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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Statement prior to its issuance as it is an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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**AME ELITE CONSORTIUM BERHAD**

Registration No. 201801030789 (1292815-W)  
(Incorporated in Malaysia)

**SHARE BUY-BACK STATEMENT IN RELATION TO  
THE PROPOSED RENEWAL OF SHARE BUY-BACK**

The above proposal will be tabled as Special Business at AME ELITE CONSORTIUM BERHAD's (the "**Company**") Sixth Annual General Meeting ("**6th AGM**") to 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, 29 August 2024 at 10:00 a.m. or at any adjournment thereof. For further information, please refer to the Notice of 6th AGM and Administrative Guide on AGM in order to register, participate, speak and vote remotely via the RPEV.

The Notice of the 6th AGM and the Proxy Form can be downloaded at the Company's website at <https://www.ame-elite.com> or Bursa Securities' website at <https://www.bursamalaysia.com>.

A member entitled to participate, speak and vote at the 6th AGM is entitled to appoint a proxy or proxies to participate, speak and vote on his/her behalf. In such event, please complete and return the Proxy Form in accordance with the instructions therein as soon as possible and shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars 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 6th AGM. The lodging of the Proxy Form will not preclude you from participating, speaking and voting remotely at the 6th AGM should you subsequently wish to do so. Alternatively, members may deposit the Proxy Form by electronic means with the Company's Share Registrar through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) not less than 48 hours before the 6th AGM. For further information on the electronic submission of the Proxy Form and participation at the 6th AGM, kindly refer to the Administrative Guide which is enclosed together with this Statement.

Last date and time for lodgment of the Proxy Form : Tuesday, 27 August 2024 at 10:00 a.m.

Date and time of 6th AGM : Thursday, 29 August 2024 at 10:00 a.m.

This Statement is dated 24 July 2024

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

“Act”	:	Companies Act 2016
“AME” or “Company”	:	AME Elite Consortium Berhad
“AME Group” or “Group”	:	Collectively, AME and its subsidiaries
“AME Shares”	:	Ordinary shares of AME
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of AME
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Code”	:	The Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, including any amendments that may be made from time to time
“Director(s)”	:	The directors of AME and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
“LPD”	:	27 June 2024, being the latest practicable date prior to the printing of this Statement
“Person(s) connected”	:	Shall have the same meaning given in Chapter 1, paragraph 1.01 of the Listing Requirements
“Proposed Renewal of Share Buy-Back”	:	Proposed renewal for the Company to purchase its own shares of an amount, which, when aggregated with the existing treasury shares, does not exceed 10% of its prevailing total number of issued shares
“Proposed Share Buy-Back”	:	Proposed purchase by the Company of its own shares in accordance with Section 127 of the Act and the requirements of Bursa Securities and/or any other relevant authority
“Purchased Shares”	:	Shares purchased pursuant to the Proposed Share Buy-Back
“RM”	:	Ringgit Malaysia
“Substantial Shareholder(s)”	:	Shall have the meaning given in Section 136(2) of the Act
“Warrants”	:	Warrants issued by the Company pursuant to the deed poll dated 6 September 2021, constituting the Warrants 2021/2026, which will expire on 22 September 2026

Unless specifically referred to, 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 neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Statement to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to time of day in this Statement is a reference to Malaysian time, unless otherwise stated.

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**PROPOSED RENEWAL OF SHARE BUY-BACK**

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## 1. INTRODUCTION

At the AGM held on 25 August 2023, the Company obtained shareholders' approval on the Proposed Renewal of Share Buy-Back. The aforesaid authority will expire at the conclusion of the forthcoming AGM which will be held on Thursday, 29 August 2024 unless renewal is obtained.

On 16 July 2024, the Company announced its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back.

The purpose of this Statement is to provide you with information on the Proposed Renewal of Share Buy-Back, to set out the recommendation made by the Board and to seek your approval for the resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the Company's forthcoming 6th Annual General Meeting ("**6th AGM**") or at any adjournment thereof.

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

### 2.1 Details of the Proposed Renewal of Share Buy-Back

In accordance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements governing the purchase of a company's own shares, the Company may, subject to the approval from its shareholders, purchase its own shares listed on Bursa Securities of up to 10% of its issued and paid-up share capital.

