



AME REAL ESTATE INVESTMENT TRUST

(A REAL ESTATE INVESTMENT TRUST CONSTITUTED IN MALAYSIA UNDER THE DEED DATED 23 MAY 2022 AND REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA ("SC") ON 23 MAY 2022, ENTERED INTO BETWEEN I REIT MANAGERS SDN BHD (REGISTRATION NUMBER: 202101014501 (1414801-X)) ("MANAGER"), INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT 2016, AND RHB TRUSTEES BERHAD (REGISTRATION NUMBER: 200201005356 (573019-U)) ("TRUSTEE"), INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT 1965)

THE INITIAL PUBLIC OFFERING OF 254,800,000 UNITS IN AME REAL ESTATE INVESTMENT TRUST ("AME REIT") ("UNITS") ("OFFER UNIT(S)") COMPRISING:

- (I) RETAIL OFFERING OF UP TO 174,808,820 OFFER UNITS CONSISTING OF THE FOLLOWING:
- (A) NON-RENOUNCEABLE RESTRICTED OFFER FOR SALE OF UP TO 156,608,820 UNITS ("ROFS UNIT(S)") TO THE SHAREHOLDERS OF AME ELITE CONSORTIUM BERHAD ("AME") ON THE BASIS OF 1 ROFS UNIT FOR EVERY 5 ORDINARY SHARES HELD IN AME AS AT 5.00 P.M. ON [THE ENTITLEMENT DATE];
 - (B) 7,800,000 OFFER UNITS TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF AME AND ITS SUBSIDIARIES; AND
 - (C) 10,400,000 OFFER UNITS FOR APPLICATION BY THE MALAYSIAN PUBLIC OF WHICH 5,200,000 UNITS ARE RESERVED FOR APPLICATION BY THE BUMIPUTERA PUBLIC;

AT THE RETAIL PRICE OF [●] PER OFFER UNIT/ROFS UNIT ("RETAIL PRICE") PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IF THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE; AND

- (II) INSTITUTIONAL OFFERING OF AT LEAST 79,991,180 OFFER UNITS TO MALAYSIAN INSTITUTIONAL INVESTORS AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE");

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS IN CONNECTION WITH THE LISTING OF AND QUOTATION FOR 520,000,000 UNITS IN AME REIT ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES"). THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF THE RETAIL PRICE OF [●] PER OFFER UNIT OR THE INSTITUTIONAL PRICE.

Manager



I REIT Managers Sdn Bhd
(Registration No. 202101014501 (1414801-X))

Trustee



RHB Trustees Berhad
(Registration No. 200201005356 (573019-U))

Principal Adviser and Sole Underwriter



Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

Joint Bookrunners



Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)



RHB Investment Bank Berhad
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO UNITS WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 12 MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SC HAS APPROVED THE ESTABLISHMENT AND LISTING OF AME REIT ON THE MAIN MARKET UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA"), THE APPOINTMENT OF THE MANAGER AS THE MANAGEMENT COMPANY OF AME REIT UNDER SECTION 289(2) OF THE CMSA, AND THE RESULTANT UNITHOLDING STRUCTURE OF AME REIT UNDER THE BUMIPUTERA EQUITY REQUIREMENT FOR PUBLIC LISTED COMPANIES PURSUANT TO THE ESTABLISHMENT OF AME REIT AND LISTING, AND [●A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY AND LODGED WITH THE SC].

[●THE APPROVAL, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS AME REIT OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS.] THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE UNITS BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE MANAGER RESPONSIBLE FOR AME REIT AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS THE INVESTORS MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THE VALUATION UTILISED FOR THE PURPOSE OF PROPOSALS, IN RELATION TO THE LISTING, SUBMITTED TO AND APPROVED BY THE SC SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT PROPERTIES FOR ANY OTHER PURPOSE.

ADMISSION TO THE OFFICIAL LIST ON THE BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE OFFERING, AME REIT OR OF ITS UNITS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE SECTION 5 "RISK FACTORS" OF THIS PROSPECTUS, SET OUT IN SECTION 5 OF THIS PROSPECTUS.

THIS PROSPECTUS IS DATED [●] AND EXPIRES ON [●]

All terms used are defined under “Definitions” and “Presentation of Financial, Market, Industry and Other Information”, commencing on pages xi and xxiv of this Prospectus respectively.

RESPONSIBILITY STATEMENTS

The Directors, the Directors of the Sponsor and the Directors of Selling Subsidiaries have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement, or other facts which if omitted, would make any statement in the Prospectus false or misleading.

HLIB, being the Principal Adviser, the Joint Bookrunner and the Sole Underwriter, and RHB IB being the Joint Bookrunner acknowledge that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Offering.

BIMBSEC, being the Shariah Adviser to AME REIT acknowledges that, based on all available information, and to the best of its knowledge and belief, is satisfied that the assets and the rental income that constitute AME REIT are not related to non-compliant activities according to the Shariah principles and that AME REIT is certified as being Shariah-compliant. The Shariah Adviser wishes to highlight that the computed Shariah non-compliant rental from the Subject Properties is 0.01% of the total rental income based on the FYE 2022 and less than 0.01% of the total rental income based on the Pro Forma Gross Rental Income).

The Directors and the Directors of the Sponsor confirm that the bases and assumptions relied on in the preparation of the Profit Forecast for the inclusion in this Prospectus are reasonable. HLIB, being the Principal Adviser, the Joint Bookrunner and the Sole Underwriter is satisfied that bases and assumptions relied on in the preparation of the Profit Forecast are reasonable.

NOTICE TO INVESTORS AND ADDITIONAL STATEMENTS

Investors should note that they may seek recourse under the CMSA for breaches of securities laws and regulations including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to AME REIT.

The Offering in this Prospectus has been certified as Shariah-compliant by the Shariah Adviser.

Securities listed on Bursa Securities are offered to the public on the premise of full and accurate disclosure of all material information concerning the issue for which any person set out in Section 236 of the CMSA, e.g. directors and advisers, are responsible.

Bursa Securities’ approval for the admission of all the Units to be issued to the Official List of the Main Market and for the listing of and quotation for all the 520,000,000 Units to be issued pursuant to the Listing as well as the 30.0 million Units to be issued as part payment of the Management Fees on a staggered basis, was obtained on 2 June 2022.

Investors should note that any agreement by the Sole Underwriter to underwrite the Units under the Restricted Pink Form Offering and Public Offering is not to be taken as an indication of the merits of the Units being offered.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

The Manager will not, prior to acting on any acceptance in respect of the Offering, make or be bound to make any inquiry as to whether investors have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any inquiry or investigation is made in connection therewith. It shall be the investors' sole responsibility if they are or may be subject to the laws of countries or jurisdictions other than Malaysia to consult their legal and/or other professional advisers as to whether the Offering would result in the contravention of any laws of such countries or jurisdictions.

Further, it shall also be the investors' sole responsibility to ensure that their applications for the Offering would be in compliance with the terms of the Offering and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which they may be subjected. The Manager will further assume that investors have accepted the Offering in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith.

However, the Manager reserves the right, in its absolute discretion, to treat any acceptance as invalid if the Manager believes that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter shall not accept any responsibility or liability in the event that any application made by investors shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

This Prospectus is published solely in connection with the Offering. The Units being offered in the Offering are offered solely on the basis of the information contained and representations made in this Prospectus. The Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter, or any of their respective directors or any other persons involved in the Offering. If anyone provides investors with different or inconsistent information, investors should not rely upon it. Neither the delivery of this Prospectus nor any offer, subscription, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of AME REIT, the Manager or the Units since the date of this Prospectus. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes. Unless required by applicable laws, and save as provided in the responsibility statement of the Directors, the Directors of the Sponsor and the Directors of Selling Subsidiaries as set out in this Prospectus, no representation, warranty or covenant, express or implied, is made by any of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise, representation or covenant by any of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

None of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any purchaser or subscriber of Units regarding the legality of an investment by such purchaser or subscriber under appropriate legal, investment or similar laws. In addition, investors in the Units should not construe the contents of this Prospectus as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in the Units for an indefinite period of time. Investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Units.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdiction may be restricted by law. AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter. This Prospectus does not constitute, and the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

This Prospectus is available from Bursa Securities' website at www.bursamalaysia.com.

This Prospectus has been prepared in the context of the Offering under the laws of Malaysia.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Malaysia Berhad's website at www.bursamalaysia.com. The contents of the electronic copy of this Prospectus and the copy of this Prospectus registered with the SC are the same.

The internet is not a fully secured medium. The internet application for the Units may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If investors doubt the validity or integrity of the Electronic Prospectus, investors should immediately request from the Manager or the Issuing House, a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, investors acknowledge and agree that:

- (i) each of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter does not endorse and is not affiliated in any way to the Third-Party Internet Sites. Accordingly, each of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and Sole Underwriter is not responsible for any availability of or the content or any data, information, files or other material provided on the Third-Party Internet Sites. Investors bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) each of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter is not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any terms of agreements with the Third-Party Internet Sites. Each of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter is also not responsible for any loss or damage or cost that investors may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at the investors' own discretion and risk. Each of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter is not responsible, liable or under obligation for any damage to investors' computer systems or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, investors are advised that:

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to investors or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium.

The Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault or faults on investors' and/or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on investors' personal computers.

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INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below:

Event	Date and Time
Announcement of Entitlement Date	[•]
Entitlement Date	[•]
Opening of the Retail Offering and Institutional Offering	[•]
Closing of the Retail Offering	[•]
Closing of the Institutional Offering	[•]
Price Determination Date	[•]
Balloting of applications for Offer Units pursuant to the Public Offering	[•]
Allotment of Offer Units to successful applicants	[•]
Listing of AME REIT on the Main Market	[•]

The above timetable is indicative only and is subject to change. If there is any change or extension of the abovementioned dates, it will be announced by way of advertisement in widely circulated Bahasa Malaysia and English newspapers within Malaysia.

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DEFINITIONS

The following terms in this Prospectus bear the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:

Acquisitions	: Acquisitions by the Trustee (on behalf of AME REIT) of the Subject Properties for a total purchase consideration of approximately RM557.0 million to be satisfied by Cash Consideration and Consideration Units
Act 446	: Workers' Minimum Standards of Housing and Amenities Act 1990, as amended from time to time and any re-enactment thereof
Active Gold	: Active Gold Services Sdn Bhd (Registration No. 200701023058 (781073-X)), a company incorporated under the laws of Malaysia, a 99.9% owned subsidiary of the Sponsor
ADA	: Authorised Depository Agent
AME Development	: AME Development Sdn Bhd (Registration No. 200801002418 (803702-H)), a company incorporated under the laws of Malaysia, a wholly-owned subsidiary of the Sponsor
AME Group or Sponsor Group	: Collectively, the Sponsor, its subsidiaries and a jointly-controlled entity
AME REIT	: AME Real Estate Investment Trust, a real estate investment trust established in Malaysia and constituted under the Deed
AME Shares	: Ordinary shares in AME
Application Form(s)	: Application forms for the application of the Offer Units under the Retail Offering accompanying this Prospectus
Appraised Value	: In relation to a Subject Property, the value of that Subject Property as appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022
Asset Valuation Guidelines	: Asset Valuation Guidelines issued by the SC, as amended from time to time
ATM	: Automated teller machine
<i>baitulmal</i>	: The treasury under a State Islamic Religious Council
BNM	: Bank Negara Malaysia
Board	: Board of Directors of the Manager
Book Closing Date	: The specified time and date set by the Manager for the purpose of determining the Unitholders' entitlement to the Distributable Income, Offer Units or other distributions or entitlements

DEFINITIONS (Cont'd)

Bumiputera	: In the context of: (i) individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies, a company which fulfils, amongst others, the following criteria or such other criteria as may be imposed by the MITI: (a) registered under the Act or Companies Act 1965 as a private company; (b) its shareholders are 100% Bumiputera; and (c) its board of directors (including its staff) are at least 51% Bumiputera; and (iii) cooperatives, a cooperative whose shareholders or cooperative members are at least 95% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration Number: 198701006854 (165570-W)), a company incorporated under the laws of Malaysia, being the central depository of Malaysia
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration Number: 200301033577 (635998-W)), a company incorporated under the laws of Malaysia, being the securities exchange of Malaysia
CA 2016 or Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
CAGR	: Compound annual growth rate
Cash Consideration	: The part settlement of purchase consideration for the Acquisitions of approximately RM37.0 million in cash, to be funded from Islamic Financing Facilities
CCC	: Certificate of Completion and Compliance
CCTV	: Closed-circuit Television, a system comprising surveillance cameras installed in specific places and a monitoring program (comprising various hardware and software) used for the purpose of security monitoring
CDS	: Central Depository System
CDS Account	: An account established by Bursa Depository for a depositor for the recording of the deposit of securities and for dealing in such securities by the depositor
CEO	: Chief Executive Officer
CIS Prospectus Guidelines	: Prospectus Guidelines for Collective Investment Schemes issued by the SC, as amended from time to time
Clawback and Reallocation	: The clawback and reallocation provision as set out in Section 3.4.3 "Clawback and Reallocation" of this Prospectus
CMSA	: Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof

DEFINITIONS (Cont'd)

Completion Date of the SPA(s)	: The date on which the Acquisitions are completed or deemed to be completed on the terms as set out in the SPA(s)
Consideration Units	: The 520,000,000 Units to be issued as part satisfaction of the purchase consideration for the Acquisitions at the issue price of RM1.00 per Unit which shall be deemed fully paid
Controlling Unitholders	: Any person who is or a group of persons who together are entitled to exercise or control the exercise of more than 33.0% of the voting units in a unit trust scheme
COVID-19	: Coronavirus disease (COVID-19), an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Deed	: The deed of trust dated 23 May 2022 between the Manager and the Trustee constituting AME REIT, and registered with the SC on 23 May 2022
Director(s)	: Directors of the Manager
Distributable Income	: The amount available for distribution to the Unitholders of AME REIT and having the meaning as set out in Section 11.9 "Distributable Income" of this Prospectus
Distribution Period	: Quarterly or such other interval as the Manager may determine in accordance with the Deed
Distribution Yield	: The ratio of distribution paid to Unitholders from AME REIT's Distributable Income to the market price of the Units
District 6 @ SiLC	: District 6 @ SiLC, an industrial real estate located in SiLC, Iskandar Puteri, Johor
District 6 @ SiLC Subject Properties	: 3 industrial properties located in District 6 @ SiLC
DMC	: Deed of mutual covenant to be entered into by the respective developers of i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC and the Trustee (on behalf of AME REIT), as the purchaser in relation to the sale and purchase of the Subject Properties located in these managed industrial parks pursuant to the Acquisitions
DPU	: Distribution per Unit
e-commerce	: Commercial transactions conducted electronically on the internet
Electronic Application(s)	: Application(s) for the Offer Units under the Public Offering for the Malaysian Public through the ATMs of Participating Financial Institution(s)
Electronic Prospectus	: A copy of this Prospectus that is issued, circulated or disseminated via the internet and/or any electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Eligible Directors and Employees	: Eligible directors and employees of AME and its subsidiaries under the Restricted Pink Form Offering

DEFINITIONS (Cont'd)

Entitled AME Shareholders	:	Shareholders of AME whose names appear in the Record of Depositors of AME at the close of business on the Entitlement Date
Entitlement Date	:	[●], being the date as announced by AME, on which the names of the Entitled AME Shareholders appear in the Record of Depositors of AME as at 5.00 p.m., in order to be entitled to the ROFS
ESG	:	Environmental, social and corporate governance
Excess Offer Units	:	Any Offer Units not taken up by the Eligible Directors and Employees under the Restricted Pink Form Offering
Excess Offer Units Applications	:	Any unsubscribed Offer Units offered to other Eligible Directors and Employees
Excess ROFS Units	:	Any ROFS Units not taken up by the Entitled AME Shareholders under the ROFS
Excess ROFS Units Applications	:	Any unsubscribed ROFS Units offered to other Entitled AME Shareholders
FDI	:	Foreign direct investment
Final Retail Price	:	Final price per Offer Unit payable by investors pursuant to the Retail Offering equivalent to RM[●] per Offer Unit or the Institutional price, whichever is lower, to be determined on the Price Determination Date
Forecast Year 2023	:	1 April 2022 to 31 March 2023
Freehold	:	A status of a land or property with permanent and absolute tenure term whereby the owner has the perpetuity ownership of the land or property
FYE	:	Financial year ended/ending 31 March, as the case may be
FZW SAC	:	Industrial Property used as a warehouse located in the Free Industrial Zone facility which is near to i-Park @ SAC
gated and guarded industrial park(s)	:	Gated and guarded industrial park(s) with perimeter fencing and enhanced security features such as visitor management system, access cards system, CCTV surveillance and guard patrol to prevent unauthorised access. Some gated and guarded industrial parks also provide amenities such as workers' dormitories, recreational facilities, landscaping and general maintenance
GDP	:	Gross domestic product
GDV	:	Gross development value
GFA	:	Gross floor area

DEFINITIONS (Cont'd)

