested directors and our Non-Interested Shareholders for the Proposed Disposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

cfSolutions confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Independent Adviser to our non-interested Directors and our Non-Interested Shareholders for the Proposed Disposals.

3. CAPITAL COMMITMENTS

As at the LPD, our Board is not aware of any capital commitments incurred or known to be incurred by our Company that has not been provided for, which upon becoming enforceable, may have a material impact on our financial results or position.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, neither our Company nor any of our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group and the Subject Properties:

On 5 July 2021, our Company had announced, that AME Development had been served with a Notice of Additional Assessment dated 30 June 2021 by the Inland Revenue Board of Malaysia ("IRB"), for additional income tax and penalty in the amount of approximately RM7.2 million for the year of assessment 2018 ("Notice of Additional Assessment"). The issue in dispute is whether the Director General Inland Revenue ("DGIR") is entitled to withdraw stock pursuant to Section 24(2) of the Income Tax Act 1967 in relation to the 5 plots of lands.

FURTHER INFORMATION (Cont'd)

After consulting our tax agent and tax solicitors, our Company is of the view that there are reasonable grounds to challenge the findings by IRB. On 14 July 2021, AME Development filed an application for judicial review to the High Court of Malaya at Kuala Lumpur against the Notice of Additional Assessment by IRB, via our solicitors, Messrs Rosli Dahlan Saravana Partnership (“RDS”). A formal stay application was also filed before the High Court and a new case management date has been fixed in October 2024 to fix a hearing date for the formal stay application. An interim stay of the Notice of Additional Assessment has been granted until the disposal of the formal stay application.

There will not be any imminent financial effects on our Company pending the outcome of the appeal. RDS is of the view that AME Development has an arguable case to contend that there is no legal and factual basis for the Minister of Finance to refuse to exercise its statutory powers under Section 135 and/or Section 127(3A) of the Income Tax Act 1967 in light of DGIR’s error in contending that the 5 plots of land were stock in trade.

5. CONTINGENT LIABILITIES

Save as disclosed in **Section 4 of Appendix V** of this Circular, our Board is not aware of any contingent liabilities incurred or known to be incurred by us which, upon becoming enforceable, may affect our ability to meet our obligations as and when they fall due as at the LPD.

6. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular:

- (i) the SPAs;
- (ii) the i-TechValley 34 Supplemental SPA;
- (iii) the conditional sale and purchase agreement dated 5 December 2022 entered into between AME Development and the Trustee (on behalf of AME REIT) for the disposal of i-Park Indahpura 15 (formerly known as Plot 15 Indahpura (as defined in our announcement dated 5 December 2022)) for a cash consideration of RM26.5 million. The sale and purchase agreement has been completed in accordance with its terms on 24 March 2023;
- (iv) the conditional sale and purchase agreement dated 5 December 2022 entered into between AME Development and the Trustee (on behalf of AME REIT) for the disposal of i-Park Indahpura 16 (formerly known as Plot 16 Indahpura (as defined in our announcement dated 5 December 2022)) for a cash consideration of RM26.5 million. The sale and purchase agreement has been completed in accordance with its terms on 16 October 2023;
- (v) the conditional sale and purchase agreement dated 5 December 2022 entered into between Ipark Development and the Trustee (on behalf of AME REIT) for the disposal of i-Park SAC 43 (formerly known as Plot 43 SAC (as defined in our announcement dated 5 December 2022)) for a cash consideration of approximately RM16.3 million. The sale and purchase agreement has been completed in accordance with its terms on 24 March 2023;
- (vi) the Digital Hyperspace SPAs for the proposed disposal of 11 plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 34.9 acres in total land area, by our subsidiaries to Digital Hyperspace for a total cash consideration of approximately RM209.8 million. As at the LPD, the final condition precedent of the respective Digital Hyperspace SPAs are still pending completion; and

FURTHER INFORMATION (Cont'd)