The shareholders' mandate for the Proposed Renewal of Share Buy-Back will be effective immediately upon obtaining the approval of the shareholders of the Company for the Proposed Renewal of Share Buy-Back at the forthcoming AGM, and will continue to be in force until:

- i. the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the shareholders' approval is renewed, either unconditionally or subject to conditions;
  - ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
  - iii. revoked or varied by ordinary resolution passed by the shareholders in general meeting,
- whichever occurs first.

As at the LPD, the total number of issued shares of the Company is 640,672,649 ordinary shares. The maximum number of Shares which may be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back will be 10% of the prevailing number of issued shares of the Company.

In accordance with Section 127 of the Act, the Purchased Shares may be dealt with by our Directors in the following manner:

- (a) to cancel the Purchased Shares; or
- (b) to retain the Purchased Shares as treasury shares, where such shares are held as treasury shares, the Board may, at its discretion:
  - (i) distribute the shares as dividends to shareholders of the Company, such dividends to be known as "share dividends";
  - (ii) resell the shares, or any of the shares in accordance with the relevant rules of Bursa Securities;
  - (iii) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme;
  - (iv) transfer the shares, or any of the shares as purchase consideration;
  - (v) cancel the shares or any of the shares; or

- (vi) sell, transfer or otherwise use the shares for such other purposes pursuant to Section 127 of the Act;
- or
- (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

While the Purchased Shares are held as treasury shares, Section 127(8) and (9) of the Act states that the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting of the shareholders.

Pursuant to Section 127(2) of the Act, a company shall not purchase its own shares unless:

- (a) the company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;
- (b) the purchase is made through Bursa Securities and in accordance with the rules of Bursa Securities; and
- (c) the purchase is made in good faith and in the interests of the company.

Pursuant to the Listing Requirements, the Proposed Renewal of Share Buy-Back is subject to, inter-alia, the following rules:

- (a) The public shareholding spread of 25% of its total number of issued shares is to be maintained at all times.
- (b) Pursuant to the provision of Paragraph 12.17 of the Listing Requirements, AME may only purchase its own shares at a price which is not more than 15% above the weighted average market price of AME Shares for the past 5 market days immediately preceding the date of the purchase(s).
- (c) Pursuant to the provision of Paragraph 12.18 of the Listing Requirements, the treasury shares arising from the share buy-back of the Company shall be resold or transferred, if so determined by the Board, at a price that is:
  - (i) not less than the weighted average market price (“**WAMP**”) of AME Shares for the past 5 market days immediately preceding the date of the resale or transfer; or
  - (ii) at a discount of not more than 5% to the 5 market days WAMP of AME Shares immediately prior to the resale or transfer, provided that:
    - the resale or transfer take place no earlier than 30 days from the date of purchase; and
    - the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.
- (d) An immediate announcement will be made to Bursa Securities in respect of the intention of our Directors to either retain the Purchased Shares or cancel them or a combination of both following any transactions executed pursuant to the approval granted under the Proposed Renewal of Share Buy-Back.
- (e) The Proposed Renewal of Share Buy-Back shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined under the rules of Bursa Securities.

## **2.2 Maximum amount of funds to be allocated and the source of funds**

The Company proposes to utilise internally generated funds and/or borrowings to finance the Proposed Renewal of Share Buy-Back.

Under the Listing Requirements, the maximum funds to be utilised for the purchase of the shares shall not exceed the total retained profits of the Company. Accordingly, the Directors shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company in respect of any purchase of shares pursuant to the Proposed Renewal of Share Buy-Back.

Based on the latest audited financial statements of the Company for the financial year ended 31 March 2024, the retained profits of the Company were RM230,590,997. The Company shall ensure that the maximum funds to be utilised for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of the retained profits of the Company.

The actual number of shares to be purchased, the total amount of funds to be utilised, impact on cash flows and the timing of the purchase(s) will depend on the prevailing equity market conditions and sentiments as well as the financial resources available to the Company at the time of the purchase(s). In the event the Company decides to utilise bank borrowings to finance the purchase of its own shares, the Board will ensure that there are sufficient funds to repay such borrowings and that such repayment will not have a material impact on the cash flow or earnings of the Company. In addition, the Board will ensure that the Company satisfies the solvency test as stated under Section 112(2) of the Act before executing the Proposed Share Buy-Back.