Global Certificate	: A certificate issued to Bursa Depository pursuant to the provisions of the Deed relating to some or all the Units registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or as agreed with Bursa Depository
Government	: Government of Malaysia
Gross Rental Income	: Base rental from tenants occupying the NLA
HLIB or Principal Adviser, Joint Bookrunner and/or Sole Underwriter	: Hong Leong Investment Bank Berhad (Registration No. 197001000928 (10209-W)), being the Principal Adviser, Joint Bookrunner and Sole Underwriter
Income Tax Act	: Income Tax Act, 1967, as amended from time to time and any re-enactment thereof
Indahpura Subject Properties	: Collectively, 11 Industrial Properties located in i-Park @ Indahpura and 2 Industrial-Related Properties located adjacent to i-Park @ Indahpura
Independent Market Researcher	: Smith Zander International Sdn Bhd (Registration No. 201301028298 (1058128-V)), a company incorporated under the laws of Malaysia
Independent Property Valuer	: CBRE WTW Valuation & Advisory Sdn Bhd (formerly known as C H Williams Talhar & Wong Sdn Bhd) (Registration No. 197401001098 (18149-U)), a company incorporated under the laws of Malaysia
Industrial Property(ies)	: Freehold property(ies) used for industrial purposes and include any office on the same property, the use of which is incidental to such industrial activity, all of which are located in or near to i-Park @ SAC, i-Park @ Indahpura, i-Park @ SiLC and District 6 @ SiLC, all of which are described in Section 2 of this Prospectus
Industrial-Related Property(ies) or Dormitory(ies)	: Industrial-related real estate(s) which are used as workers' dormitory(ies) located adjacent to i-Park @ Indahpura and i-Park @ SAC, all of which are described in Section 2 of this Prospectus
Institutional Offering	: Offering of at least 79,991,180 Offer Units, subject to Clawback and Reallocation, to Malaysian institutional investors and selected investors, including Bumiputera investors approved by MITI, at the Institutional Price
Institutional Price	: The price per Offer Unit payable by the institutional investors pursuant to the Institutional Offering which will be determined on the Price Determination Date by way of a bookbuilding exercise
Internet Application(s)	: Application(s) for the Offer Units under the Public Offering for the Malaysian public portion through an Internet Participating Financial Institution(s)
Internet Participating Financial Institution(s)	: Participating financial institutions for the Internet Application as referred to in Appendix G "Procedure for the Application and Acceptance" of this Prospectus

DEFINITIONS (Cont'd)

Ipark Development	:	Ipark Development Sdn Bhd (Registration No. 201201034205 (1018693-K)), a company incorporated under the laws of Malaysia, a 79.9% owned subsidiary of the Sponsor
i-Park @ Indahpura	:	A managed industrial park development project undertaken by AME Development for Phase 1 and 2, and by Axis AME IP Sdn Bhd, a jointly-controlled entity of AME, for Phase 3, located in Bandar Indahpura, Kulai, Johor
i-Park @ SAC	:	A managed industrial park developed by Ipark Development, located in Senai Airport City, Johor
i-Park @ SiLC	:	A managed industrial park development by AME Development, located in Southern Industrial Logistics Clusters Industrial Park, Iskandar Puteri, Johor
I Stay	:	I Stay Management Sdn Bhd (Registration No. 201401005035 (1081113-X)), a company incorporated under the laws of Malaysia, a 70% owned subsidiary of the Sponsor
Iskandar Malaysia	:	The main southern development corridor in Johor established in 2006, which consists of five local government authorities, namely Johor Bahru City Council, Iskandar Puteri City Council, Pasir Gudang Municipal Council, Kulai Municipal Council and Pontian District Council
Islamic Financing Facilities or Financing Facilities	:	Islamic financing facilities of up to RM70.0 million procured by AME REIT through the Trustee from Hong Leong Islamic Bank Berhad (Registration No. 200501009144 (686191-W)), for satisfaction of the Cash Consideration, funding listing expenses, working capital and to finance future acquisition of properties after Listing
Issuing House	:	Malaysian Issuing House Sdn. Bhd (Registration No. 199301003608 (258345-X)), a company incorporated under the laws of Malaysia
IT	:	Information technology
Joint Bookrunners	:	Collectively, HLIB and RHB IB
Listing	:	Admission of AME REIT to the Official List and the listing of and quotation for 520,000,000 new Units on the Main Market
Listing Date	:	The date of admission of AME REIT to the Official List and the listing of and quotation for 520,000,000 new Units on the Main Market
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LKL Industries	:	LKL Industries Sdn Bhd (Registration No. 200001026333 (528940-U)), a company incorporated under the laws of Malaysia, a wholly-owned subsidiary of the Sponsor
LPD	:	15 June 2022, being the latest practicable date prior to the issuance of this Prospectus
Main Market	:	Main Market of Bursa Securities

DEFINITIONS (Cont'd)

Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Management Fees	:	Fees payable to the Manager which comprises the base fee, the performance fee, the acquisition fee and the divestment fee as set out in Section 6.6 “Management Fees” of this Prospectus
Manager	:	I REIT Managers Sdn Bhd (Registration No. 202101014501 (1414801-X)), a company incorporated under the laws of Malaysia, being the management company of AME REIT
Market Day	:	A day on which Bursa Securities is open for trading in securities
MCCG	:	Malaysian Code on Corporate Governance as at 28 April 2021
MITI	:	Ministry of International Trade and Industry of Malaysia
MFRS	:	Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
MNC(s)	:	Multinational corporation(s)
N/A	:	Not applicable
NAV	:	The value of all the REIT's assets less the value of all the REIT's liabilities at the valuation points
NLA	:	Net lettable area
Non-Real Estate Assets	:	Refers to: (i) units of other listed Islamic REITs; (ii) listed Shariah-compliant shares; (iii) listed Shariah-compliant securities of and issued by property companies; (iv) sukuk issued by, or fully guaranteed by, the Government; (v) sukuk issued by property companies, and real estate-related asset-backed securities; and (vi) Islamic commercial papers or sukuk issued by companies or institutions falling within the top three long-term credit rating and highest short-term credit rating by any domestic or global rating agency, and such other assets as may be permitted by the REIT Guidelines and the SC
NPI	:	Net property income
NPO	:	The notice of provisional offer in relation to ROFS
Occupancy Rate	:	The occupancy rate as set out in Section 2.1.3 “Gross Rental Income, Average Rental Rate, Occupancy Rate” of this Prospectus

DEFINITIONS (Cont'd)

Occupied NLA	:	The total NLA of the Industrial Properties which, at any particular point in time, are subject to tenancies which have commenced in accordance with terms of the respective tenancy agreements and/or letters of offer
Offer Acceptance Form	:	The offer acceptance form in relation to the ROFS
Offer Unit(s)	:	Unit(s) offered pursuant to the Offering
Offering	:	The initial public offering of the Offer Units comprising the Retail Offering and the Institutional Offering
Official List	:	A list specifying all securities listed on the Main Market
Participating Financial Institutions	:	The participating financial institutions for Electronic Applications as referred to in Appendix G "Procedure for the Application and Acceptance" of this Prospectus
per pax	:	per person
Permissible Investments	:	The following investments in which AME REIT may invest, subject to the provisions of the REIT Guidelines: (i) Real Estate; (ii) Non-Real Estate Assets (iii) cash, Islamic deposits and Islamic money market instruments; and (iv) any other investment not specified in (i) to (iii) above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC
Placement Agreement	:	The placement agreement to be entered into between, inter alia, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee (on behalf of AME REIT) and the Joint Bookrunners in respect of the placement of Offer Units under the Institutional Offering
Price Determination Date	:	The date on which the Institutional Price and the Final Retail Price will be determined
Prime Minister	:	Prime Minister of Malaysia
Principal Register	:	The register of Unitholders kept pursuant to Section 308 of the CMSA
Pro Forma Gross Rental Income	:	The pro forma gross rental income as set out in Section 2.1.3 "Gross Rental Income, Average Rental Rate, Occupancy Rate" of this Prospectus
Profit Forecast	:	The profit forecast of AME REIT for the Forecast Year 2023
Property Development Costs	:	Refers to: (i) Costs that are directly attributable to property development activities or that can be allocated on a reasonable basis to such activities; and (ii) where applicable, the acquisition cost of the Real Estate that is being acquired for development purposes

DEFINITIONS (Cont'd)

Property Management Agreement	:	The property management agreement dated 23 June 2022 entered into between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager
Property Manager	:	Nusa Realtors (Registration No. VEPM(3)0032), a sole proprietorship registered in Malaysia under the Registration of Business Act 1956 and Valuers, Appraisers, Estate Agents and Property Managers Act 1981
Property Operating Expenses	:	All expenses or outgoings required to manage or maintain the Subject Properties as permitted by the Deed
Prospectus	:	This Prospectus dated [●]
Public Offering	:	Offering of 10,400,000 Offer Units to the Malaysian Public via balloting
Public Spread Requirement	:	The requirement, in accordance with the Listing Requirements, to have at least 25.0% of the total number of Units in issue to be held by a minimum number of 1,000 public Unitholders holding not less than 100 Units each upon completion of the Offering and at the point of the Listing
Real Estate	:	Land and all things that are a natural part of the land as well as things attached to the land both below and above the ground and includes rights, interests and benefits related to the ownership of the real estate, but excludes mineral, or oil and gas assets and resources
Record of Depositors	:	A record provided by Bursa Depository under the Rules of Bursa Depository
Registered Trademark Owner	:	AME Integrated Sdn Bhd (Registration No: 201201030486 (1014973-A)), a company incorporated under the laws of Malaysia, the registered trademark proprietor of the trademarks as set out in Section 1.9 “Intellectual Property” of this Prospectus
Registrar	:	Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D)), a company incorporated under the laws of Malaysia
REIT	:	Real estate investment trust
REIT Establishment and Listing	:	Collectively, the establishment of AME REIT, the Acquisitions, the Offering and the Listing
REIT Guidelines	:	The Guidelines on Listed Real Estate Investments Trusts issued by the SC, as amended from time to time
Relevant Laws and Requirements	:	The laws, regulations, guidelines, rules and official requirements, guidance notes, practice notes (whether or not having the force of law) applicable to REITs from time to time including securities laws, the REIT Guidelines, the Asset Valuation Guidelines, the Listing Requirements, the Rules of Bursa Depository and taxation laws, rulings and guidelines
Reporting Accountants	:	KPMG PLT (Firm No. LLP0010081-LCA & AF 0758)

DEFINITIONS (Cont'd)

Restricted Pink Form Offering	:	Allocation of 7,800,000 Offer Units to Eligible Directors and Employees
Retail Offering	:	Offering of up to 174,808,820 Offer Units, subject to Clawback and Reallocation, pursuant to the ROFS, Restricted Pink Form Offering and Public Offering
Retail Price	:	RM [●] per Offer Unit, being the initial price payable by investors pursuant to the Retail Offering
RFID	:	Radio frequency identification, a technology that uses radio waves to passively identify a tagged object
RHB IB	:	RHB Investment Bank Berhad (Registration Number: 197401002639 (19663-P))
ROFR	:	Right of first refusal, which will be effective for a period of 5 years from the date of Listing
ROFS	:	Restricted offer for sale of up to 156,608,820 ROFS Units to the Entitled AME Shareholders on the basis of 1 ROFS Unit for every 5 AME Shares held on the Entitlement Date
ROFS Unit(s)	:	Such unit(s) to be offered to the Entitled AME Shareholders pursuant to the ROFS
Rules of Bursa Depository	:	Rules of Bursa Depository and all procedure manuals (as defined in Rules of Bursa Depository), as amended from time to time
Rules on Take-Overs	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time read together with the Malaysian Code on Take-Overs and Mergers 2016 issued by the SC, as amended from time to time
SAC	:	Senai Airport City, Kulai, Johor
SAC Subject Properties	:	Collectively, 14 Industrial Properties located in i-Park @ SAC including FZW SAC, and 1 Industrial-Related Property located adjacent to i-Park @ SAC
SACSC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
Selling Subsidiaries	:	Collectively, AME Development, Ipark Development and LKL Industries
Service Provider Agreement	:	The service provider agreement dated 23 June 2022 entered into between the Property Manager and AME Building Management Sdn Bhd
Shariah	:	Islamic Law comprising the whole body of rulings pertaining to human conducts derived from sources of the Shariah namely the <i>Qur'an</i> (the holy book of Islam) and <i>Sunnah</i> (practices and explanations rendered by the Prophet Muhammad (<i>pbuh</i>)) and other sources of Shariah such as <i>Ijtihad</i> (exertion of individual efforts to determine the true ruling of the divine law on matters whose revelations are not explicit) of Shariah scholars

DEFINITIONS (Cont'd)

Shariah Adviser or BIMBSEC	:	BIMB Securities Sdn Bhd (Registration Number: 199401004484 (290163-X)), a company incorporated under the laws of Malaysia, the Shariah Adviser appointed for the time being to advise AME REIT on all Shariah matters and to ensure full compliance with the REIT Guidelines in relation to Shariah
Shariah Investment Guidelines	:	Shariah investment guidelines issued by the Shariah Adviser for AME REIT
Shariah Requirements	:	The rulings, guidelines and resolutions made by the SACSC or the advice given by the Shariah Adviser
Shariah Supervisory Boards	:	Independent supervisory or advisory bodies of specialized jurists in <i>Fiqh al-mua'malat</i> (Islamic commercial jurisprudence)
SICDA	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof
SiLC	:	Southern Industrial Logistics Clusters Industrial Park, Iskandar Puteri, Johor
SiLC Subject Properties	:	Collectively, 3 Industrial Properties located in i-Park @ SiLC and the District 6 @ SiLC Subject Properties
SPA(s)	:	Sale and purchase agreement(s) relating to the Acquisitions that were entered into between the Trustee (on behalf of AME REIT) and the Vendors on 19 July 2022
Special Resolution	:	A resolution passed at a meeting of the Unitholders duly convened and held in accordance with the provisions of the Deed by a majority consisting of not less than $\frac{3}{4}$ of the persons voting upon a show of hands and, if a poll is demanded, then by a majority consisting of not less than $\frac{3}{4}$ of the votes given on such poll, provided always that for the purpose of terminating or winding up of AME REIT, a "Special Resolution" means a resolution passed by a majority in number representing at least $\frac{3}{4}$ of the value of the Units held by Unitholders present at the meeting
Sponsor or AME	:	AME Elite Consortium Berhad (Registration No. 201801030789 (1292815-W)), a company incorporated under the laws of Malaysia
SPV	:	Special purpose vehicle used for the purpose of investment in Real Estate as referred to in the REIT Guidelines
sq ft	:	Square feet
sq m	:	Square metres
State Authority	:	In relation to the States of West Malaysia, the Ruler-in-Council or Governor-in-Council of a State and includes in Negeri Sembilan, the Yang di-Pertuan Besar acting on behalf of himself and the Ruling Chiefs (the Undang of Sungei Ujong, the Undang of Jelebu, the Undang of Johol, the Undang of Rembau and the Tunku Besar of Tampin), and in relation to the Federal Territories of Kuala Lumpur, Putrajaya and Labuan, the minister charged with the responsibility for local government

DEFINITIONS (Cont'd)

Subject Property(ies)	:	Individually and/or collectively, the Indahpura Subject Properties, SAC Subject Properties and SiLC Subject Properties, which form the property portfolio of AME REIT at the point of Listing
Sukuk	:	Certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SACSC or any relevant Shariah Supervisory Boards and/or the Shariah Adviser
Sole Underwriter	:	HLIB, the sole underwriter for 18,200,000 Offer Units under the Restricted Pink Form Offering and Public Offering
Symphony Square	:	Symphony Square Sdn Bhd (Registration No. 201201039142 (1023620-W))
Tax Consultant	:	KPMG Tax Services Sdn Bhd (Registration No: 198301001627 (96860-M)), a company incorporated under the laws of Malaysia
Total Asset Value	:	The value of the assets of AME REIT in accordance with generally accepted accounting practices in Malaysia, as determined in accordance with the Deed
Total Revenue	:	Gross Rental Income and other income
Trademark Licensing Agreement	:	The trademark licensing agreement dated 23 June 2022 entered into between Registered Trademark Owner, Manager and Trustee (on behalf of AME REIT)
Trustee	:	RHB Trustees Berhad (Registration No. 200201005356 (573019-U)), a company incorporated under the laws of Malaysia, being the trustee of AME REIT
Twin Sunrich	:	Twin Sunrich Sdn Bhd (Registration No. 201201038479 (1022957-D)), a company incorporated under the laws of Malaysia, a wholly-owned subsidiary of the Sponsor
Underwriting Agreement	:	The underwriting agreement dated [●] entered into between the Manager, AME, the Selling Subsidiaries, the Trustee (on behalf of AME REIT) and the Sole Underwriter for the underwriting of 18,200,000 Offer Units under Restricted Pink Form Offering and Public Offering
Unit(s)	:	Undivided interest in AME REIT as provided for in the Deed
Unitholders	:	Holders of the Units
US	:	The United States of America
Valuation Certificate(s)	:	Collectively, the valuation certificate dated 16 August 2021 and update valuation certificate dated 8 July 2022 in respect of the Subject Properties

DEFINITIONS (Cont'd)

Vendor(s) : In relation to the Acquisitions, the vendor(s) of the Subject Properties, namely:

- (i) Active Gold;
- (ii) AME Development;
- (iii) Ipark Development;
- (iv) LKL Industries; and
- (v) Twin Sunrich

WALE : Weighted average lease expiry

Warrants 2021/2026 : Outstanding warrants in AME issued in 2021 and are due to expire in 2026

Currencies

RM and sen : Ringgit Malaysia and sen, respectively

USD : United States Dollar, the lawful currency of US

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References to “Manager” are to I REIT Managers Sdn Bhd, unless the context otherwise requires. Unless the context otherwise requires, references to “Management” are to the directors and senior management team of the Manager as at the date of this Prospectus, and the statements in this Prospectus as to beliefs, expectations, estimates and opinions of AME REIT are those of the Management. All references to “AME REIT” in this Prospectus include references to RHB Trustees Berhad, in its capacity as trustee for AME REIT, unless the context otherwise requires.