- (vii) the sale and purchase agreement dated 31 May 2024 for the acquisition of 3 parcels of freehold lands in Mukim of Kulai, District of Kulai, State of Johor, measuring approximately 37.5 acres in total land area, by our subsidiary from Dahlia Utama Sdn Bhd for a total cash consideration of approximately RM106.2 million ("**Dahlia Utama SPA**"). As at the LPD, the Dahlia Utama SPA has been completed in accordance with its terms on 5 July 2024.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, Johor Bahru, 80000 Johor, Malaysia during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) the SPAs;
- (ii) the i-TechValley 34 Supplemental SPA;
- (iii) our Constitution;
- (iv) our latest audited consolidated financial statements for FYE 31 March 2024 and FYE 31 March 2023, and our unaudited consolidated financial statements for the financial period ended 30 June 2024;
- (v) the material contracts as set out **Section 6** of **Appendix V** of this Circular;
- (vi) the Lease Agreements;
- (vii) the Valuation Certificate as set out in **Appendix IV** of this Circular together with the Valuation Reports in respect of the Subject Properties;
- (viii) the relevant cause papers referred to in **Section 4** of **Appendix V** of this Circular; and
- (ix) letters of consent and declarations of conflict of interests referred to in **Section 2** of **Appendix V** of this Circular.

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AME ELITE CONSORTIUM BERHAD
(Registration No. 201801030789 (1292815-W))
(Incorporated in Malaysia under the Companies Act 2016)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of AME Elite Consortium Berhad (“**EGM**”) (“**AME Elite**” or the “**Company**”) will be conducted on a fully virtual basis through live streaming and online voting using Remote Participation Electronic Voting (“**RPEV**”) facilities via online meeting platform, the details are as follows, for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this Notice of EGM:

Meeting Platform : <https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC - D6A357657)
Day and Date : Thursday, 7 November 2024
Time : 2.00 p.m.

ORDINARY RESOLUTION 1

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”)

“**THAT** subject to the requisite approvals being obtained, approval be and is hereby given, for the disposal of i-TechValley 34 by Pentagon Land to the Trustee, upon the terms and conditions set out in the conditional sale and purchase agreement dated 24 July 2024 entered into between Pentagon Land and the Trustee on behalf of AME REIT, and the supplemental sale and purchase agreement to the i-TechValley 34 SPA dated 16 October 2024 for the Proposed i-TechValley 34 Disposal (“**i-TechValley 34 SPA**”);

AND THAT authority be and is hereby given to the Board of Directors of AME Elite (“**Board**”) (save for Lee Chai, Lee Sai Boon, Lim Khai Wen, Kang Koh Wei, Kang Ah Chee, Lim Pei Shi, Lee Ling Sien and Lee Chun Kiat, collectively referred to as the “**Interested Directors**”), to:

- (i) enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of AME Elite, all such agreements, instruments, documents and/or deed as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed i-TechValley 34 Disposal;
- (ii) give effect to the Proposed i-TechValley 34 Disposal, with full power to assent to any modification, revaluation, variation, arrangement, condition and/or amendment in relation to the Proposed i-TechValley 34 Disposal as they may deem fit in the best interest of AME Elite (including but not limited to the i-TechValley 34 SPA) and/or any provision, term and condition thereof as may be required and/or as the Board may in its discretion deem necessary, expedient or appropriate and/or as may be imposed or permitted by the relevant regulatory authorities; and
- (iii) take all such steps and do all such acts, deeds and things in any manner as the Board may from time to time deem necessary, expedient or appropriate to implement, finalise and give full effect to and complete all transactions contemplated under the Proposed i-TechValley 34 Disposal.”

ORDINARY RESOLUTION 2

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”)

“THAT subject to the requisite approvals being obtained, approval be and is hereby given, for the disposal of i-TechValley 46 by Pentagon Land to the Trustee, upon the terms and conditions set out in the conditional sale and purchase agreement dated 24 July 2024 entered into between Pentagon Land and the Trustee for the Proposed i-TechValley 46 Disposal (**“i-TechValley 46 SPA”**);

AND THAT authority be and is hereby given to the Board (save for the Interested Directors), to:

- (i) enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of AME Elite, all such agreements, instruments, documents and/or deed as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed i-TechValley 46 Disposal;
- (ii) give effect to the Proposed i-TechValley 46 Disposal, with full power to assent to any modification, revaluation, variation, arrangement, condition and/or amendment in relation to the Proposed i-TechValley 46 Disposal as they may deem fit in the best interest of AME Elite (including but not limited to the i-TechValley 46 SPA) and/or any provision, term and condition thereof as may be required and/or as the Board may in its discretion deem necessary, expedient or appropriate and/or as may be imposed or permitted by the relevant regulatory authorities; and
- (iii) take all such steps and do all such acts, deeds and things in any manner as the Board may from time to time deem necessary, expedient or appropriate to implement, finalise and give full effect to and complete all transactions contemplated under the Proposed i-TechValley 46 Disposal.”

ORDINARY RESOLUTION 3

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”)

“THAT subject to the requisite approvals being obtained, approval be and is hereby given, for the disposal of i-Park SAC 23 & 24 by Ipark Development to the Trustee, upon the terms and conditions contained in the conditional sale and purchase agreement dated 24 July 2024 entered into between Ipark Development and the Trustee for the Proposed i-Park SAC 23 & 24 Disposal (**“i-Park SAC 23 & 24 SPA”**);

AND THAT authority be and is hereby given to the Board (save for the Interested Directors), to:

- (i) enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of AME Elite, all such agreements, instruments, documents and/or deed as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed i-Park SAC 23 & 24 Disposal;
- (ii) give effect to the Proposed i-Park SAC 23 & 24 Disposal, with full power to assent to any modification, revaluation, variation, arrangement, condition and/or amendment in relation to the Proposed i-Park SAC 23 & 24 Disposal as they may deem fit in the best interest of AME Elite (including but not limited to the i-Park SAC 23 & 24 SPA) and/or any provision, term and condition thereof as may be required and/or as the Board may in its discretion deem necessary, expedient or appropriate and/or as may be imposed or permitted by the relevant regulatory authorities; and

- (iii) take all such steps and do all such acts, deeds and things in any manner as the Board may from time to time deem necessary, expedient or appropriate to implement, finalise and give full effect to and complete all transactions contemplated under the Proposed i-Park SAC 23 & 24 Disposal.”

ORDINARY RESOLUTION 4

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”)

“**THAT** subject to the requisite approvals being obtained, approval be and is hereby given, for the disposal of i-Park SAC 60 & 61 by Ipark Development to the Trustee, upon the terms and conditions contained in the conditional sale and purchase agreement dated 24 July 2024 entered into between Ipark Development and the Trustee for the Proposed i-Park SAC 60 & 61 Disposal (“**i-Park SAC 60 & 61 SPA**”);

AND THAT authority be and is hereby given to the Board (save for the Interested Directors), to:

- (i) enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of AME Elite, all such agreements, instruments, documents and/or deed as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed i-Park SAC 60 & 61 Disposal;
- (ii) give effect to the Proposed i-Park SAC 60 & 61 Disposal, with full power to assent to any modification, revaluation, variation, arrangement, condition and/or amendment in relation to the Proposed i-Park SAC 60 & 61 Disposal as they may deem fit in the best interest of AME Elite (including but not limited to the i-Park SAC 60 & 61 SPA) and/or any provision, term and condition thereof as may be required and/or as the Board may in its discretion deem necessary, expedient or appropriate and/or as may be imposed or permitted by the relevant regulatory authorities; and
- (iii) take all such steps and do all such acts, deeds and things in any manner as the Board may from time to time deem necessary, expedient or appropriate to implement, finalise and give full effect to and complete all transactions contemplated under the Proposed i-Park SAC 60 & 61 Disposal.”