## **2.3 Potential advantages and disadvantages**

The Proposed Renewal of Share Buy-Back is expected to potentially benefit the Company and its shareholders as follows:

- i. The Company may be able to stabilise the supply and demand of AME Shares in the open market thereby supporting their fundamental value and reducing the volatility of AME Shares;
- ii. The Proposed Renewal of Share Buy-Back provides AME the option to return its surplus financial resources to the shareholders of AME by enhancing the return-on-equity of AME Shares via the purchase of AME Shares in the market;
- iii. The Proposed Renewal of Share Buy-Back may enhance the earnings per share of the Company (in the case where the Board resolves to cancel the shares so purchased) and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company; and
- iv. If the shares bought back are kept as treasury shares, it will give the Board an option to sell the shares so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively, the shares so purchased can be distributed as share dividends to shareholders.

However, the Proposed Renewal of Share Buy-Back, if exercised, will reduce the financial resources of the Company, which may result in the Company foregoing other investment opportunities that may emerge in the future.

The working capital of the Group may also be affected, as any purchase of AME Shares will reduce the Group's working capital depending on the actual number of shares purchased and the purchase price. However, the working capital of AME Group may recover and increase upon the reselling of the Purchased Shares held as treasury shares.

Nevertheless, the Board will be mindful of the interests of the Company and the shareholders in implementing the Proposed Renewal of Share Buy-Back.

## 2.4 Public shareholding spread

As at the LPD, the public shareholding spread of the Company was approximately 40.0%. Assuming the Company implements the Proposed Renewal of Share Buy-Back in full (under minimum scenario) and the shares purchased are from public shareholders, the public shareholding spread would be reduced to approximately 33.5%. In this regard, the Board undertakes that the purchase of AME Shares will be conducted in compliance with the 25% public shareholding spread as required by the Listing Requirements.

## 2.5 Implication relating to the Code

The Board is mindful of any potential implications relating to the Code and does not intend to undertake the Proposed Renewal of Share Buy-Back such that it will cause any party to trigger any obligation to undertake a mandatory offer pursuant to the Code. However, in the event an obligation to undertake a mandatory offer is expected to arise with respect to any parties resulting from the Proposed Renewal of Share Buy-Back, which is an action outside its direct participation, the relevant parties shall make the necessary application to the Securities Commission for an exemption from undertaking the mandatory offer under the Code prior to any buy-back of AME Shares.

## 2.6 Purchase, resale and cancellation of shares

As the date of this Statement, 1,580,000 AME Shares were purchased by the Company and are being held as treasury shares.

During the last 12 months preceding the date of this Statement, there were no purchase, resale and cancellation of AME Shares.

## 2.7 Historical Prices of AME Shares

The monthly highest and lowest price of AME Shares as traded on Bursa Securities for the preceding 12 months from July 2023 to June 2024 are as follows:

Month	Share Price	
	High (RM)	Low (RM)
<b>Year 2023</b>		
July	1.45	1.30
August	1.53	1.35
September	1.51	1.42
October	1.50	1.38
November	1.68	1.45
December	1.75	1.53
<b>Year 2024</b>		
January	1.90	1.66
February	1.90	1.59
March	1.80	1.65
April	1.83	1.66
May	1.96	1.67
June	1.80	1.57

(Source: [www.bursamalaysia.com](http://www.bursamalaysia.com))

The last transacted price of AME Shares on 28 June 2024 was RM1.61.

### 3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back would enable the Company to utilise its surplus financial resources to purchase shares when appropriate, and at prices which the Board view as favourable. The Proposed Renewal of Share Buy-Back would also enable the Company to stabilise the supply and demand of AME Shares traded on Bursa Securities and thereby supports its fundamental value, if required.

Other things being equal, the Proposed Renewal of Share Buy-Back, regardless of whether the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of AME Shares being used for the purpose of computing the earning per share. Therefore, the Proposed Renewal of Share Buy-Back will improve the earning per share of AME, which in turn is expected to have a positive impact on the market price of AME Shares.