In this Prospectus, references to “Ringgit”, “Ringgit Malaysia”, “Malaysian Ringgit”, “RM” and “sen” are to the lawful currency of Malaysia.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations and reference to a section is a reference to the relevant section of this Prospectus.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of stock exchange will (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to a date and time will be a reference to Malaysian date and time, unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to one or two decimal places, where appropriate. Percentage changes in this Prospectus have been calculated on the basis of relevant figures before rounding.

Certain acronyms, technical terms and other abbreviations used herein are defined in the “Definitions” section of this Prospectus.

This Prospectus includes statistical data provided by the Manager and various third parties and cites third-party projections regarding growth and performance of the market and industry in which AME REIT operates. This data is taken or derived from information published by industry sources and from the Manager’s internal data. In each such case, the source is acknowledged in this Prospectus, provided that where there is no source stated, it can be assumed that the information originates from the Manager. In particular, certain information in this Prospectus is extracted or derived from the Independent Market Research Report prepared by the Independent Market Researcher.

The Manager believes that the statistical data and projections cited in this Prospectus are useful in helping prospective investors understand the major trends in the markets in which AME REIT operates. However, none of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter has independently verified these figures. Moreover, the rapidly evolving nature of the property industry makes it difficult to obtain precise and accurate statistics. None of the AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter make any representation as to the correctness, accuracy or completeness of such data and accordingly prospective investors should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the forecast figures. No assurances are or can be given that the estimated figures will be achieved, and prospective investors should not place undue reliance on the third-party projections cited in this Prospectus.

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecast generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third-party sources or ascertained the underlying economic assumption relied upon therein.

All the information set out in this Prospectus is presented as at the LPD, unless otherwise indicated.

The information on AME REIT's, the Manager's, and the Sponsor's websites or any website, directly or indirectly, linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.

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FORWARD-LOOKING STATEMENT

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AME REIT, the Manager, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Manager's present and future business strategies and the environment in which AME REIT or the Manager will operate in the future. As such forward-looking statements reflect the Manager's current views with respect to future events, these statements necessarily involve risks, uncertainties and assumptions. Actual future performance could differ from these forward-looking statements. Investors should not place any undue reliance on these forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Forward-looking statements include, without limitation, statements relating to:

- (i) estimated financial information regarding the future development and economic performance of AME REIT's business;
- (ii) future earnings, cash flow, level of indebtedness and liquidity;
- (iii) potential growth opportunities;
- (iv) financing plans;
- (v) the Manager's business strategy;
- (vi) the competitive position and the effects of competition on AME REIT's investment portfolio;
- (vii) development of additional revenue sources;
- (viii) the amount and nature of future capital expenditures required by AME REIT; and
- (ix) the general industry environment.

Among the important factors that could cause the actual results, performance or achievements of AME REIT or the Manager to differ materially from those in the forward-looking statements are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions in Malaysia and overseas, changes in Government laws and regulations affecting AME REIT, competition in the Malaysian and overseas property market in which AME REIT may invest, currency exchange rates, interest rates, inflation, relations with tenants, relations with service providers, relations with lenders, hostilities (including any potential terrorist attacks), the performance and reputation of AME REIT's properties and/or acquisitions, difficulties in identifying future acquisitions, difficulty in completing acquisitions, changes in the Manager's directors and executive officers, risks related to natural disasters, general volatility of the capital markets, general risks relating to the property market in which AME REIT may invest and the market price of the Units as well as other matters not yet known to the Manager or not currently considered material by the Manager.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those set out in Section 5 "Risk Factors", Section 4.5 "Profit Forecast", Section 4.4 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Section 2 "Subject Properties" of this Prospectus. Neither AME REIT nor the Manager can give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. Should the Manager become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of prospectus up to the date of the issuance of Units, the Manager shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

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CORPORATE DIRECTORY

MANAGER	: I REIT Managers Sdn Bhd (Registration No. 202101014501 (1414801-X))
Registered Office	: Suite 9D, Level 9, Menara Ansar 65, Jalan Trus 80000 Johor Bahru Johor Darul Takzim Malaysia Telephone No.: (07) 224 1035
Business Office	: No. 2, Jalan I-Park SAC 1/1 Taman Perindustrian I-Park SAC 81400 Senai Johor Darul Takzim Malaysia Telephone No.: (07) 5959 999 Email: corporate@ireit.com.my Website: [www.amereit.com.my]

DIRECTORS OF THE MANAGER

<u>Name</u>	<u>Designation</u>
Lee Sai Boon	Chairman / Executive Director
Chan Wai Leo	Chief Executive Officer / Executive Director
Lee Chai	Executive Director
Wee Beng Chuan	Independent Non-Executive Director
Yau Yin Wee	Independent Non-Executive Director
Datin Cheryl Kaur Pola	Independent Non-Executive Director
Lim Yook Kim	Alternate Director to Lee Chai
Kang Ah Chee	Alternate Director to Lee Sai Boon
Lim Pei Shi	Alternate Director to Chan Wai Leo

AUDIT AND RISK MANAGEMENT COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Wee Beng Chuan	Chairman	Independent Non-Executive Director
Datin Cheryl Kaur Pola	Member	Independent Non-Executive Director
Yau Yin Wee	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Yau Yin Wee	Chairman	Independent Non-Executive Director
Datin Cheryl Kaur Pola	Member	Independent Non-Executive Director
Wee Beng Chuan	Member	Independent Non-Executive Director

COMPANY SECRETARIES

: **Santhi A/P Saminathan**
Professional Qualification: The Malaysian Institute of
Chartered Secretaries and Administrators ("**MAICSA**")
Membership No.: MAICSA 7069709
SSM Practising Certificate No.: 201908002933

Raidah Binti Abd Rahman
Professional Qualification: Licensed Secretary
Licensed Secretary No.: LS0010350
SSM Practising Certificate No.: 201908002931

Suite 9D, Level 9, Menara Ansar
65 Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Malaysia

Telephone No.: (07) 224 1035

TRUSTEE

: **RHB Trustees Berhad**
(Registration No.: 200201005356 (573019-U))

Registered Office:
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Telephone No.: (03) 9287 8888

Business Office:
Level 11, Tower Three
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Telephone No.: (03) 9280 5933

Email: rhbtrustees@rhbgroup.com
Website: <https://www.rhbgroup.com>

SHARIAH ADVISER

: **BIMB Securities Sdn Bhd**
(Registration No.: 199401004484 (290163-X))

Registered Office:

32nd Floor, Menara Bank Islam
No. 22, Jalan Perak
50450 Kuala Lumpur
Malaysia

Business Office:

Level 32, Menara Multi-Purpose
No. 8, Capital Square
Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

Telephone No.: (03) 2613 1600

Email: shariah@bimbsec.com.my

Website: <http://www.bimbsec.com.my>

Shariah Advisory Committee:

1. Ir. Dr. Muhamad Fuad Abdullah
2. Professor Dr. Asmadi Mohamed Naim
3. Dr. Shamsiah Mohamad

PROPERTY MANAGER

: **Nusa Realtors**
(Registration No.: VEPM (3)0032)

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

Telephone No.: (07) 5959 999

**PRINCIPAL ADVISER AND SOLE
UNDERWRITER**

: **Hong Leong Investment Bank Berhad**
(Registration No.: 197001000928 (10209-W))

Level 28, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Malaysia

Telephone No.: (03) 2083 1800

JOINT BOOKRUNNERS

: **Hong Leong Investment Bank Berhad**
(Registration No.: 197001000928 (10209-W))

Level 28, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Malaysia

Telephone No.: (03) 2083 1800

RHB Investment Bank Berhad
(Registration No: 197401002639 (19663-P))

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

Telephone No.: (03) 9287 3888

REPORTING ACCOUNTANTS

: **KPMG PLT**
(Firm no.: LLP0010081-LCA & AF0758)

Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1
Medini Iskandar
79200 Iskandar Puteri
Johor Darul Takzim
Malaysia

Telephone No.: (07) 266 2213

Partner-in-charge: Tan Teck Eng
Approval number: 02986/05/2024 J
Professional qualification: Member of the Malaysian
Institute of Accountants ("MIA")
(MIA Membership No.: 23391)

TAX CONSULTANT

: **KPMG Tax Services Sdn Bhd**
(Registration No.: 198301001627 (96860-M))

Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1
Medini Iskandar
79200 Iskandar Puteri
Johor Darul Takzim
Malaysia

Telephone No.: (07) 266 2213

Partner-in-charge: Tai Lai Kok
Tax agent license number: 02/2800/10/2022
Professional qualifications: Chartered Accountant & Tax
Committee Member of the Malaysian Institute of
Accountants, Tax Committee Member of the Malaysian
Institute of Certified Public Accountants, Tax Committee
Member of the American Malaysian Chamber of
Commerce, Member of the Chartered Tax Institute of
Malaysia and Member of the CPA Australia

- INDEPENDENT PROPERTY VALUER** : **CBRE WTW Valuation & Advisory Sdn Bhd**
(formerly known as C H Williams Talhar & Wong Sdn Bhd)
(Registration No.: 197401001098 (18149-U))
- Suite 15B, Level 15, Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Malaysia
- Telephone No.: (07) 224 3388
- Valuer-in-charge: Lo Kin Weng
Professional qualifications: Registered Valuer, Board of Valuers, Appraisers, Estate Agents and Property Managers, Member of the Royal Institution of Chartered Surveyors (MRICS), Member of the Royal Institution of Surveyors Malaysia (MRISM), Member of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (MPEPS)
(Registration No.: V-917)
- LEGAL ADVISER** : **Rosli Dahlan Saravana Partnership**
- Level 16, Menara 1 Dutamas
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia
- Telephone No.: (03) 6209 5400
- INDEPENDENT MARKET RESEARCHER** : **Smith Zander International Sdn Bhd**
(Registration No.: 201301028298 (1058128-V))
- 15-01, Level 15
Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Malaysia
- Telephone No.: (03) 2732 7537
- Name of signing partner: Dennis Tan Tze Wen
Professional qualification: Bachelor of Science, Memorial University of Newfoundland, Canada
- ISSUING HOUSE** : **Malaysian Issuing House Sdn. Bhd.**
(Registration No.: 199301003608 (258345-X))
- 11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Telephone No.: (03) 7890 4700

REGISTRAR	:	Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D)) 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone No.: (03) 7890 4700
INTERNAL AUDITOR	:	Sterling Business Alignment Consulting Sdn Bhd (Registration No.: 200401015607 (654110-P)) Unit 3A02, Level 3A, Lobby 1 Block C, Damansara Intan No. 1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Malaysia Telephone No.: (03) 7612 8609
LISTING SOUGHT	:	Main Market of Bursa Securities

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This section only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to the investors. Investors should read and understand the contents of the whole Prospectus prior to deciding whether to invest in the Units. If necessary, investors should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers as to the legal, business, financial, tax and related aspects of an investment in the Units.

There are fees involved and investors are advised to consider them before investing in AME REIT. Investors should be aware that the rental yields of the Subject Properties as well as other real estate that AME REIT may invest in the future are not equivalent to the yields of the Units and the current rental receipts and yields of the Subject Properties may not be sustainable. Investors should also note that the value of the Subject Properties (including other investments AME REIT may have in the future), Unit prices and distributions payable, if any, may go down as well as up. For information concerning certain risk factors which should be considered by prospective investors, please refer to Section 5 “Risk Factors” of this Prospectus.

Statements contained in this section that are not historical facts may be forward-looking statements or are historical statements reconstituted on a pro forma basis. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results of AME REIT to differ materially from those forecasts. Please refer to the section on “Forward-looking Statements” for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, Joint Bookrunners and the Sole Underwriter or any other person or that these results will be achieved or are likely to be achieved. Investing in the Units involves risks.

(A) OVERVIEW OF AME REIT

Investment Policy

AME REIT is an Islamic REIT established with the principal investment policy of 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. The current focus of AME REIT is on Real Estate in Malaysia and overseas investment has not been determined. AME REIT may also invest in other investments as permissible in the REIT Guidelines or as otherwise permitted by the SC. Any material change to the investment policy of AME REIT must be approved by the Unitholders by way of a resolution of not less than two-thirds of the votes given on poll at a Unitholders’ meeting duly convened and held in accordance with the Deed.

Investment Objective

The Manager’s key objective is to provide Unitholders with a stable and growing distribution of income and to achieve long-term growth in the NAV per Unit.

Key Investment Strategies

The Manager intends to achieve the investment objectives through the implementation of the following strategies, including:

- (i) **Acquisition growth strategy** – The Manager will leverage on AME Group’s future property development projects as well as third party properties to source for and acquire properties within Malaysia⁽¹⁾ that fit within AME REIT’s investment strategy to generate stable cash flows and potential for long-term income and capital growth;
- (ii) **Proactive asset management strategy** – The Manager will seek to optimise and maintain high occupancy rates, achieve stable rental growth and maximise investment returns; and

- (iii) **Capital and risk management strategy** – The Manager intends to optimise AME REIT's capital structure and cost of capital within the financing limits set out in the REIT Guidelines and intends to use a combination of Islamic financing and equity financing to fund future acquisitions and capital expenditure.

Note:

- (1) *The CEO is also mandated to source properties situated outside of Johor, with specific focus on the central and northern regions of Peninsular Malaysia as set out in Section 2.2.6.1.*

For further details of AME REIT, please refer to Section 1 "Detailed Information on AME REIT" of this Prospectus.

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(B) SUMMARY OF AME REIT

Name of REIT	: AME REIT
REIT type	: Income stability and growth
Deed	: Deed dated 23 May 2022 and registered with the SC on 23 May 2022
The Manager	: I REIT Managers Sdn Bhd
The Trustee	: RHB Trustees Berhad
The Shariah Adviser	: BIMB Securities Sdn Bhd
Total issue size on the Listing Date	: 520,000,000 Units
Permissible Investments	: (i) Real Estate; (ii) Non-Real Estate Assets; (iii) cash, Islamic deposits, and Islamic money market instruments; and (iv) any other investment not specified in (i) to (iii) above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC.
Permissible Investments limits	: AME REIT's investments are subject to the following investment limits as prescribed in the REIT Guidelines: (i) at least 75.0% of AME REIT's Total Asset Value must be invested in Real Estate that generates recurrent rental income at all times; (ii) the aggregate investments in property development activities (Property Development Costs) and Real Estate under construction must not exceed 15.0% of the Total Asset Value of AME REIT; and (iii) investments in Non-Real Estate Assets are subject to the following investment limits: (a) the Shariah-compliant securities must be traded in or under the rules of an eligible market, except for unlisted sukuk; (b) the value of AME REIT's investments in Shariah-compliant securities issued by any single issuer must not exceed 5.0% of AME REIT's Total Asset Value; (c) the value of AME REIT's investments in Shariah-compliant securities issued by any group of companies must not exceed 10.0% of AME REIT's Total Asset Value; and (d) AME REIT's investments in any class of Shariah-compliant securities must not exceed 10.0% of the securities issued by any single issuer; or such other limits and investments as may be permitted by the SC or the REIT Guidelines.

Non-permissible activities : Activities that are classified as non-permissible as decided by the SACSC including conventional banking and lending, conventional insurance, gambling, liquor and liquor-related activities, pork and pork-related activities, non-halal food and beverages, tobacco and tobacco-related activities, stockbroking or share trading in Shariah non-compliant securities, Shariah non-compliant entertainment and other activities deemed non-compliant according to Shariah principles as determined by the SACSC or the Shariah Adviser, in cases where no specific ruling is made by the SACSC.

Distribution policy : The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all or such other percentage as determined by the Manager at its absolute discretion, of AME REIT's Distributable Income. It is the intention of the Manager to distribute at least 90.0% of AME REIT's Distributable Income on a quarterly basis or such other intervals as the Manager may determine at its absolute discretion.

Quarterly basis refers to each consecutive 3-month period commencing on and ending on the following dates (all dates inclusive) in each financial year during the continuance of AME REIT or such other interval as the Manager may determine in accordance with the Deed:

- (i) 1 April to 30 June;
- (ii) 1 July to 30 September;
- (iii) 1 October to 31 December; and
- (iv) 1 January to 31 March.

The actual proportion of Distributable Income to be distributed to Unitholders beyond the FYE 2023, which shall be at the absolute discretion of the Manager, may be greater than 90.0% of AME REIT's Distributable Income to the extent that the Manager believes is appropriate, having regard to AME REIT's funding requirements, other capital management considerations and the availability of funds. Distributions, when made in the form of cash, will be in Ringgit Malaysia.

For the period from the Listing Date to 31 March 2023, AME REIT will distribute 100.0% of its Distributable Income. The first distribution, which will be in respect of the period from the Listing Date to 31 December 2022, being the first full financial quarter after Listing, will be paid by the Manager within 2 months from 31 December 2022.

