



# **AME ELITE CONSORTIUM BERHAD**

**Registration No. 201801030789 (1292815-W)**

**(Incorporated in Malaysia)**

## **NON-AUDIT SERVICES POLICY**

## 1. INTRODUCTION

The Board of Directors (“**Board**”) and the Audit and Risk Management Committee (“**ARMC**”) of AME Elite Consortium Berhad (“**AME**” or “**Company**”) and its subsidiaries (collectively, “**AME Group**” or “**Group**”) are committed to ensuring the suitability, objectivity and independence of the external auditors.

The objective of this Non-Audit Services Policy (“**NAS Policy**” or “**Policy**”) is to set out the principles and procedures for the ARMC to assess and monitor the provision of non-audit services by the external auditors and/or firm(s) or corporation(s) affiliated to the external auditors’ firm.

## 2. APPLICABILITY

This NAS Policy applies to AME Group, which includes AME and AME’s existing and future direct and indirect controlled entities (subsidiaries).

As a reference, the direct and indirect controlled entities (subsidiaries) of AME as at the review date of the Policy are set out in **Appendix A** below.

## 3. NON-AUDIT SERVICES

The external auditors or their affiliates can be engaged to perform non-audit services that are not in conflict with the role of the external auditors. This excludes audit related work in compliance with statutory requirements.

Before appointing the external auditors to undertake a non-audit service, consideration should be given to whether the appointment would threaten the external auditors’ independence or objectivity.

The prohibition of non-audit services by external auditors shall be based on the following principles:

- create conflicts of interest between the external auditors and AME Group;
- result in the external auditors functioning in the role of management;
- place the external auditors in the position of auditing their work; and
- place the external auditors in the position of advocating for AME Group.

The external auditors shall observe and comply with the By-Laws of the Malaysian Institute of Accountants in relation to the provision of non-audit services, which include the following:

- accounting and book keeping services;

- valuation services;
- taxation services;
- internal audit services;
- IT systems services;
- litigation support services;
- recruitment services; and
- corporate finance services.

The management shall, on an annual basis, obtain a written confirmation from the external auditors that the provision of non-audit services will not impair the independence of the external auditors.

#### 4. APPROVAL OF NON-AUDIT SERVICES

All engagements of the external auditors or their affiliates to provide non-audit services are subject to the approval/ endorsement of the ARMC<sup>1</sup> under the following procedures:

##### 4.1. Recurring and/or planned non-audit services

The Board authorises the ARMC to grant pre-approval to the Chief Financial Officer to approve the provisions of non-audit services by external auditors or their affiliates that are recurring and/or planned in nature.

On an annual basis, the Chief Financial Officer shall submit a list of recurring and/or planned non-audit services together with the estimated fee for the financial year to the ARMC for pre-approval.

Any anticipated significant variance from the approved list shall be reported and submitted for approval by the ARMC no later than the next quarterly meeting of the ARMC.

As a reference, the examples (non-exhaustive) of recurring and/or planned non-audit services are set out in **Appendix B** below.

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<sup>1</sup> For AME Real Estate Investment Trust (“**AME REIT**”), an indirect 49.5% owned entity of AME which was listed on the Main Market of Bursa Malaysia Securities Berhad on 20 September 2022, the approval authority shall be delegated to RHB Trustees Berhad, the trustee of AME REIT, based on the recommendation from I REIT Managers Sdn Bhd (“**IRM**”), the management company of AME REIT and a wholly owned subsidiary of AME. As for IRM, such approving authority shall be delegated to the Board of IRM, its ARMC and/or their delegates.

For both AME REIT and IRM, the Chief Financial Officer must be properly apprised of any proposed or approved engagements of the external auditors or their affiliates to provide non-audit services (recurring and non-recurring).

**4.2. Non-recurring and/or other non-audit services**

The Board authorises the ARMC to grant a general mandate to the Chief Financial Officer to approve the provisions of non-recurring and/or other non-audit services (other than stated in 4.1 above) by external auditors or their affiliates for a cumulative amount of up to **RM100,000** per financial year. The said general mandate may be increased subject to further approval obtained from the ARMC during the quarterly meeting of the ARMC.

Any non-audit services approved by the Chief Financial Officer under the general mandate shall be reported and submitted to the ARMC for ratification and endorsement no later than the next quarterly meeting of the ARMC.

**5. REVIEW OF THE POLICY**

This NAS Policy shall be reviewed by the Board every three (3) years or as required when internal or external events warrant a more frequent review to be undertaken.

The Board adopted the Policy on 24 February 2023. The Board reviewed it on 30 May 2024.

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**APPENDIX A: AME ELITE CONSORTIUM BERHAD AND ITS SUBSIDIARIES**

This NAS Policy applies to AME Group, which includes AME and AME's existing and future direct and indirect controlled entities (subsidiaries).

As a reference, the direct and indirect controlled entities (subsidiaries) of AME as of the review date of the Policy are set out below.

- AME Construction Sdn Bhd
- AME Engineering Industries Sdn Bhd
- Asiamost Sdn Bhd
- Asiamost Engineering Sdn Bhd
- Amsun Capital Sdn Bhd
- Quantum Renewable Energy Sdn Bhd
- AME Development Sdn Bhd
- Ipark Development Sdn Bhd
- Pentagon Land Sdn Bhd
- Greenhill SILC Sdn Bhd
- Northern Industrial Park Sdn Bhd
- Active Gold Services Sdn Bhd
- AME Industrial Park Sdn Bhd
- AME Integrated Sdn Bhd
- Amsun Industries Sdn Bhd
- LKL Industries Sdn Bhd
- Symphony Square Sdn Bhd
- Tanjung Bebas Sdn Bhd
- Twin Sunrich Sdn Bhd
- AME Real Estate Investment Trust
- I REIT Managers Sdn Bhd
- I Stay Management Sdn Bhd
- I Privilege Club Sdn Bhd
- Dynamic Innovative Venture Sdn Bhd
- AME Building Management Sdn Bhd
- Landscape Artist Sdn Bhd
- Ipark Holdings Sdn Bhd
- Golden Symphony Sdn Bhd

**APPENDIX B: EXAMPLES OF RECURRING AND/OR PLANNED NON-AUDIT SERVICES**

The following are some examples (non-exhaustive) of non-audit services which may be considered recurring and/or planned in nature:

- Corporate tax computation and submission services;
- Quarterly review of the Company's interim financial reports;
- Review of the Company's Statement on Risk Management and Internal Control;
- Word processing of the financial statements of AME Group;
- Transfer pricing documentation preparation services.