The Purchased Shares may be cancelled at such time(s) where the Directors are of the view that there is excess share capital and wish to reduce the number of shares in circulation. If the Purchased Shares are held as treasury shares, such shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves without affecting the total issued share capital of the Company. Should any treasury shares be distributed to share dividends, this would serve to reward the shareholders of the Company.

### 4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The effects of the Proposed Renewal of Share Buy-Back on the issued share capital, net assets, earnings, earnings per share, working capital and shareholdings of Directors and substantial shareholders are set out below based on the following assumptions:

**Minimum scenario:** Assuming none of the outstanding Warrants are exercised prior to the implementation of the Proposed Renewal of Share Buy-Back.

**Maximum scenario:** Assuming all the outstanding Warrants are exercised prior to the implementation of the Proposed Renewal of Share Buy-Back.

The Company had on 26 August 2021 obtained the shareholders' approval on the establishment of an employees' share option scheme ("ESOS" or "Scheme") of up to 10% of the total number of issued shares of AME at any point in time during the duration of the Scheme. On 3 January 2022, the Company announced that the effective date for the implementation of the ESOS is 3 January 2022, being the date on which the Company fully complies with the requirements under Paragraph 6.43(1) of the Listing Requirements. As at the LPD, no ESOS options or shares have been granted and hence there is no outstanding ESOS options.

#### 4.1 Share Capital

The effects of the Proposed Renewal of Share Buy-Back on the total number of issued shares of the Company are set out in the table below.

	<u>Minimum Scenario</u>	<u>Maximum Scenario</u>
	<u>No. of Shares</u>	<u>No. of Shares</u>
Total number of issued shares as at the LPD	640,672,649	640,672,649
<i>Add:</i>		
• Assuming full exercise of the Warrants	-	142,371,453
	<u>640,672,649</u>	<u>783,044,102</u>
<i>Less:</i>		
• Treasury shares as at the LPD	(1,580,000)	(1,580,000)
• Maximum number of AME Shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back	(62,487,264)	(76,724,410)
	<u>(64,067,264)</u>	<u>(78,304,410)</u>
<b>Resultant number of issued shares after the Proposed Renewal of Share Buy-Back</b>	<u><b>576,605,385</b></u>	<u><b>704,739,692</b></u>

The Proposed Renewal of Share Buy-Back will have no effect on the total number of issued shares of the Company if the purchased shares are retained as treasury shares or resold in the open market or distributed to its shareholders.

#### **4.2 Net Assets**

The effect of the Proposed Renewal of Share Buy-Back on the consolidated Net Assets (“NA”) of AME Group will depend on the purchase price of AME Shares, the number of AME Shares purchased, the effective funding cost of AME Group to finance the shares buy-back, if any, or loss in interest income to the Company, and whether the purchased shares are cancelled, retained as treasury shares, resold on Bursa Securities or distributed as share dividends to shareholders.

In the event that all the purchased shares are cancelled, the Proposed Renewal of Share Buy-Back would reduce the NA per share of AME Group if the purchase price of each Purchased Share exceeds the NA per share at the relevant point in time, and vice versa.

The NA of AME Group would decrease if the purchased shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and to be offset against equity, resulting in a decrease in the NA of AME Group by the cost of the treasury shares.

If the treasury shares are resold through Bursa Securities, the NA of AME Group would increase if the Company realises a gain from resale, and vice versa. If the treasury shares are distributed as share dividends, the NA of AME Group would decrease by the cost of the treasury shares.

#### **4.3 Earnings and Earnings Per Share**

The effect of the Proposed Renewal of Share Buy-Back on the earnings and earnings per share of the AME Group will depend on the purchase price and the number of shares purchased as well as any loss in interest income to the Company. In the event the AME Shares purchased are held as treasury shares or cancelled, the lower number of AME Shares used in the computation of the earnings per share is expected to result in a general increase in the earnings per share of the AME Group.

#### **4.4 Dividends**

The Proposed Renewal of Share Buy-Back will have the effect of increasing the effective dividend rate of the Company as dividends will be paid on the remaining issued shares of AME (excluding the shares already purchased). However, the Proposed Renewal of Share Buy-Back is not expected to have any effect on the policy for the Board in recommending dividends in the future.