Financing limitation and gearing policy : Up to 50.0% of the Total Asset Value of AME REIT at the time the financing is incurred (or such other limit permitted by the REIT Guidelines from time to time).

Upon Listing, based on AME REIT's Pro Forma Statement of Financial Position, AME REIT will have a total indebtedness of approximately RM46.5 million representing approximately 8.1% of its estimated Total Asset Value of RM574.5 million.

Performance benchmark	: The following performance indicators can be considered in reviewing the performance of AME REIT: (i) Distribution Yield; (ii) NAV; and (iii) Total Return (calculated as the change in market price of the Units over a period of time plus any distributions received during the relevant period). The performance indicators will be used to benchmark AME REIT against its peers as well as against its own historical performance, where applicable.
Valuation Policy	: Independent professional valuation will be obtained at least once every financial year in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary and these valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines.
Redemption policy	: Unitholders have no right to request the Manager to redeem their Units.
Minimum initial investment	: Minimum of 100 Units
Minimum additional investment	: Multiples of 100 Units
Investor profile	: AME REIT may appeal to an investor with long-term investment objectives who seeks regular and stable income distribution and long-term capital appreciation, and who understands the risks related to the real estate industry and REITs.
Form	: The Units will be issued in registered form and AME REIT shall be constituted by Deed.
Board lot	: 100 Units per board lot
Quotation	: Main Market
Governing law	: The Deed is governed by Malaysian law
Avenue for advice available to prospective investors	: The Manager strives to provide investors with quality information services to assist investors to make well informed investment decisions and keep abreast of developments relating to AME REIT. Enquiries can be made through the following: (i) telephone number (07) 5959 999 during business hours (Malaysian time); (ii) No. 2, Jalan I-Park SAC 1/1, Taman Perindustrian I-Park SAC, 81400 Senai, Johor Darul Takzim during business hours (Malaysian time); or (iii) AME REIT's email at corporate@ireit.com.my or website at www.amereit.com.my

(C) STRUCTURE OF AME REIT

I REIT Managers Sdn Bhd is the manager of AME REIT. The principal activity of the Manager is to manage and administer AME REIT. The Manager shall, in managing AME REIT, undertake primary management activities in relation to AME REIT, including but not limited to overall strategy, risk management strategy, acquisition and disposal strategy, property development activities, marketing and communications, individual asset performance and business planning, market performance analysis and other activities as provided under the Deed. For further details of the Manager, please refer to Section 6 “The Manager” of this Prospectus.

AME Elite Consortium Berhad is the Sponsor of AME REIT. The Sponsor’s principal business address is No. 2, Jalan I-Park SAC 1/1, Taman Perindustrian I-Park SAC, 81400 Senai, Johor Darul Takzim.

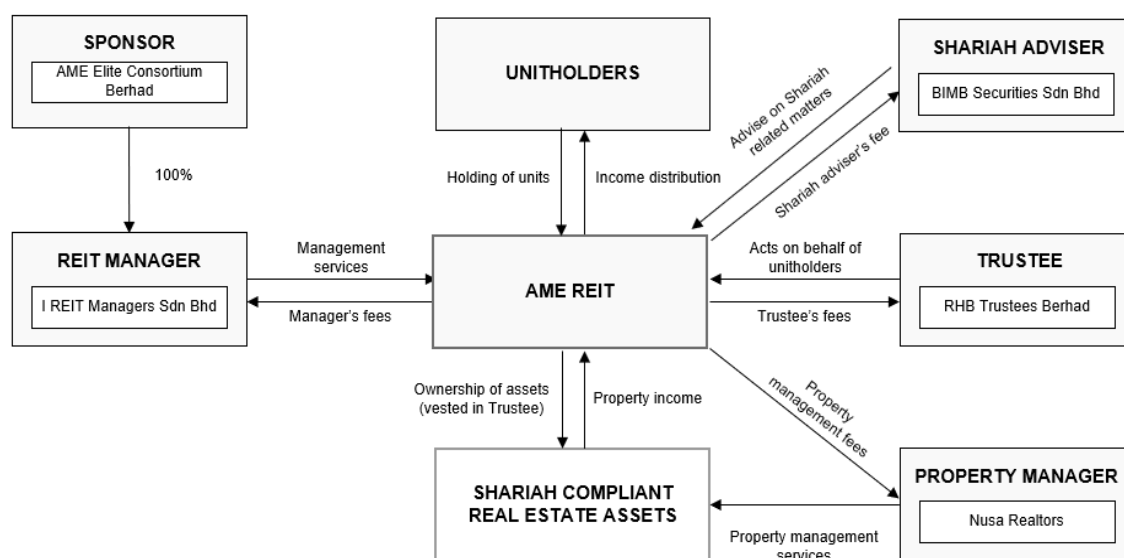
RHB Trustees Berhad is the trustee of AME REIT. The Trustee provides corporate trusteeship services for AME REIT. For further details of the Trustee, please refer to Section 8 “The Trustee” of this Prospectus.

Nusa Realtors is the property manager of AME REIT. The Property Manager is responsible for providing property management services to manage, operate and maintain the Subject Properties upon the terms and conditions of the Property Management Agreement. For further details of the Property Manager, please refer to Section 10 “Property Manager” of this Prospectus.

BIMB Securities Sdn Bhd is the Shariah Adviser of AME REIT. The Shariah Adviser is responsible for all Shariah matters including ensuring Shariah compliance with relevant securities laws and guidelines issued by the SC and applicable Shariah principles, concepts and rulings endorsed by the SACSC. For further details of the Shariah Adviser, please refer to Section 9 “The Shariah Adviser” of this Prospectus.

AME REIT will acquire the Subject Properties in accordance with the terms of the SPAs which are interdependent on each other. For further details of the SPAs, please refer to Section 15.3 “Salient Terms of the SPAs” of this Prospectus.

The following diagram illustrates the structure of AME REIT and indicates the relationship between AME REIT, the Manager, the Trustee, the Property Manager, the Shariah Adviser and the Unitholders.



(D) OVERVIEW OF THE SUBJECT PROPERTIES

AME REIT's initial portfolio will consist of the 34 Subject Properties comprising SAC Subject Properties, Indahpura Subject Properties and SiLC Subject Properties, all of which are located within Iskandar Malaysia.

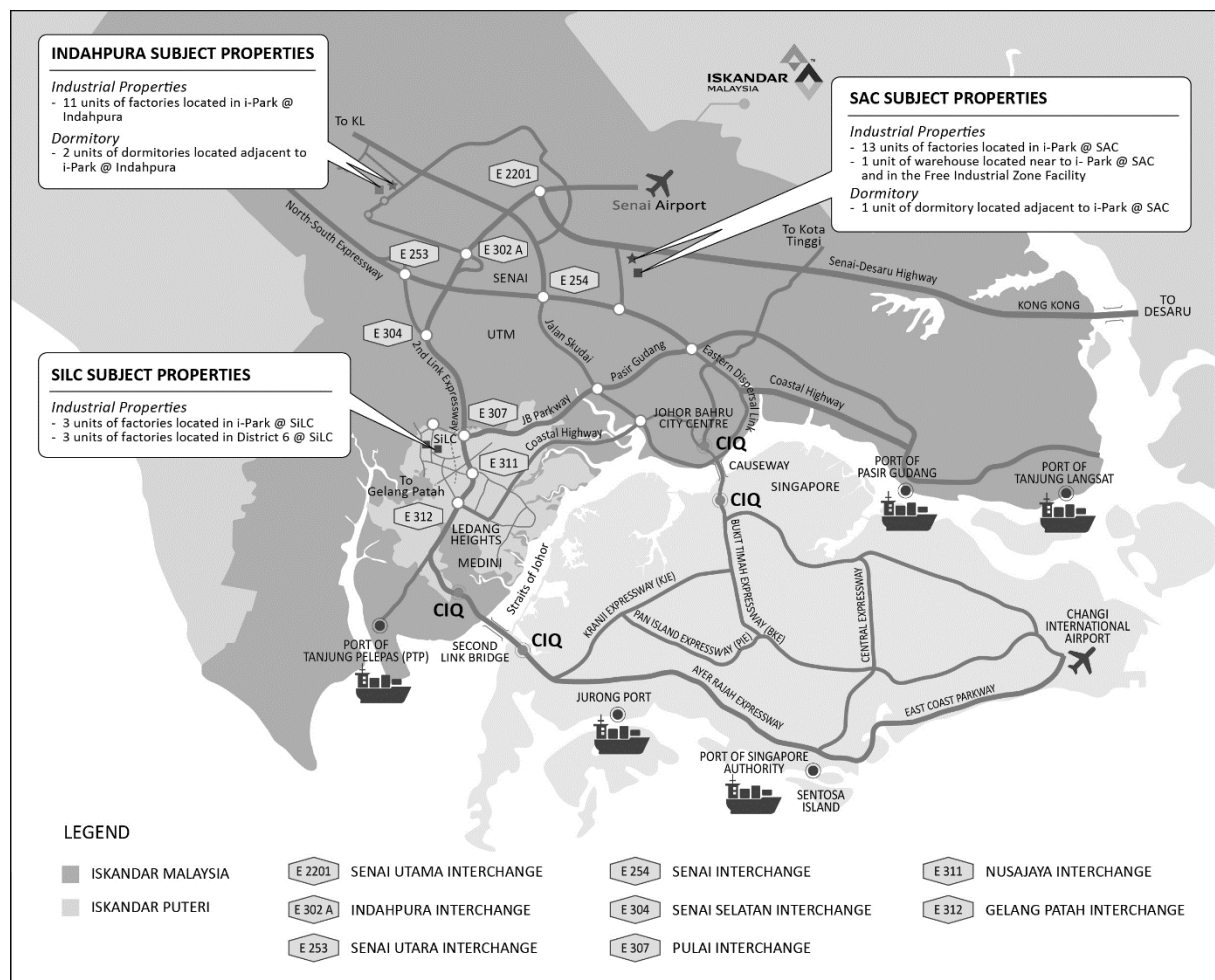
- (i) **SAC Subject Properties:** 13 Industrial Properties located in i-Park @ SAC, an Industrial Property used as warehouse located in the Free Industrial Zone facility which is near to i-Park @ SAC, and an Industrial-Related Property which is used as workers' dormitory located adjacent to i-Park @ SAC;
- (ii) **Indahpura Subject Properties:** 11 Industrial Properties located in i-Park @ Indahpura and 2 Industrial-Related Properties which are used as workers' dormitories located adjacent to i-Park @ Indahpura; and
- (iii) **SiLC Subject Properties:** 3 Industrial Properties located in i-Park @ SiLC and 3 Industrial Properties which are gated single storey detached industrial buildings with 3-storey offices and built with separate individual guard houses to be managed by the occupants located in District 6 @ SiLC.

All the 34 Subject Properties were developed by the AME Group as part of their ongoing and completed developments of industrial and industrial-related properties.

Please refer to Section 2.2.1.1 for the details of the development projects of AME Group.

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The map below sets out the locations of the Subject Properties:



Source: AME

As an economic corridor, the Iskandar Malaysia region has ample transportation infrastructure, including an airport and 3 ports, which provides connectivity, accessibility and logistical convenience for businesses operating within the freehold industrial parks of AME:

- i-Park @ SAC is situated in Senai Airport City, which is about 6 km from Senai International Airport. It is also 3 km from North-South Expressway, 4 km from Senai-Desaru Expressway, 5 km from Malaysia-Singapore Second Link Expressway, 6 km from Senai International Airport and 20 km from Johor Bahru Customs, Immigration and Quarantine Complex ("CIQ");
- i-Park @ Indahpura is located about 7 km from Malaysia-Singapore Second Link Expressway, 8 km from North-South Expressway and Senai-Desaru Expressway, 11 km from Senai International Airport and 33 km from the CIQ; and
- i-Park @ SiLC and District 6 @ SiLC are situated within Iskandar Puteri. i-Park @ SiLC is about 4 km from Malaysia-Singapore Second Link Expressway, 18 km from Port of Tanjung Pelepas, 26 km from Senai International Airport, 44 km from Johor Port and 67 km from Singapore Changi Airport. District 6 @ SiLC fronts the Pontian Link Expressway and is about 4 km away from Malaysia-Singapore Second Link Expressway.

(E) COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS

The Manager believes that an investment in AME REIT offers the following investment attractions to Unitholders:

(i) Committed Support from Sponsor which is an Industrial Property Specialist with Proven Track Record

The Sponsor, together with its subsidiaries, is an integrated and comprehensive industrial space solutions provider, with activities that encompass the development of industrial parks, the rental and management of workers' dormitories, as well as the design and construction of large industrial buildings and manufacturing plants.

The history of AME Group can be traced back to 1995 when it commenced its business in the design and construction of customised large manufacturing plants and industrial buildings for MNCs and local enterprises. As at the LPD, AME Group has completed the construction of more than 200 large manufacturing plants and industrial buildings in Peninsular Malaysia, for, amongst others, the steel, oleochemical, oil and gas, electrical and electronics, consumer products, food and beverage, logistics and automotive industries. Since 1998, a subsidiary of AME Group has been registered with the Construction Industry Development Board as a Grade G7 contractor, enabling it to tender for construction contracts of unlimited value.

AME Group ventured into the development of industrial parks in Johor in 2011 and as at the LPD, launched 5 industrial parks and 1 commercial development, with a total estimated GDV of RM2.9 billion. In March 2022, AME Group soft-launched i-TechValley in SiLC, a new managed industrial park in Johor with estimated GDV of RM1.5 billion. i-TechValley in SiLC is envisaged to cover 169.8 acres comprising 1½-storey detached factories with standard land sizes of approximately 1 to 3 acres. Similar to i-Park managed industrial parks, it is equipped with guardhouses, CCTV surveillance, 24-hour security control, high-speed broadband and wide entrances allowing unobstructed access.

The flagship development projects of AME Group are the managed industrial parks which carry the “i-Park” brand, namely i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC. These developments offer, among others, gated and guarded services, landscaping management, health and safety monitoring services, business service centre and recreational facilities. AME Group undertakes its development projects, including the Subject Properties, with key ESG considerations in mind. The i-Park concept incorporates the planning, development, and management of the industrial parks aligned to principles of sustainability to promote a green, healthy, and comfortable environment for occupants. Buildings are planned and designed based on the concept and criteria of green buildings, to promote sustainability of the buildings and surrounding environment, with a strong focus on improving the efficiency of resource utilisation, i.e. energy, water and materials, through better siting, design, construction, operation and maintenance.

The buildings of i-Park @ SAC and i-Park @ Indahpura include infrastructure and facilities that are constructed to be environmentally responsible and resource-efficient. In addition, the buildings are designed to facilitate future enhancements and installations of further green features, as the green building concept includes on-going efforts to enhance sustainability standards by the users.

Workers' dormitories adjacent to these parks are key to supporting the accommodation needs for the workers of the i-Park clientele. I Stay, a subsidiary of the Sponsor operates the dormitories and aim to offer a safe and comfortable environment with a host of managed services that support workers' welfare and quality of life.

The features and facilities of the parks are further described in Section 2.2.2 of this Prospectus. These parks host many large and well-known MNCs, which is a testament to AME Group's ability to deliver value in the form of quality properties within their parks.

INFORMATION SUMMARY (Cont'd)

AME Group and its industrial parks have won multiple awards and accolades:

Year	Awards & Accreditation	Presented at/by	Recipient Entity
2016 – 2017	Platinum Winner of “Most Conducive Workplace”	The Iskandar Malaysia Accolades 2016/17	AME Development for i-Park @ Indahpura
2017 – 2018	5 Stars Winners for Best Industrial Development Malaysia	Asia Pacific Property Awards 2017/2018	Ipark Development for i-Park @ SAC
2017	Excellence Winner of The Best Industrial Park Development <i>(Note: There were 2 winners)</i>	Starproperty.my Jewels of Johor Awards 2017	Ipark Development for i-Park @ SAC
2018	EdgeProp Malaysia’s Responsible Developer: Building Sustainable Development Award 2018	EdgeProp Malaysia’s Best Managed Property Awards 2018	AME Development
2018	The Best Choice Awards	Starproperty.my Jewels of Johor Awards 2018	AME Development
2018	Excellence Winner of The Business Estate Award (Best Industrial Park Development)	Starproperty.my Awards 2018	Ipark Development for i-Park @ SAC
2018	Honours Winner of The Earth-Conscious Award (Best Sustainable Development)	Starproperty.my Awards 2018	AME Development for i-Park @ Indahpura
2018	Honours Winner of The Business Estate Award (Best Industrial Park Development)	Starproperty.my Awards 2018	AME Development for i-Park @ Indahpura
2018	Honours Winner of The Best Sustainable Development	Starproperty.my Jewels of Johor Awards 2018	AME Development for i-Park @ Indahpura
2018	Malaysia Property Award™ (MPA) 2018 (Industrial Category)	FIABCI-Malaysia (International Real Estate Federation)	AME Development for i-Park @ Indahpura
2019	Innovative Developer Awards	ASEAN Property Awards Malaysia 2018/2019	AME Development

INFORMATION SUMMARY (Cont'd)

Year	Awards & Accreditation	Presented at/by	Recipient Entity
2019	World Silver Winner (Industrial Category)	2019 FIABCI World Prix d'Écellence Awards	AME Development for i-Park @ Indahpura
2019	Best Industrial Development	ASEAN Property Developer Awards Malaysia 2018/2019	Ipark Development for i-Park @ SAC
2020	Best Industrial Development	PropertyGuru Asia Property Awards Malaysia 2020	Ipark Development for i-Park @ SAC
2020	Best Industrial Development (Regional Winner)	PropertyGuru Asia Property Awards 2020	Ipark Development for i-Park @ SAC
2020	Best Industrial Developer	PropertyGuru Asia Property Awards Malaysia 2020	AME Development
2021	Honorary Mention of The Edge – PAM Green Excellence Award 2021	The Edge Malaysia – Property Excellence Awards (TEPEA) 2021	AME Development for i-Park @ SAC

The i-Park branded industrial parks, and in particular, i-Park @ Indahpura and i-Park @ SAC, showcases AME Group's ability to deliver value-added services and offerings to complement its properties. 27 of the 31 Industrial Properties forming the initial portfolio of AME REIT are situated in these 3 parks. The 3 Dormitories forming the Industrial-Related Properties of AME REIT are situated adjacent to i-Park @ SAC and i-Park @ Indahpura.