**By Order of the Board of
AME ELITE CONSORTIUM BERHAD
Registration No. 201801030789 (1292815-W)**

Santhi A/P Saminathan (MAICSA 7069709) (SSM PC No.: 201908002933)
Tai Yit Chan (MAICSA 7009143) (SSM PC No. 202008001023)
Company Secretaries

Johor Bahru
17 October 2024

Notes:

1. *The EGM will be conducted on a fully virtual basis where shareholders are only allowed to participate remotely through live streaming and online remote voting using RPEV facilities via online meeting platform available at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657). Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate, speak and vote remotely via RPEV facilities.*
2. *Every shareholder including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), and exempt authorised nominees which hold ordinary shares in AME Elite (“**Shares**”) for multiple owners in one securities account (“**omnibus account**”), is entitled to appoint another person as his proxy to exercise all or any of his rights to participate, speak and vote instead of him at the EGM, and that such proxy need not be a shareholder.*
3. *Where a shareholder appoints more than 1 proxy (subject always to a maximum of 2 proxies at each meeting), the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*

4. *Where a shareholder is an exempt authorised nominee as defined under the SICDA which holds Shares for multiple beneficial owners in an omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint 1 proxy in respect of each securities account it holds Shares standing to the credit of the said securities account.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its officer or attorney.*
6. *The instrument appointing a proxy must be deposited with the Share Registrar of AME Elite situated at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or deposit the Form(s) of Proxy by electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time set for holding the EGM. Last date and time for lodging the Form of Proxy is Tuesday, 5 November 2024 at 2.00 p.m.*
7. *If you have submitted your Form of Proxy and subsequently decide to appoint another person or wish to participate in the EGM by yourself, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least 48 hours before the time set for holding the EGM.*
8. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of EGM will be put to vote on a poll.*
9. *Only a depositor whose name appears in the Record of Depositors as at 29 October 2024 shall be entitled to participate, speak and vote at this EGM or appoints a proxy or proxies to participate, speak and vote on his behalf.*
10. *Kindly check Bursa Malaysia Securities Berhad's website and the website of AME Elite at <https://www.ame-elite.com> for the latest updates on the status of the EGM.*
11. **Personal Data Privacy:**
By registering for the RPEV meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the shareholder has consented to the use of such data for purposes of processing and administration by AME Elite (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The shareholder agrees that he/she will indemnify AME Elite in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the shareholder's breach of warranty.



AME ELITE CONSORTIUM BERHAD

(Registration No. 201801030789 (1292815-W))
(Incorporated in Malaysia under the Companies Act 2016)

FORM OF PROXY

No. of shares held	
CDS account no.	

I/ We _____ *NRIC/ Passport / Company No. _____
(FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

and telephone no./ email address _____

being *a shareholder(s) of AME Elite Consortium Berhad ("**AME Elite**") hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	Contact No.:			

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	Contact No.:			

or failing *him/her the Chairperson of the Meeting as *my/our proxy/proxies to participate, speak and vote for *me/us on *my/our behalf at the Extraordinary General Meeting of AME Elite ("**EGM**") which will be conducted on a fully virtual basis through live streaming and online remote voting using RPEV facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on **Thursday, 7 November 2024 at 2.00 p.m** or at any adjournment thereof.

*My/our proxy(ies) *is/are to vote as indicated by an "X" in the appropriate spaces below:

Ordinary Resolutions	First Proxy		Second Proxy	
	For	Against	For	Against
1				
2				
3				
4				

Subject to the above stated voting instructions, the proxy(ies) may vote on the resolutions or abstain from voting as the proxy(ies) thinks fit.

* Strike out whichever is not desired

Signature of shareholder(s)/Common Seal _____

Date: _____

Notes:

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- Every shareholder including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), and exempt authorised nominees which hold ordinary shares in AME Elite ("**Shares**") for multiple owners in one securities account ("**omnibus account**"), is entitled to appoint another person as his proxy to exercise all or any of his rights to participate, speak and vote instead of him at the EGM, and that such proxy need not be a shareholder.



3. *Where a shareholder appoints more than 1 proxy (subject always to a maximum of 2 proxies at each meeting), the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
4. *Where a shareholder is an exempt authorised nominee as defined under the SICDA which holds Shares for multiple beneficial owners in an omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint 1 proxy in respect of each securities account it holds Shares standing to the credit of the said securities account.*
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By registering for the RPEV meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the shareholder has consented to the use of such data for purposes of processing and administration by AME Elite (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The shareholder agrees that he/she will indemnify AME Elite in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the shareholder's breach of warranty.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
AME ELITE CONSORTIUM BERHAD
(Registration No. 201801030789 (1292815-W))
c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here