The level of future dividend to be declared or recommended by AME will be determined by the Board after taking into consideration the performance, cash flow position and financing requirements of AME Group.

#### **4.5 Working Capital**

The share repurchased will result in an outflow of cash and thereby reduce the working capital of AME Group, the quantum of which is dependent on the purchase price of AME Shares, the number of AME Shares repurchased and the funding cost, if any. However, the working capital of the Company will increase upon reselling of purchased shares which are retained as treasury shares. In addition, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

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#### 4.6 Shareholdings of Directors and Substantial Shareholders

The effects of the Proposed Renewal of Share Buy-Back on the shareholdings of Directors and substantial shareholders are as follows:

##### Minimum Scenario:

	As at the LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(i) %	No. of Shares	(i) %	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Lee Chai	113,656,450	17.78	<sup>(ii)</sup> 2,487,350	0.39	113,656,450	19.71	<sup>(ii)</sup> 2,487,350	0.43
Lee Sai Boon	36,987,000	5.79	<sup>(iii)</sup> 2,137,350	0.33	36,987,000	6.41	<sup>(iii)</sup> 2,137,350	0.37
Tan Teck Eng	115,800	0.02	-	-	-	-	-	-
Lim Khai Wen	811,800	0.13	-	-	811,800	0.14	-	-
Kang Koh Wei	587,800	0.09	-	-	587,800	0.10	-	-
Tengku Azrina Binti Raja Abdul Aziz	150,000	0.02	-	-	150,000	0.03	-	-
Tan Lay Beng	45,000	0.01	-	-	45,000	0.01	-	-
Chang Tian Kwang	330,000	0.05	-	-	330,000	0.06	-	-
Wee Soon Chit	210,000	0.03	-	-	210,000	0.04	-	-
Kang Ah Chee *	111,591,150	17.46	<sup>(iv)</sup> 2,437,350	0.38	111,591,150	19.35	<sup>(iv)</sup> 2,437,350	0.42
Lim Pei Shi *	435,000	0.07	-	-	435,000	0.08	-	-
Lee Ling Sien *	386,150	0.06	-	-	386,150	0.07	-	-
<b>Substantial Shareholders</b>								
Lim Yook Kim	113,841,150	17.81	<sup>(iii)</sup> 2,137,350	0.33	113,841,150	19.74	<sup>(iii)</sup> 2,137,350	0.37
Lee Chai	113,656,450	17.78	<sup>(ii)</sup> 2,487,350	0.39	113,656,450	19.71	<sup>(ii)</sup> 2,487,350	0.43
Kang Ah Chee	111,591,150	17.46	<sup>(iv)</sup> 2,437,350	0.38	111,591,150	19.35	<sup>(iv)</sup> 2,437,350	0.42
Lee Sai Boon	36,987,000	5.79	<sup>(iii)</sup> 2,137,350	0.33	36,987,000	6.41	<sup>(iii)</sup> 2,137,350	0.37

\* Alternate Director

##### Notes:

- (i) Excluding 1,580,000 AME Shares bought buy and retained by the Company as treasury shares.
- (ii) Deemed interested by virtue of his interest in Lotus Ideal Sdn Bhd ("**Lotus Ideal**") and Lifestyle Capital Sdn Bhd ("**Lifestyle Capital**") pursuant to Section 8 of the Act, and shares held by his spouse, Tan Mui Heong, and son, Lee Chun Kiat, pursuant to Section 59(11)(c) of the Act.
- (iii) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.
- (iv) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act and shares held by his son, Kang Chai Poh, and daughter, Kang Miay Hong, pursuant to Section 59(11)(c) of the Act.