This differentiating factor elevates the appeal of the i-Park properties, including the Subject Properties, and has successfully attracted international customers including companies such as DHL Express (Malaysia) Sdn Bhd, Federal Express Services (M) Sdn Bhd and Lyreco Office Supplies (Malaysia) Sdn Bhd. The majority of AME REIT's Subject Properties are beneficiaries of ESG initiatives by AME Group, as there is an increasing awareness and requirements to meet ESG standards for tenants and potential tenants.

AME Group's pipeline of industrial property development projects, including the award-winning industrial park developments mentioned above, will provide a future source of acquisition and growth opportunities for AME REIT. Please refer to Section 2.2.1.1 of AME Group's various development projects and Section 2.2.5.1 on ROFR arrangements to provide AME REIT with access to future industrial and industrial-related properties.

(ii) Strong Alignment of Interests between the Sponsor, Manager and Unitholders

The interest of the Sponsor and the Manager, a wholly-owned subsidiary of the Sponsor, will be aligned with the other Unitholders of AME REIT, which will incentivise AME Group and the Manager to achieve AME REIT's growth targets and maximise distributions to Unitholders.

The establishment of AME REIT and the injection of the Subject Properties into AME REIT enables AME Group to partly monetise their investments in the Subject Properties and AME Group would also be able to unlock the value of its leasing property assets by securitising those assets which fit the investment criteria of AME REIT. AME Group will be the single largest Unitholder of AME REIT holding 51.0% of the Units upon the Listing, and is committed to support and grow AME REIT over the long-term.

Post Listing, AME Group would be able to offer a pipeline of properties from their current and future industrial and industrial-related property developments to AME REIT while AME Group focuses on its principal business activities which include but not limited to development of industrial parks and construction.

In addition to fixed management fees based on the Total Asset Value (excluding cash and bank balances which are held in non-interest/non-profit bearing accounts), the Manager will also be entitled to receive performance-based management fees, which provides incentive for the Sponsor and Manager to grow AME REIT's distributable income. Furthermore, the Manager may receive a portion or all of the management fees in Units of AME REIT, which will further align its interest with Unitholders. However, there could be circumstances where the NAV per Unit may be diluted if the management fees are received in Units of AME REIT as further discussed under Section 5.3.9 of this Prospectus.

For the first financial year after Listing, it is the intention of the Manager to distribute 100% of its Distributable Income whilst the Management Fees for the period will be fully paid in Units.

(iii) Strategically Located within Iskandar Malaysia with Ample Logistical Infrastructure

AME REIT's initial portfolio of Subject Properties are strategically located within Iskandar Malaysia. Iskandar Malaysia was identified in the Ninth Malaysia Plan as an economic hub and driver for the growth of Malaysia's economy.

Iskandar Malaysia aims to receive a cumulative investment of RM383.0 billion by 2025. The Independent Market Research Report noted that between 2006 to 2020, it received a cumulative investment of RM340.0 billion, out of which the manufacturing sector, industrial property sector and logistics sector received total investments of RM83.4 billion, RM19.0 billion and RM13.5 billion respectively during the same period. Out of the total cumulative investment received between 2006 and 2020, 41.0% was contributed by foreign investments, with China being the top source of investment, followed by Singapore and US. The continuous investments received in Iskandar Malaysia bodes well for industrial development in the region along with the increasing business and economic activities in various sectors, including manufacturing and logistics.

As an economic hub in the southern region of Malaysia, the Iskandar Malaysia region has ample transportation infrastructure, including an airport (Senai International Airport) and 3 seaports (i.e. Johor Port, Port of Tanjung Pelepas and Tanjung Langsat Port). Further, it also has access to major highways such as Johor Causeway, North-South Expressway and Malaysia-Singapore Second Link Expressway which connect Iskandar Malaysia to other states in Malaysia and Singapore. Additionally, the Iskandar Rapid Transit (formerly known as Iskandar Malaysia Bus Rapid Transit) project has also been launched to enhance public transportation coverage, accessibility and connectivity within the Iskandar Malaysia region.

All of these infrastructures will provide connectivity, accessibility and logistical convenience for AME REIT's Subject Properties, which are situated within or nearby the industrial parks of AME Group.

Further details on the proximity of AME Group's industrial parks to the various major transportation and logistical infrastructure can be found in Section 2.1.1 of this Prospectus.

Being in close proximity to Singapore, Iskandar Malaysia may also reap the benefits of spillover effects from the island nation. Singapore continues to attract foreign investments to establish operations in Singapore. Given the higher operating cost and limited land space in Singapore, other foreign players who are part of the supply chain to such companies and want to be in close proximity to these players in Singapore may set up or expand their operations or facilities in Iskandar Malaysia.

(iv) Beneficiary of International Trade War

The on-going US-China trade war has led to some MNCs diverting their expansions to countries in Southeast Asia, which may include Malaysia, from their original expansion plans to China.

Despite the COVID-19 pandemic, the manufacturing sector in Malaysia recorded a strong year-on-year increase by 113.8% in total approved investments for 2021, amounting to RM195.1 billion, of which, FDI accounted for RM179.6 billion. The increase in FDI inflows may be partly attributed to the US-China trade war that had resulted in the relocation of manufacturing facilities by foreign companies from China to countries such as Malaysia, with Iskandar Malaysia being among the beneficiaries of the FDI.

(v) Resilient Portfolio of Quality Properties

The Subject Properties feature aesthetics underpinned by ESG considerations, with such Subject Properties not exceeding 10 years of age as at the LPD. This also reduces the need for immediate asset enhancement initiatives or major repairs and maintenance works. Detailed information of the age of the building can be found in Section 2.1.1 of this Prospectus.

The resiliency of the Subject Properties can be seen in the average Occupancy Rate, rental rates and NPI over the years.

Industrial Properties ⁽¹⁾	FYE 2020	FYE 2021	FYE 2022
Average Occupancy Rate (%)	95.8	90.8	96.9
Average monthly Occupied NLA ('000 sq ft)	1,114	1,186	1,495
Average monthly rental rate ⁽²⁾ (RM/sq ft)	1.58	1.58	1.56
Average monthly NPI per Occupied NLA ⁽³⁾ (RM/sq ft)	1.44	1.44	1.43

Notes:

- (1) *Excluding the Dormitories as they have been fully tenanted by a subsidiary of AME since completion. Further, NLA-based metrics are not applicable as the Dormitory tenancies are on master lease arrangements based on the total number of beds and unit capacity.*

For further details on the historical average Occupancy Rate, average monthly Occupied NLA, average monthly rental rate and average NPI, please refer to Sections 4.4.5 of this Prospectus.

- (2) *The average monthly rental rate is computed based on the average monthly Occupied NLA and the rental revenue for the respective financial years, which is recognised on a straight-line basis. The straight-line rental income is obtained by dividing the total rental income for committed tenancies over the tenure of such rentals, i.e. the total rental amount over the life of the lease is divided and recognised equally over the relevant tenancy period. This differs from the actual rental applicable during the relevant periods, as leases may feature rental rate escalations over the tenure of the leases as well as rent-free periods. The actual historical monthly rental rates of the Industrial Properties are as follow:*

Industrial Properties	FYE 2020	FYE 2021	FYE 2022
Average actual monthly rental rate (RM/ sq ft)	1.53	1.57	1.56

- (3) *Average monthly NPI divided by average monthly Occupied NLA.*

Despite the COVID-19 outbreak, overall occupancy has been maintained at above 90% for the past 3 financial years, whilst NPI has overall seen moderate growth between FYE 2020 to FYE 2022, due to progressive increase in properties completed and available for tenancy in the portfolio from 28 Subject Properties in FYE 2020 to 33 Subject Properties in FYE 2022. Plot 13 Dorm Indahpura was completed with CCC on 5 July 2022 and commenced tenancy on 15 July 2022, which falls within the FYE 2023.

Please refer to Section 2.1.7 and Section 4.4.5.2 of this Prospectus for the detailed breakdown of Occupancy Rate of the respective Industrial Properties and Section 4.4.5.4 of this Prospectus for the NPI of the Subject Properties.

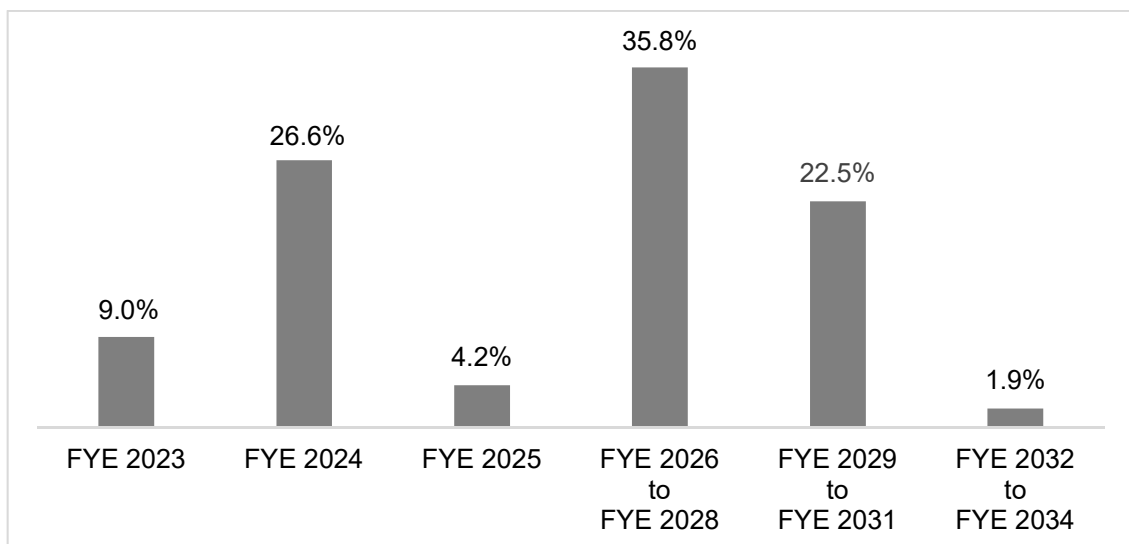
Out of the 27 existing tenants of the Industrial Properties, 22 have been tenants of the respective properties or units when they were first completed. 11 of the 27 existing tenants renewed their tenancies over the years up to the LPD, which demonstrates the resiliency of these properties and the ability to retain the tenants with increase in rental rates in tandem with market. Further, the Industrial Properties were built and/or fitted out to the requirements and specifications of the tenants, which encourages tenant retention and enhances resiliency.

(vi) Visible and well-spread tenancy terms providing stable cash flows

AME REIT's initial portfolio has visible tenancy terms which will yield stable cash flows. As at the LPD, 34 of the Subject Properties have secured tenancies, although tenancy for one Subject Property, Plot 13 Dorm Indahpura commenced on 15 July 2022 which is subsequent to the LPD.

As at the LPD, the tenanted Industrial Properties features a WALE of 3.7 years based on Occupied NLA, with 91.0% of Occupied NLA expiring beyond FYE 2023. The tenancy expiries range from less than a year and up to approximately 11 years (expiring in FYE 2034), with a maximum of 26.6% (in FYE 2024) of tenancies by Occupied NLA expiring in any year, providing stability of cash flows and DPU in the medium term.

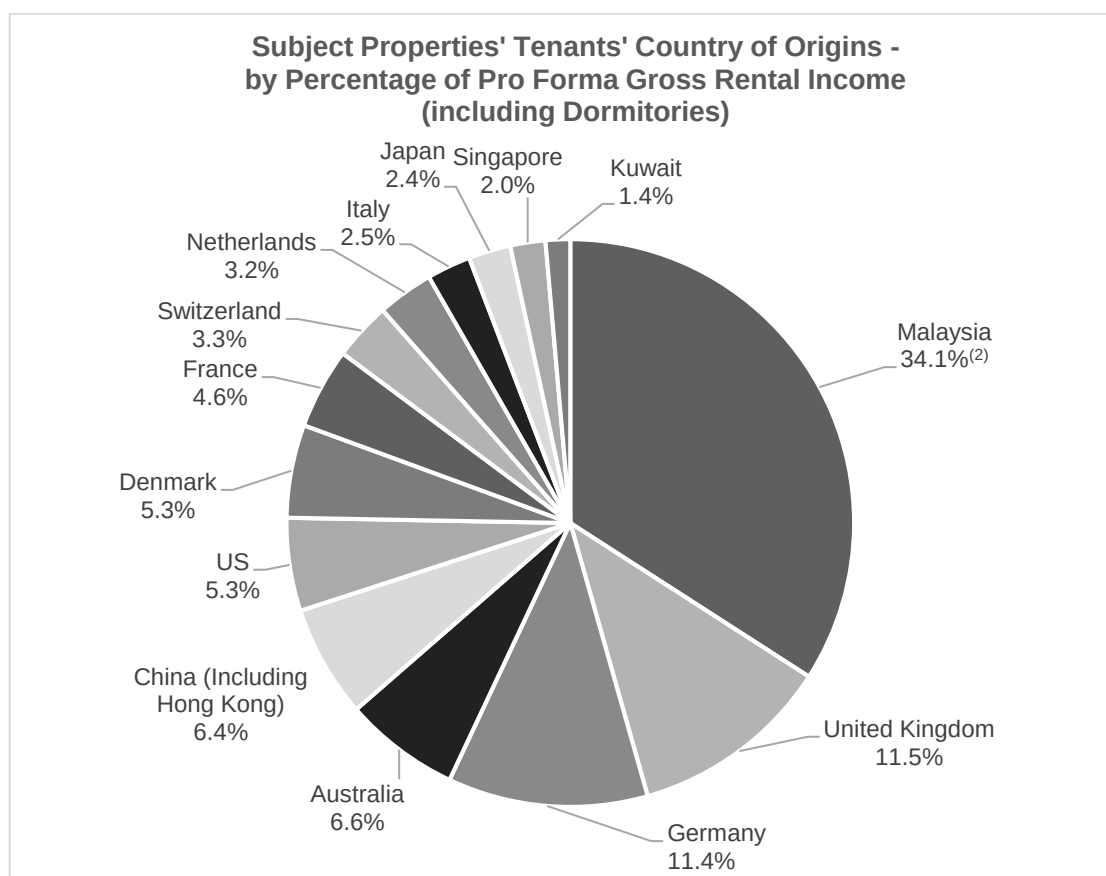
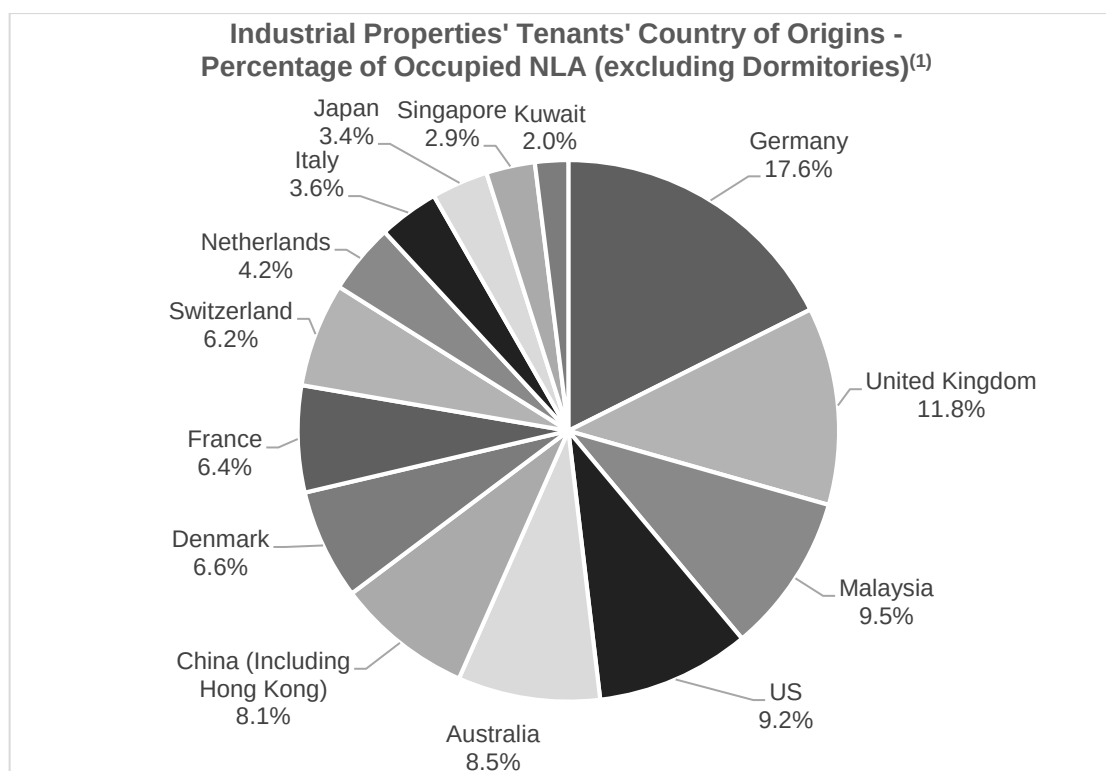
The chart below sets out the expiry profile of subsisting leases of the Industrial Properties, based on percentage of Occupied NLA.



(vii) Quality and Diversified Tenant Base

The Subject Properties feature a quality tenant base comprising 28 tenants from diverse economic sectors and countries of origin, which significantly reduces concentration risk. As at LPD, the majority of the Industrial Properties (excluding the Dormitories) are occupied by international tenants originating from various countries, including many large and well known MNCs with such brand names as Lyreco Office Supplies (Malaysia) Sdn Bhd, Federal Express Services (M) Sdn Bhd and DHL Express (Malaysia) Sdn Bhd. In total, MNCs occupy 90.5% of the total NLA of these properties leased out as at the LPD.

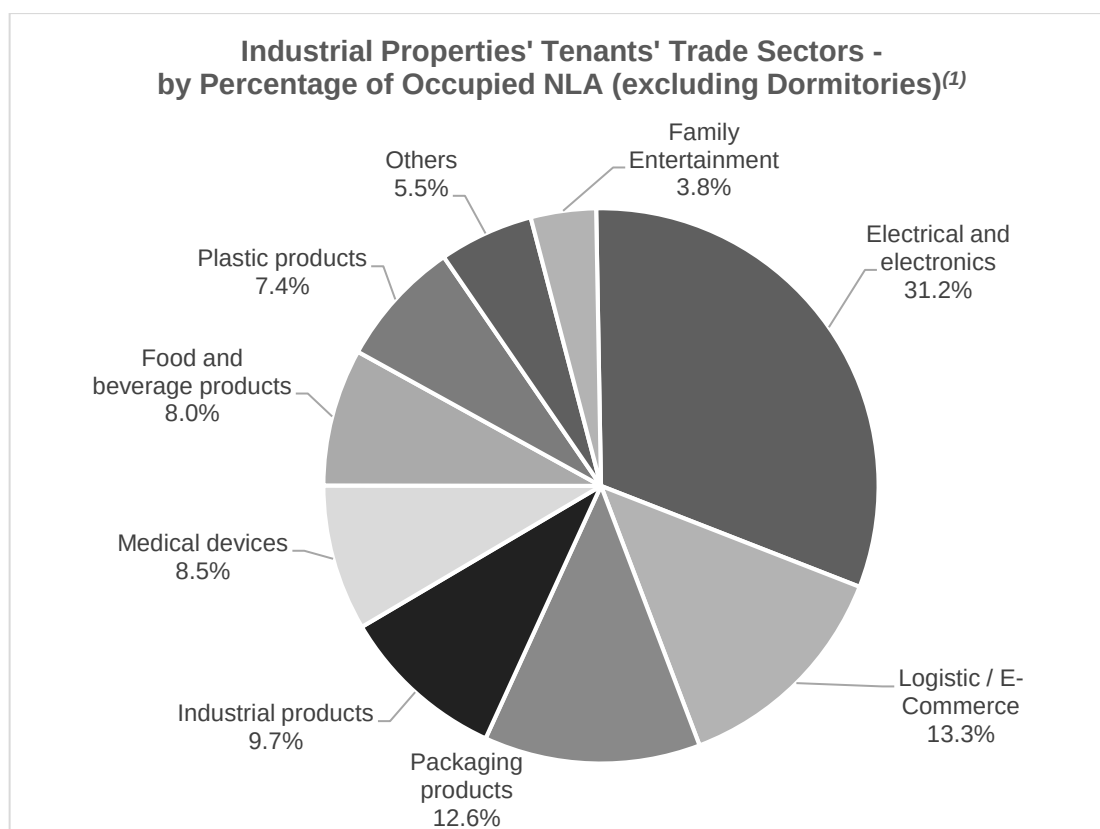
The demographic profile of the tenants of the Industrial Properties (excluding the Dormitories) as at the LPD by country of origin are set out below.



Notes:

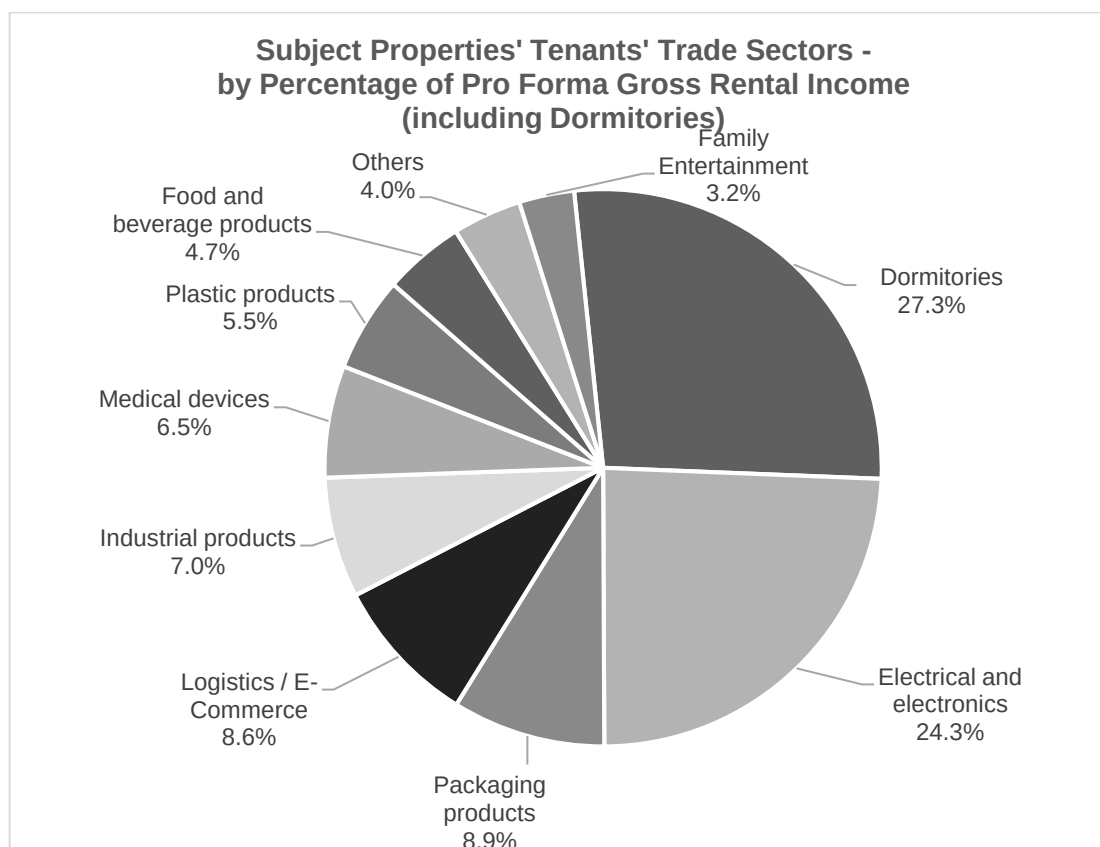
- (1) NLA-based metrics for Dormitories are not applicable as the tenancies are on master lease arrangements based on the total number of beds and unit capacity.
- (2) Of which 27.3% is contributed by a subsidiary of AME as the tenant of the Dormitories.

The charts below provide a breakdown of the different trade sectors represented in the portfolio by percentage of Occupied NLA and percentage of the Pro Forma Gross Rental Income.



Note:

- (1) NLA-based metrics for Dormitories are not applicable as the tenancies are on master lease arrangements based on the total number of beds and unit capacity.



(viii) Synergistic Relationship with Sponsor Offers Unique Growth Potential

AME Group has been actively expanding its landbank to launch more industrial property development projects.

On 30 December 2020, AME Group entered into 2 conditional sales and purchase agreements to acquire 72 plots of freehold industrial land measuring 169.8 acres in total in SiLC to be developed into AME Group's fourth managed industrial park, i-TechValley in SiLC, for which conditions precedent have been fulfilled for the acquisition of 57 plots out of the total 72 plots. AME Group soft-launched i-TechValley in SiLC in March 2022.

Further, AME Group is also seeking opportunities to develop industrial parks in the central and northern regions of Peninsular Malaysia, with the intention of replicating the managed industrial parks concept. The development of industrial parks in these targeted areas will see AME REIT's potential pipeline of acquisition opportunities expand beyond the state of Johor.

As a demonstration of its commitment and support towards the growth of AME REIT, the Sponsor, together with its subsidiary, Ipark Development (collectively, "**the Grantors**") have granted a right of first refusal which will be effective for a period of 5 years from the date of Listing, for AME REIT to acquire:

- (i) any industrial property and dormitory with leasing or tenancy arrangement ("**Relevant Asset**") which the Grantors or the wholly-owned subsidiaries of the Sponsor intend to dispose (excluding disposal to existing tenant of the Relevant Asset, or transfer between AME Group companies); and
- (ii) any Relevant Asset which may in future be identified and targeted for acquisition by the Grantors and/or the wholly-owned subsidiaries of the Sponsor.

In addition, as part of an integrated industrial property construction and development group, AME REIT has the opportunity to tap on the know-how of AME Group for, among others, customisation and asset enhancement initiatives, entrenched tenant relationships and value creation through asset development or re-development.

(ix) Spearheaded by a CEO with Proven REIT Credentials

The Sponsor has appointed Chan Wai Leo as the CEO of the Manager. Mr Chan has approximately 16 years of experience involving industrial properties, and over 14 years of experience in the management of REITs, through Axis REIT Managers Berhad, the manager of Axis REIT, a listed REIT with investments in industrial and office properties, and Alpha REIT Managers Sdn Bhd (which he co-founded), the manager of Alpha REIT.

He has held various positions such as Head of Business Development & Investor Relations and Head of Originations and Investments in Axis REIT Managers Berhad, and was a director of Alpha REIT Managers Sdn Bhd. His experience included the evaluation and acquisition of investment properties, investor relations, equity fund-raising exercises, developing strategic tie-ups and developing asset pipeline for the REITs.

From January 2016 to September 2020, he was the Chief Operating Officer, and subsequently in October 2020 was promoted to the CEO of AREA Management Sdn Bhd, which is involved in the provision of business consultancy services to its related companies, until his resignation in October 2021. His responsibilities include identifying and negotiating potential purposed built facilities for clients, delivering property development projects from concept and development stage to completion and operations. He also oversaw the capital management of the project companies, leasing of the investment properties and investor relations.

The CEO of the Manager is mandated to expand AME REIT's portfolio beyond the state of Johor, with particular focus on the central and northern regions of Peninsular Malaysia.

(x) Experienced Directors and Key Personnel with Core Expertise

The CEO of the Manager will be supported by executive members of the Board and key personnel who have extensive experience in the development and management of industrial and industrial-related real estate through their involvement in AME Group, including the Subject Properties.

Lee Sai Boon, the Chairman/Executive Director and Lee Chai, an Executive Director, together with their Alternate Directors, Lim Yook Kim and Kang Ah Chee, respectively, founded the AME Group in 1995 and remain as Executive Directors in AME to date.

Throughout their tenure in AME Group, both Lee Sai Boon and Lee Chai have been the key drivers behind AME Group's accomplishments in the design and construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. They are also instrumental in the development of industrial parks undertaken by AME Group namely i-Park @ SiLC, i-Park @ Indahpura, i-Park @ SAC and i-TechValley in SiLC. Lee Sai Boon has vast experience in the workers' dormitories business, sourcing of prospective tenants and the formulation of leasing strategies whilst Lee Chai has considerable experience in overseeing of property investment including the successful leasing and tenancing of industrial properties, as well as the rental and management of workers' dormitories. Lim Yook Kim and Kang Ah Chee are responsible for the on-site operations and activities carried out by the construction and engineering division.

The experience of these directors, coupled with AME Group's capabilities, is an advantage for AME REIT, as the Manager will be able to tap on AME Group's expertise to customise and/or fit-out properties in accordance with potential tenants' requirements.

Lim Pei Shi, the Alternate Director to Chan Wai Leo has been the Marketing Director of AME Development since 2013, and was promoted to Alternate Director to Lim Yook Kim in AME in 2018. She has a vast experience in the property development operations including oversee of all stages of industrial park development, starting from feasibility study, land banking, conceptual planning, sales and marketing to management and operation of industrial park. She is also involved in the leasing and management of industrial properties of the Sponsor. Upon listing, she will no longer oversee the 34 Subject Properties to be transferred into AME REIT.

Lee Ling Sien is the Operations Manager. She was the Marketing Manager in AME Development, and was involved in the sales and marketing functions as well as branding and promotional activities of the property development division of AME Group. She was actively involved in the customer relationship management and tenant management for the tenanted properties of AME Group. In May 2020, she was appointed as an Alternate Director to Lee Chai on the board of the Sponsor. Following her transfer as Operations Manager in the Manager on 1 May 2022, she will be responsible for the leasing and management of the 34 Subject Properties in AME REIT.

Liow Jing Hong, the Finance Manager, had been with AME Construction Sdn Bhd since 2019 and had been involved in the initial public offering and due diligence exercises of AME and was responsible for various roles and group matters including the group accounts and consolidation, financial planning and reporting, corporate finance and governance, compliance and risk management, as well as investor relations. Following his transfer as Finance Manager in the Manager on 1 May 2022, he is responsible for overseeing overall accounting and financial matters of the Manager and AME REIT as well as investments and investor relations of AME REIT.

(xi) Conservative gearing level with ample debt headroom

Upon Listing, AME REIT will have total indebtedness of RM46.5 million, representing approximately 8.1% of the estimated Total Asset Value of RM574.5 million based on AME REIT's Pro Forma Statement of Financial Position. This is below the average debt-to-asset ratio of listed Malaysian REITs of approximately 38.7%⁽¹⁾, based on the latest available audited statements of financial position of the REITs as at the LPD. The debt-to-asset ratio is also significantly below the prescribed limit under the REIT Guidelines of 50.0% of the total asset value of a REIT, providing AME REIT with ample debt headroom of up to approximately RM240.8 million.

Note:

- (1) *Average debt-to-asset ratio of listed Malaysian REITs based on the latest publicly available audited financial statements, excluding KLCC Stapled Group (as it is a stapled security comprising KLCC REIT and KLCCP).*

(F) IMPACT OF COVID-19

In 2020, there was an outbreak of the infectious disease known as COVID-19 which has led to an unprecedented challenge to public health in Malaysia and globally. The World Health Organisation recognised COVID-19 as a "Public Health Emergency of International Concern" on 30 January 2020 and subsequently classified it as a "pandemic" on 11 March 2020.

To control the spread of COVID-19, the Government ordered all government and private premises to close with the imposition of a Movement Control Order pursuant to the Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulations 2020 with effect from 18 March 2020 to 3 May 2020, from 13 January 2021 to 18 February 2021 and from 12 May 2021 to 7 June 2021. The Prime Minister further announced a nationwide "total lockdown" on 28 May 2021 that was imposed on all social and economic sectors in Malaysia effective from 1 June 2021 and then further extended indefinitely until average daily cases fall below 4,000. On 15 June 2021, the Government introduced a 4-phase national recovery plan where different degrees of travel restrictions and restrictions in the operation of various economic sectors are implemented in each phase of the national recovery plan. Operations of tenants of the Subject Properties were allowed to fully resume on 25 October 2021 when Johor moved into Phase 4 of the National Recovery Plan. With the improving COVID-19 situation in the country, Malaysia transitioned into the endemic stage on 1 April 2022 and all economic sectors were allowed to open on 15 May 2022.

The economic and social disruption caused by the pandemic has impacted companies in various industries. However, as at the LPD, there were no adverse effects on the tenancies of the Subject Properties as:

- (i) the rental of the Subject Properties to existing tenants have continued without disruption;
- (ii) There was no rental reduction granted for any of the Subject Properties;
- (iii) while there were 3 early termination of tenancies during the period after March 2020 up to the LPD, 1 early termination of tenancy was due to the tenant moving to another Industrial Property to cater for their business expansion. The vacancy was replaced with a new tenancy with 13 days void period. The remaining 2 early termination were replaced with new tenancies with only 1 day void period recorded for 1 property;
- (iv) there were 9 new tenancies secured from third party tenants (not including I Stay's rental of a Dormitory) after March 2020 up to the LPD; and
- (v) there were 7 tenancy renewals secured after March 2020 up to the LPD.