**Maximum Scenario:**

	As at the LPD				After full exercise of the Outstanding Warrants				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(i) %	No. of Shares	(i) %	No. of Shares	(i) %	No. of Shares	(i) %	No. of Shares	%	No. of Shares	%
<b>Directors</b>												
Lee Chai	113,656,450	17.78	<sup>(ii)</sup> 2,487,350	0.39	141,756,816	18.14	<sup>(ii)</sup> 3,794,383	0.49	141,756,816	20.11	<sup>(ii)</sup> 3,794,383	0.54
Lee Sai Boon	36,987,000	5.79	<sup>(iii)</sup> 2,137,350	0.33	46,239,666	5.92	<sup>(iii)</sup> 3,411,050	0.44	46,239,666	6.56	<sup>(iii)</sup> 3,411,050	0.48
Tan Teck Eng	115,800	0.02	-	-	115,800	0.01	-	-	115,800	0.02	-	-
Lim Khai Wen	811,800	0.13	-	-	925,533	0.12	-	-	925,533	0.13	-	-
Kang Koh Wei	587,800	0.09	-	-	696,200	0.09	-	-	696,200	0.10	-	-
Tengku Azrina Binti Raja Abdul Aziz	150,000	0.02	-	-	183,333	0.02	-	-	183,333	0.03	-	-
Tan Lay Beng	45,000	0.01	-	-	55,000	0.01	-	-	55,000	0.01	-	-
Chang Tian Kwang	330,000	0.05	-	-	830,000	0.11	-	-	830,000	0.12	-	-
Wee Soon Chit	210,000	0.03	-	-	256,666	0.03	-	-	256,666	0.04	-	-
Kang Ah Chee *	111,591,150	17.46	<sup>(iv)</sup> 2,437,350	0.38	139,489,183	17.85	<sup>(iv)</sup> 3,777,716	0.48	139,489,183	19.79	<sup>(iv)</sup> 3,777,716	0.54
Lim Pei Shi *	435,000	0.07	-	-	531,666	0.07	-	-	531,666	0.08	-	-
Lee Ling Sien *	386,150	0.06	-	-	460,850	0.06	-	-	460,850	0.07	-	-
<b>Substantial Shareholders</b>												
Lim Yook Kim	113,841,150	17.81	<sup>(iii)</sup> 2,137,350	0.33	142,239,183	18.20	<sup>(iii)</sup> 3,411,050	0.44	142,239,183	20.18	<sup>(iii)</sup> 3,411,050	0.48
Lee Chai	113,656,450	17.78	<sup>(ii)</sup> 2,487,350	0.39	141,756,816	18.14	<sup>(ii)</sup> 3,794,383	0.49	141,756,816	20.11	<sup>(ii)</sup> 3,794,383	0.54
Kang Ah Chee	111,591,150	17.46	<sup>(iv)</sup> 2,437,350	0.38	139,489,183	17.85	<sup>(iv)</sup> 3,777,716	0.48	139,489,183	19.79	<sup>(iv)</sup> 3,777,716	0.54
Lee Sai Boon	36,987,000	5.79	<sup>(iii)</sup> 2,137,350	0.33	46,239,666	5.92	<sup>(iii)</sup> 3,411,050	0.44	46,239,666	6.56	<sup>(iii)</sup> 3,411,050	0.48

\* *Alternate Director*

**Notes:**

- (i) Excluding 1,580,000 AME Shares bought buy and retained by the Company as treasury shares.
- (ii) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his spouse, Tan Mui Heong, and son, Lee Chun Kiat, pursuant to Section 59(11)(c) of the Act.
- (iii) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.
- (iv) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act and shares held by his son, Kang Chai Poh, and daughter, Kang Miay Hong, pursuant to Section 59(11)(c) of the Act.

**5. APPROVAL REQUIRED**

The Proposed Renewal of Share Buy-Back is subject to the approval of the shareholders of AME at the forthcoming 6th AGM.

**6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacities as the shareholders of the Company pursuant to the Proposed Renewal of Share Buy-Back, none of the Directors and substantial shareholders of AME or persons connected to them, have any interest, either direct or indirect, in the Proposed Renewal of Share Buy-Back.

**7. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back, are of the opinion that the said proposal is in the best interest of the Company and its shareholder. Accordingly, the Directors recommend that you vote in favour of the resolution to be tabled as special business at the forthcoming 6th AGM.

**8. AGM**

The Proposed Renewal of Share Buy-Back will be tabled as a special business at the 6th AGM to 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, 29 August 2024 at 10:00 a.m. or at any adjournment thereof.