INFORMATION SUMMARY (Cont'd)

In order to ease the burden of some tenants, the deferment of payment of rentals was granted and fully settled within the agreed period as follows:

No.	No. of Subject Properties	No. of tenants	Rental Period	Deferment Period	Status as at 30 June 2022
1.	7	5	April/May 2020	3 months	Fully paid
2.	4	3	April and May 2020	2 to 6 months	Fully paid
3.	1	1	July to first half September 2021	4 months	Fully paid
4.	1	1	November and December 2021	1 to 2 months	Fully paid
5.	1	1	February to July 2022	2 to 3 months	Fully paid for February, March and April 2022 as scheduled with remaining rental for May, June and July 2022 not due yet
6.	1	1	April and May 2022	1 to 2 months	Fully paid

Apart from the above, there were no rebates granted nor any requests made for early termination of tenancies arising from the COVID-19 pandemic, and all of the tenants have continued to honour their respective rental payment obligations.

(G) SUSTAINABILITY

The Manager acknowledges the importance of ESG impact when developing business strategies of AME REIT. As such, the Manager and its Board is committed to adhere to good sustainability practices as further described in Section 6.15 of this Prospectus.

(H) PRINCIPAL STATISTICS RELATING TO THE OFFERING

- Offering** : 254,800,000 Offer Units offered under the Retail Offering and Institutional Offering
- Retail Offering** :
- (i) up to 156,608,820 ROFS Units to the Entitled AME Shareholders on the basis of 1 ROFS Unit for every 5 AME Shares on the Entitlement Date;
 - (ii) 7,800,000 Offer Units to the Eligible Directors and Employees; and
 - (iii) 10,400,000 Offer Units for application by the Malaysian Public of which 5,200,000 Units are reserved for application by the Bumiputera public.

The ROFS is non-renounceable and the ROFS Units provisionally offered to Entitled AME Shareholders are non-tradeable and non-transferable. The ROFS will not be underwritten. Excess ROFS Units will be made available to other Entitled AME Shareholders under the Excess ROFS Applications.

Please refer to Section 3.5 “Irrevocable Undertakings” of this Prospectus for details of irrevocable written undertakings from the substantial shareholders of the Sponsor to subscribe and/or cause to subscribe for their respective entitlements for the ROFS as indicated in that section.

- Institutional Offering** :
- At least 79,991,180 Offer Units, subject to Clawback and Reallocation, by way of placement at the Institutional Price to the following:
 - (i) 65,000,000 Offer Units to Bumiputera investors approved by MITI; and
 - (ii) At least 14,991,180 Offer Units to Malaysian institutional investors and selected investors.

- Institutional Price** :
- The price per Offer Unit payable by the institutional investors pursuant to the Institutional Offering which will be determined on the Price Determination Date by way of a bookbuilding exercise.

- Retail Price** :
- The Retail Price of RM[●] per Offer Unit was determined and agreed upon by the Manager, the Sponsor and Selling Subsidiaries in consultation with the Principal Adviser, Joint Bookrunners and the Sole Underwriter after taking into consideration the following factors:
 - (i) the financial history and condition of the Subject Properties;
 - (ii) the pro forma NAV per Unit upon Listing of approximately RM 0.99;
 - (iii) the forecast distribution yields of AME REIT;
 - (iv) the future prospects of AME REIT; and
 - (v) the prevailing capital and property market conditions and sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be equal to the lower of:

- (i) the Retail Price of RM[●] per Offer unit; or
- (ii) the Institutional Price,

subject to rounding to the nearest sen.

Applicants should also note that the market price of the Units upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the price of the Units.

- Expected gross proceeds** :
- As AME REIT will not be issuing any new Units under the Offering, AME REIT will not receive any cash from the Offering.

Utilisation of Proceeds : Estimated Listing expenses of approximately RM5.0 million to be incurred will be funded through internally generated funds of AME REIT from the Subject Properties and/or the Financing Facilities obtained by AME REIT. The expenses will be fully settled within 1 month from the Listing. The breakdown of the estimated expenses in relation to the Listing is as follows:

Estimated Listing expenses	(RM '000)
Professional and advisory fees	3,000
Regulatory fees	630
Printing, investor relations and other related expenses	1,370
Total	5,000

Please refer to Section 3.10 "Utilisation of Proceeds" of this Prospectus for further details.

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(I) FINANCIAL HIGHLIGHTS

AME REIT's Pro Forma Statement of Financial Position as at the date of establishment of AME REIT

The following is an extract from Section 4.2 "Pro Forma Statement of Financial Position" of this Prospectus.

As at the date of its establishment, AME REIT did not have any assets and liabilities. The following table presents the Pro Forma Statement of Financial Position of AME REIT as at the date of establishment, prepared for illustrative purposes only, to show the effects of the Acquisitions based on the assumption that such events had been effected on the date of establishment of AME REIT and are not represented as being necessarily indicative of AME REIT's view of its future financial position.

The Pro Forma Statement of Financial Position of AME REIT should be read in conjunction with the "Reporting Accountants' Report on the Pro Forma Statement of Financial Position" included in Appendix D of this Prospectus.

The Pro Forma Statement of Financial Position of AME REIT has been prepared for illustrative purposes in the manner consistent with the format of the financial statements and the accounting policies to be adopted by AME REIT as set out in Section 4.4.4 "Significant Accounting Policies" of this Prospectus.

Pro Forma Statement of Financial Position as at the date of establishment of AME REIT

	(Unaudited) As at the date of establishment (RM'000)
Assets	
Investment properties	557,000
Total non-current assets	557,000
Other receivables	586
Cash and bank balances	16,963
Total current assets	17,549
Total assets	574,549
Equity	
Unitholders' capital ⁽¹⁾	515,000
Total equity	515,000
Liabilities	
Other payables	12,049
Total non-current liabilities	12,049
Other payables	1,010
Islamic Financing Facilities ⁽²⁾	46,490
Total current liabilities	47,500
Total liabilities	59,549
Total equity and liabilities	574,549
NAV (RM'000) ⁽³⁾	515,000
Units in issue ('000)	520,000
NAV per Unit (RM) ⁽⁴⁾	0.99

Notes:

- (1) *Unitholders' funds of RM520.0 million, net of estimated expenses in relation to the issue of Units of RM5.0 million.*
- (2) *The amount of the Islamic Financing Facilities expected to be drawn down as at Listing Date of RM47.0 million, net of estimated transaction costs of approximately RM0.5 million. The profit expenses on the Islamic Financing Facilities are recognised in the statement of comprehensive income in the period which they are incurred. The remaining balance of the Islamic Financing Facilities of RM20.0 million is assumed not drawn down as at Listing Date.*
- (3) *NAV represents the value of AME REIT's total assets less total liabilities.*
- (4) *NAV per Unit is computed based on NAV divided by number of Units issued by AME REIT.*

Unaudited Pro Forma Statement of Profit or Loss and Other Comprehensive Income ("Pro Forma Statement of Comprehensive Income")

The following is an extract from Section 4.1 "Unaudited Pro Forma Statement of Profit or Loss and Other Comprehensive Income" of this Prospectus.

The Pro Forma Statement of Comprehensive Income of AME REIT for the FYE 2020, FYE 2021 and FYE 2022 have been prepared based on the information extracted from the Vendors' audited financial statements for the FYE 2020, FYE 2021 and FYE 2022 which were prepared in accordance with the approved accounting standards in Malaysia. The Vendors' audited financial statements for the FYE 2020, FYE 2021 and FYE 2022 were not subject to any audit qualification.

Certain numbers have been re-presented or reclassified in this pro forma to conform with the basis of presentation of the Pro Forma Statement of Comprehensive Income of AME REIT and may not be consistent with the basis of presentation in the audited financial statements of the Vendors. The Pro Forma Statement of Comprehensive Income have been prepared in accordance with approved accounting standards in Malaysia, and in a manner consistent with the format of the financial statements and the accounting policies to be adopted by AME REIT as set out in Section 4.4.4 "Significant Accounting Policies" of this Prospectus.

In arriving at the Pro Forma Statement of Comprehensive Income for FYE 2020, FYE 2021 and FYE 2022, certain key adjustments and assumptions set out in Section 4.1 "Unaudited Pro Forma Statement of Profit or Loss and Other Comprehensive Income" of this Prospectus were made.

The pro forma financial information of AME REIT presented below should be read in conjunction with Section 4.4 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Prospectus.

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INFORMATION SUMMARY (Cont'd)

	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Rental income	26,870	28,653	35,236
Quit rent and assessment	(632)	(1,110)	(1,283)
Insurance	(523)	(479)	(567)
Repair and maintenance	(1,056)	(260)	(671)
Other operating expenses	(218)	(365)	(475)
Property management fee	(336)	(336)	(336)
Property operating expenses	(2,765)	(2,550)	(3,332)
Net property income	24,105	26,103	31,904
Profit income	450	400	470
Changes in fair value of investment properties ⁽¹⁾	-	(2,000)	-
Net investment income	24,555	24,503	32,374
Management Fees	(2,450)	(2,800)	(3,150)
Trustee's fees	(110)	(136)	(146)
Islamic financing costs	(1,060)	(1,332)	(1,430)
Other trust expenses	(570)	(645)	(700)
Non-property expenses	(4,190)	(4,913)	(5,426)
Profit before taxation	20,365	19,590	26,948
Taxation	-	-	-
Total comprehensive income for the year attributable to unitholders	20,365	19,590	26,948
Non-cash item ⁽²⁾	(589)	4,658	2,109
Distributable income	19,776	24,248	29,057

Notes:

(1) Fair value of the investment properties was determined based on investment method.

(2) Non-cash items comprise the Management Fees payable in Units, amortisation of transaction costs on financings capitalised, changes in fair value of investment properties and net of unbilled lease income receivables.

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(J) PROFIT FORECAST

The following is an extract from Section 4.5 “Profit Forecast” of this Prospectus.

Statement contained in this “Profit Forecast” section that are not historical facts may be forward-looking statements. Such statement is based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction by any of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter, or any other person that the underlying assumptions will materialise, or that these results will be achieved or are likely to be achieved. See the Section on “Forward-looking Statements” and Section 5 “Risk Factors” of this Prospectus for further details. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter guarantees the performance of AME REIT, the payment of capital or the payment of any distributions, or any particular return on the Units. The forecast yields stated in the following table are calculated based on the Retail Price of RM[●] per Unit and the assumption that the Listing Date is 1 April 2022.

Such yields will vary accordingly based on the actual Listing Date, or for investors who purchase Units at a price that differs from the Retail Price.

Investors are cautioned that rental yield on the Subject Properties to be held by AME REIT is not equivalent to the yield of the Units. Investors are cautioned that they will not get the full amount of the distribution per Unit as illustrated in the Profit Forecast. Current rental receipts and yields may not be sustained. The values of the Subject Properties may rise as well as fall.

The following table shows the AME REIT’s Profit Forecast for the Forecast Year 2023. The financial year end of AME REIT is 31 March. The Forecast Year 2023 has been prepared assuming that the first financial year is for the 12-month period ending 31 March 2023, and the date of establishment of AME REIT on 1 April 2022 (instead of the actual establishment on 23 May 2022) and that the Acquisitions had been completed on 1 April 2022. The actual net property income for the financial year ending 31 March 2023 and the resultant distribution yield would be dependent on the rentals of the Subject Properties accruing to AME REIT effective from the Listing Date. The Profit Forecast are based on the assumptions set out below and have been examined by the Reporting Accountants and should be read together with the “Reporting Accountants’ Letter on the Profit Forecast” set out in Appendix E, as well as the assumptions set out in this section of the Prospectus.

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Profit Forecast

	Forecast Year 2023
	(RM'000)
Rental income	40,995
Total revenue	40,995
Quit rent and assessment	(1,803)
Insurance	(705)
Repair and maintenance	(346)
Other operating expenses	(228)
Property management fees	(336)
Property operating expenses	(3,418)
Net property income	37,577
Profit income	452
Net investment income	38,029
Management Fees	(3,573)
Trustee's fee	(175)
Islamic financing costs	(2,481)
Other trust expenses	(837)
Non-property expenses	(7,066)
Profit before taxation	30,963
Taxation	-
Net income for the year and total comprehensive income for the year attributable to Unitholders	30,963
Add: Non-cash items ⁽¹⁾	3,083
Distributable income	34,046
Number of Units in issue (in '000) ⁽²⁾	[•]
Assumed distribution rate (%)	100.0
Distribution cover (times)	1.00
Distribution per Unit (sen)	[•]
Retail Price (RM/Unit)	[•]
Distribution yield on Retail Price (%) ⁽³⁾	[•]

Notes:

- (1) Non-cash items comprise the Management Fees payable in Units, amortisation of transaction costs on financings capitalised and net of unbilled lease income receivables.
- (2) The total number of units in issue includes the assumed units issued to the Manager as payment for the Management Fees for the Forecast Year 2023 at an assumed issue price of RM[•] per Unit.
- (3) Distribution yield is calculated based on the assumption that the Listing Date is on 1 April 2022. The distribution yield will vary accordingly based on the actual Listing Date, or if the Final Retail Price is below RM[•].

(K) RISK FACTORS

An investment in the Units is subject to risks. A summary of some of the key risks associated with an investment in the Units is set out below. Please refer to Section 5 “Risk Factors” of this Prospectus for further details and the full list of the risk factors. Investors should read and understand all the risk factors before making a decision to invest in the Units.

AME REIT is subject to risks inherent in being concentrated in a single region.

The Subject Properties are all located in Iskandar Malaysia. As such, AME REIT will be subject to additional risks compared to other REITs and companies with portfolios consisting of property investments over a wider geographical area. These risks include potential changes in economic conditions, political environment, or governmental regulations and policies which are unfavourable to industrial properties in Iskandar Malaysia and such other factors that may affect the demand for industrial properties in that region. Further, the Subject Properties are all located within or adjacent or near to i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC. There is no assurance that there will be no adverse changes in the infrastructure in their vicinities or decline in the attractiveness of these industrial parks.

The Subject Properties have tenancy cycles in which a substantial number of the tenancies expire in certain years.

A substantial number of the Subject Properties’ tenancies are for terms of 6 years and less.

The number of expiring tenancies since LPD in FYE 2023 are as follows:

	Number of tenancies
SAC Subject Properties (excluding Dormitory)	2
Indahpura Subject Properties (excluding Dormitories)	1
SiLC Subject Properties	--
Dormitories	--

The concentration of tenancy expiries exposes AME REIT to the typical risks associated with tenancy expiries, including the risk of vacancies following non-renewal, non-replacement of tenancies, reduced Occupancy Rates which may translate to lower rental income.

There can be no assurance that major tenants or a significant number of tenants will decide to renew their tenancies, nor can it be guaranteed that new tenants will be secured at all, or on favourable terms. Such factors may have an adverse effect on the income of AME REIT and its distributions to Unitholders.

There is no assurance that the Subject Properties will be able to maintain rental rates at prevailing market rates.

The rental rates of the Subject Properties will depend upon various factors, including but not limited to prevailing supply and demand conditions as well as the quality, design and customisation of the Subject Properties. There is no assurance that the Manager will be able to procure new tenancies or renew existing tenancies at or above prevailing rental rates.

The loss of third-party key tenants, a downturn in the business of Subject Properties' key tenants or any breach by the tenants of their obligations under their tenancy agreements may have a material adverse effect on the financial condition and results of operations of AME REIT.

As at the LPD, the contribution of the top 10 largest tenants of the Industrial Properties, all of whom are third parties, based on their Occupied NLA to the Pro Forma Gross Rental Income across the Subject Properties is approximately 41.5%. Accordingly, AME REIT's business, financial condition, results of operations and ability to make distributions may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of these tenants, as well as the decision by one or more of these tenants not to renew its tenancy. There can be no assurance that new tenants will be found on the same terms (or not less favourable terms) in time or at all.

Please refer to Section 2.1.4 of this Prospectus for detailed information of the top 10 largest tenants.

The Subject Properties may face increased competition from other properties.

The Subject Properties are exposed to competition from other industrial properties in the immediate vicinity or within Iskandar Malaysia. If the Subject Properties are unable to keep pace with comparable industrial properties in the area and this results in AME REIT's failure to retain major tenants and/or attract new tenants, the income from and the market value of the Subject Properties may significantly decrease. There can be no assurance that the Manager will be able to seek new tenants for the Subject Properties in the future if any existing tenants decide not to renew their tenancy.

AME REIT may face increased competition from other comparable industrial properties and other such comparable industrial properties may be newer, in a better location, comprise more attractive features to tenants. The increased competition of the Subject Properties within the vicinity may affect the market value and income generated from the Subject Properties. In the event the comparable industrial properties within the vicinity are more successful in attracting and retaining tenants, the distribution to Unitholders may be affected.

For further details of the competitive overview of AME REIT, please refer to Section 5.1 of the Independent Market Research Report in Appendix B of this Prospectus.

The Appraised Values of the Subject Properties are based on various assumptions which may not materialise and the price at which AME REIT is able to sell the Subject Properties in the future may be lower than their acquisition value.

AME REIT is exposed to the risk of selling any of the Subject Properties at a price lower than the Appraised Value as the values of the Subject Properties may change subject to market conditions. In any event, the Appraised Value of any of the Subject Properties does not guarantee that the future sale price of the Subject Properties will be favourable or will not fall below a minimum amount. If the sale price of any of the Subject Properties is significantly less than its acquisition price, AME REIT's financial condition may be materially and adversely affected.

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Majority of the Subject Properties are dependent on managed services provided by the subsidiaries of the Sponsor or their representatives in order to actualise the i-Park brand and concept.