A member entitled to participate, speak and vote at our 6th AGM is entitled to appoint a proxy or proxies to participate, speak and vote on his/her behalf. In such event, please complete and return the Proxy Form in accordance with the instructions therein as soon as possible and shall be deposited at the office of our Company's Share Registrar, Boardroom Share Registrars 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 6th AGM.

The last date and time for lodgement of Proxy Form(s) is 27 August 2024 at 10:00 a.m. The lodging of the Proxy Form will not preclude you from participating, speaking and voting remotely at the 6th AGM should you subsequently wish to do so. Alternatively, members may deposit the Proxy Form by electronic means with our Company's Share Registrar through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) not less than 48 hours before the 6th AGM. For further information on the electronic submission of the Proxy Form and participation at the 6th AGM, kindly refer to the Administrative Guide which is enclosed together with this Statement.

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## APPENDIX I – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Board has seen and approved the contents of this Statement, and they collectively and individually accept full responsibility for the accuracy of the information given in this Statement. The Board confirms 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 herein false or misleading.

### 2. MATERIAL CONTRACTS

Saved as disclosed below, neither AME nor any of its subsidiaries have entered into any contract which are or may be material (not being contracts entered into in the ordinary course of our Group's business) during the 2 years immediately before the date of this Statement.

- i. Conditional sale and purchase agreements dated 5 December 2022 for the disposal of 3 industrial properties by the subsidiaries of the Company to RHB Trustees Berhad, being the trustee of AME Real Estate Investment Trust for a total cash consideration of RM69,250,000;
- ii. Conditional sale and purchase agreements dated 13 May 2024 for the proposed sale of 11 plots of freehold industrial land in Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 34.91 acres in total land area, by the subsidiaries of the Company to Digital Hyperspace Malaysia Sdn Bhd for a total cash consideration of RM209,844,456.00; and
- iii. 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 37.50 acres in total land area, by a subsidiary of the Company from Dahlia Utama Sdn Bhd for a total cash consideration of RM106,168,507.25.

### 3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, neither AME nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the AME Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of AME Group:

The Company announced to Bursa Securities on 5 July 2021, that AME Development Sdn Bhd, a wholly-owned subsidiary of the Company, 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 amounting to RM7,162,159.10 for the year of assessment 2018 ("**Notice of Additional Assessment**"). The Notice of Additional Assessment was raised mainly pursuant to the dispute by the IRB on the withdrawal of stocks as investment properties.

After consulting its tax agent and tax solicitors, the Company is of the view that there are reasonable grounds to challenge the basis of assessment raised by the IRB. On 14 July 2021, AME Development Sdn Bhd filed an application for judicial review to the High Court of Malaya at Kuala Lumpur against the Notice of Additional Assessment raised by the IRB, via its solicitors Messrs Rosli Dahlan Saravana Partnership.

There will not be any imminent financial effects on the Company pending the outcome of the appeal.

### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of AME at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor during normal business hours from the date of this Statement up to the date of the forthcoming 6th AGM:

- i. Constitution of AME; and
- ii. Audited financial statements of AME for the past 2 financial years ended 31 March 2023 and 31 March 2024.

**ORDINARY RESOLUTION 12 - PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK**

**“THAT** subject to the provisions of the CA 2016, the Constitution of the Company, the Main Market Listing Requirements (“**MMLR**”) of Bursa Securities and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time; and the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Renewal of Share Buy-Back.

**THAT** the Directors of the Company be and is hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

- a) cancel all the shares so purchased; or
- b) distribute the shares as share dividends to the shareholders; or
- c) resell the shares through Bursa Securities in accordance with the rules of Bursa Securities; or
- d) transfer the shares for or under an employees' share scheme; or
- e) transfer the shares as purchase consideration; or
- f) such other manners as may be permitted by the CA 2016, the MMLR of Bursa Securities and any other relevant authorities for the time being in force.

**THAT** the Directors of the Company be and is hereby authorised to take all such necessary steps to give effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Directors to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back.

**AND THAT** the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:

- a) the conclusion of the next AGM of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- b) the expiration of the period within the next AGM of the Company is required by law to be held; or
- c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.”