Majority of the Subject Properties (27 Industrial Properties and 3 Dormitories out of 34 properties) are in or adjacent to AME Group's award-winning i-Park branded industrial parks which are managed by the subsidiaries of the Sponsor or their representatives. DMCs which set out the responsibilities of AME Group in providing the required gated development services which include provision of security services, visitor management, maintenance of the landscaping and facilities in the recreational area within the parks and monitoring of the environment to promote a green, healthy, and comfortable environment for occupants. In return, owners of the managed industrial parks are required to pay gated development service charges.

There is no certainty that the subsidiaries of the Sponsor or their appointed managers would continuously receive prompt and sufficient collections from all the owners of the managed industrial parks or that they will continue to provide the required level of services to maintain and execute the ESG aspects involving management of the industrial parks which is an important aspect towards the value enhancement for the parks and properties within them including the Subject Properties.

In addition, provision of safe, comfortable and liveable conditions for workers is an important aspect of the i-Park brand. The AME Group via I Stay, is managing the Dormitories which are adjacent to i-Park @ SAC and i-Park @ Indahpura, which are key to supporting the accommodation needs for the workers of the i-Park clientele, offering a safe and comfortable environment with a host of managed services that support workers' welfare and quality of life. There is no certainty that I Stay will continue to manage these Dormitories which are rented on master lease arrangements from AME REIT in a manner that meets the requirements of their tenants.

Any failure in providing an acceptable level of services as a whole by the subsidiaries of the Sponsor or their appointed managers due to reasons such as but not limited to a material change in the management of the Sponsor and/or its subsidiaries may adversely affect the attractiveness of the i-Park managed industrial parks, which may cause negative perception to the i-Park brand, and consequently may lead to a deterioration in property value and/or rental rates and/or tenancy renewal and/or new tenancies of the i-Park managed industrial parks.

The operations of the FZW SAC, one of the Subject Properties, is highly dependent on adequate management and maintenance from the Manager and the Property Manager.

The FZW SAC, one of the Subject Properties, requires adequate management and maintenance from the Manager and the Property Manager to attract new tenants, retain existing tenants, sustain rental rates and remain competitive. Failure to provide adequate management and maintenance to the Subject Properties may also lead to a decrease in tenancy rates, with tenants being attracted to the competitors of the Subject Properties.

AME REIT is exposed to economic conditions, the success and economic viability of its tenants and political risks in Malaysia

Although the Subject Properties are located in Iskandar Malaysia, AME REIT's results of operations would depend, to a large extent, on the performance of the Malaysian and global economy and industrial-related activities such as manufacturing, production, processing and storage of goods and products. The performance of AME REIT may also be affected by the industrial property market conditions, such as the competitiveness of competing industrial parks or the supply and demand of industrial properties. A decline in the Malaysian and global economy and industrial-related activities could adversely affect the results of operations and future growth of the tenants on the Subject Properties. An economic decline in Malaysia, a decline in the industrial property market conditions in Malaysia or other developments outside the control of AME REIT and the Manager, may affect AME REIT's business, financial condition and results of operations.

The performance of AME REIT may be adversely affected by disruptions to economic and production activities including, but not limited to:

- (i) an economic downturn in Malaysia or globally, affecting property values, rents, and occupancy rate;
- (ii) a negative impact to the financial position of tenants of the Subject Properties resulting in delays in the receipt of rental payments, defaults in rental payments or early termination of tenancies;
- (iii) reduced tenants in the Subject Properties;
- (iv) tenants becoming insolvent or otherwise unable to meet their obligations; and/or
- (v) an increase in counterparty risk involving parties such as tenants, insurers, lenders as well as contractors and suppliers.

AME REIT's business, prospects, financial condition and results of operations may be adversely affected by political, economic and social developments in Malaysia. Further, AME REIT may be affected by disruption arising from, amongst others, changes in Government policies as a result of change of government administration, and the political sentiments in Malaysia may change.

COVID-19's impact to AME REIT's business, financial condition and results of operations

The COVID-19 global outbreak had disrupted global economic activity, and impacted companies across various industries in the Malaysian economy. The outbreak is likely to continue to have a negative impact on the global economy and business activities in the near future. This could adversely impact the business and operations of the tenants of the Subject Properties, the majority of whom are multinational companies, which in turn may adversely impact the revenues and results of AME REIT. This could also impact AME REIT's ability to secure new foreign tenants if the global movement restrictions continue to remain in place, thereby limiting the potential for new foreign tenants to commence operations in Iskandar Malaysia. In the event of an outbreak of a similar nature in the future or an escalation of the current COVID-19 pandemic, there is no assurance that measures and steps taken by the relevant authorities will be adequate to contain such outbreak.

AME REIT's rental income and the value of the Subject Properties may be adversely affected by a number of factors.

The rental income of AME REIT and the value of the Subject Properties may be adversely affected by a number of factors, including, but not limited to the ability to collect rent from tenants on a timely basis, the amount and extent to which AME REIT may grant rent free period or rebates to tenants in certain circumstances, defects affecting the Subject Properties which could affect the operations of tenants resulting in the inability of such tenants to make timely payments of rent or at all and the rental rates and the terms of the renewed leases being less favourable than the current leases.

AME REIT is exposed to the risks inherent to the property industry and may be adversely affected by increases in operating and other expenses.

AME REIT's ability to maintain a certain level of distribution to the Unitholders could be affected if its operating and other expenses increase without a corresponding increase in revenue or tenant reimbursement of operating and other costs. Factors which could increase operating and other costs of the Subject Properties include, but are not limited to increase in third party service provider costs, increase in quit rent and assessment (property and related taxes) and other statutory charges, increase in repair and maintenance costs and increase in insurance premiums. In addition, AME REIT is also exposed to capital expenditures and other expenses, the timing of which may be irregular since on-going repairs and maintenance involves significant and potentially unpredictable expenditures.

AME REIT is dependent on the key personnel of the Manager and the loss of any key personnel may adversely affect its operations.

The performance of AME REIT depends, in part, on the experience, industry knowledge and abilities of the key personnel of the Manager. Should these key personnel leave the employment of the Manager, time will be required to search for a replacement and the duties and functions which such key personnel are responsible for may be affected. The loss of any of the key personnel of the Manager may have a material and adverse effect on AME REIT's financial condition and results of operations.

The real estate investments of AME REIT may be illiquid and lack alternative uses.

AME REIT's focus on industrial real estate properties translates to a higher level of risk as compared to a portfolio which is more diverse. Industrial properties are relatively more illiquid as the demand for such properties are less compared to residential and office units and also more expensive due to their size. In addition, occupiers of industrial properties may require such properties to be constructed specifically to cater for their use and operations. These factors may hinder AME REIT's ability to promptly lease out or sell any of the Subject Properties or vary its property investment portfolio in response to changing economic, financial and investment conditions.

Possible change of investment strategies may adversely affect Unitholders' investments in AME REIT.

AME REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Manager. The Manager may from time to time decide to change its investment allocation pursuant to the Deed and the Relevant Laws and Requirements. Any possible change in AME REIT's investment strategies may adversely affect Unitholders' investment returns in AME REIT.

The Manager may not be able to successfully implement its investment strategy.

The Manager's ability to successfully implement its investment strategies or expand AME REIT's portfolio will depend on, amongst other factors, its ability to identify suitable investment opportunities that meet its investment criteria and to obtain the necessary funding on favourable terms. There can be no assurance that the Manager will be able to successfully implement its investment strategies on terms favourable to AME REIT and/or within the intended time frame. AME REIT may also face intense competition for investment opportunities identified by the Manager from other property investors, including other REITs and property investment companies. There is no assurance that AME REIT will be able to compete successfully against such entities.

AME REIT is newly established and has no track record.

AME REIT was established on 23 May 2022 and as such, has no operating history. The Pro Forma Statement of Comprehensive Income and Pro Forma Statement of Financial Position have been prepared for illustrative purposes and set out in Section 4 of this Prospectus. Please refer to Section 5.3.3 of this Prospectus for the risks that the Pro Forma Statement of Comprehensive Income and Pro Forma Statement of Financial Position may not reflect actual results and actual financial position of AME REIT.

Potential conflict of interest between AME REIT, the Manager and the Sponsor

The Manager is wholly-owned by the Sponsor. The Manager is also the management company of AME REIT. The Sponsor will be the single largest Unitholder of AME REIT via its subsidiary following the completion of the Offering. The properties developed, managed and/or sold by the subsidiaries of the Sponsor and the investment properties held by the Sponsor via its subsidiaries may directly compete with the Subject Properties for tenants and cause downward pressure on the demand for Subject Properties and their rental rates.

Certain directors of the Manager (Lee Chai and Lee Sai Boon and their alternates) sit on the board of directors of the Sponsor. Lee Chai and Lee Sai Boon are executive directors of both the Manager and the Sponsor. As a result, the strategies and activities of AME REIT may be influenced by the overall interests of the Sponsor. There can be no assurance that conflicts of interest may not arise among AME REIT, the Manager and the Sponsor in the future in respect of the Directors' involvements in the operations, policies and other business affairs of both AME REIT and the Sponsor. Further, although Lee Chai and Lee Sai Boon will not receive any salary in respect of their executive functions in the Manager (as their executive roles in the Manager are merely an extension and incidental to their roles in the Sponsor Group), and while this reflects a strong alignment of interest of the Sponsor Group in AME REIT, there is a risk of loss of such support in the interaction and business continuity with tenants if there is a substantial reduction of the Sponsor's interest in AME REIT or similarly a substantial reduction in these directors' direct holdings in AME REIT subsequent to the ROFS, in the future.

Potential conflicts of interest relating to the acquisition of properties from the Sponsor and rental of properties to the Sponsor

Pursuant to the ROFR, the Manager may in the future recommend that AME REIT acquire additional properties from the Sponsor and/or its subsidiaries. In such cases, the Manager is required to obtain valuations from independent property valuers and comply with all other applicable requirements applicable to such transactions pursuant to the REIT Guidelines. There can be no assurance that the negotiations with respect to such properties related to the sale and purchase of such properties (in particular, the representations, warranties and/or indemnities agreed) will not be adverse to AME REIT.

I Stay, the 70% owned subsidiary of the Sponsor, is the dormitory management arm of the Sponsor. The rental income contribution by I Stay for the Dormitories is approximately 20.4% of Total Revenue for the FYE 2022. This represents a significant portion of AME REIT's Total Revenue before taking into account the commencement of rental for Plot 13 Dorm Indahpura with effect from 15 July 2022. Based on the Pro Forma Gross Rental Income, the Dormitories contributed 27.3% of the total rental income of the Subject Properties.

Any potential conflict of interest between AME REIT and the Sponsor may have a negative effect on AME REIT's financial condition. However, the REIT Guidelines provide that any related party transaction must be made on terms which are the best available for a REIT and which are no less favourable to that REIT than an arm's length transaction between independent parties.

The Sponsor has granted a ROFR which will be effective for a period of 5 years from the date of Listing. The ROFR may be renewed for another 5 years subject to mutual agreement and provided that the Manager remains as the management company of AME REIT; the Sponsor holds direct and/or indirect interest of 50% or more in the Manager; the Sponsor holds direct and/or indirect interest of 20% or more in AME REIT; and AME REIT remains listed on Bursa Securities.

Upon the expiry of the initial period of 5 years, the ROFR granted by the Sponsor may not necessarily be renewed. Furthermore, the ROFR may be terminated in the event the aforementioned conditions are not met. The non-renewal or termination may result in a reduced pool of ready assets available for AME REIT's consideration for acquisition of properties.

Further details on the ways the Manager mitigate potential conflict of interest can be found in Section 12.4.2 of this Prospectus.

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Failure to reduce the Shariah non-compliant rental to the permitted threshold

The computed Shariah non-compliant rental from the Subject Properties is 0.01% of the total rental income based on the FYE 2022 and less than 0.01% of the total rental income based on the Pro Forma Gross Rental Income. As the Manager does not have control over the tenants' business composition of the Subject Properties, there is no certainty that the Shariah non-compliant rental will be below the permitted threshold of 5% of AME REIT's total turnover by the end of the 10th financial year after the Listing. The Manager may mitigate this risk by scrutinising the principal business of AME REIT's future tenants to ensure that they are Shariah compliant prior to entering into an agreement and seek certain warranties from their tenants as to the nature of their activities, however, there is no certainty that the tenants will not knowingly or inadvertently diverge into Shariah non-compliant business activities in the future.

If the Shariah non-compliant rental after the 10th financial year after Listing exceeds the permitted threshold of 5% at any given time, the Manager will be required to channel the rental revenue obtained from such tenants in excess of the permitted 5% to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser, and the Shariah non-compliant rental cannot be distributed to the Unitholders.

(L) FEES AND CHARGES

There are fees and charges involved and investors are advised to consider them before investing in AME REIT.

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the purchase, sale and holding of their investments in AME REIT or trading of the Units (so long as the Units are listed):

Payable by the Unitholders directly	Amount payable
(a) Bursa Securities clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000.00 per transaction.
(b) Brokerage	A percentage of the transaction value prescribed by or negotiated with the ADAs, subject to a minimum of RM40.00 per transaction save for (i) online routed retail transactions, (ii) transactions executed in less than a board lot and (iii) transactions paid with cash upfront, for which the minimum brokerage fees are fully negotiable.
(c) Stamp duty	RM1.00 for every RM1,000.00 or fractional part of the transaction value, subject to a maximum of RM200.00 per transaction.

The above rates may be subject to changes by the relevant parties. Further information on the charges you may incur from the trading of Units on Bursa Securities may be found on Bursa Securities' website at www.bursamalaysia.com.

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The following is a summary of certain fees and charges payable by AME REIT in connection with the establishment and on-going management and operation of AME REIT.

Payable by the AME REIT	Amount payable
(a) Management Fees (payable to the Manager)	The Manager may elect to receive the Management Fees in cash or new Units or a combination of cash and new Units (as it may in its sole discretion determine). The Manager is entitled under the Deed to the following Management Fees (exclusive of service tax, if any): (i) Base Fee Up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) in the relevant financial year. The Manager intends to charge a base fee of 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) for the Forecast Year 2023. For avoidance of doubt, where an investment is held through one or more SPV, the Total Asset Value shall include the value of all the assets of the relevant SPV, prorated, if applicable, to the proportion of AME REIT's interest in the said SPV. (ii) Performance Fee⁽¹⁾ Up to 5.0% per annum of the NPI. Note: <i>(1) Performance fees have been included in the fees chargeable by managers of 7 out of 8 REITs listed in Malaysia since 2010. The 3 REITs quoted by the Independent Market Researcher as set out in Appendix B, namely Axis REIT, Atrium REIT and Al-Salam REIT, which have investment in industrial properties of more than 10% of their respective total investment portfolio, do not charge any performance fee. It should be noted that Axis REIT and Atrium REIT were listed before 2010.</i> (iii) Acquisition Fee 1.0% of the acquisition price of each of the following as is applicable (subject to there being no double-counting):

Payable by the AME REIT	Amount payable
	(a) in relation to an acquisition (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate purchased by AME REIT or its SPV (pro-rated, if applicable, to the proportion of AME REIT's interest); or (b) in relation to an acquisition (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest). For the avoidance of doubt, no Acquisition Fee is payable with respect to the acquisition of the Subject Properties in connection with the Listing but Acquisition Fee is payable with respect to all other transactions (including related party transactions and non-related party transactions and acquisitions from AME Group). (iv) Divestment Fee 0.5% the disposal price of each of the following as is applicable (subject to there being no double-counting): (a) in relation to a disposal (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate disposed by AME REIT or its SPV (pro-rated, if applicable, to the proportion of AME REIT's interest); or (b) in relation to a disposal (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest). For the avoidance of doubt, the Divestment Fee is payable with respect to all other transactions (including related party transactions and non-related party transactions and divestments to AME Group), as well as for compulsory acquisitions.

Payable by the AME REIT	Amount payable
(b) Trustee's fee (payable to the Trustee)	AME REIT will pay the Trustee RM15,000.00 as a one-time appointment fee and an annual trusteeship fee of 0.03% per annum of the NAV of the AME REIT. Other than this, there will be no payment due to the Trustee by way of remuneration for its services upon the subscription for or sale of a Unit and upon any distributions of income and capital or otherwise under the Deed.
(c) Property management fee (payable to the Property Manager)	The Property Manager is entitled to receive RM20,000.00 (excluding any applicable tax) per month (equivalent to RM240,000.00 (excluding any applicable tax) per annum) for the management and operation of the Subject Properties. In addition, the Property Manager is also entitled to full reimbursement of costs and expenses properly incurred in the operation, maintenance and management of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to its services provider(s).
(d) Other REIT expenses	These include: (a) auditor's fee; (b) valuation fee; (c) Shariah advisory fees; (d) reporting fees; (e) financing costs; (f) annual listing fee; (g) tax consultant's fee; (h) other professional fees; (i) printing, posting and general expenses that are directly related to and necessary for the administration of AME REIT; and (j) all other expenses related to AME REIT as provided for in the Deed.

For the avoidance of doubt, any rebates and soft commissions shall be paid in accordance with the REIT Guidelines. For further details of the fees and charges, please refer to Section 3.11 "Brokerage, Commissions and Other Fees and Charges", Section 6.6 "Management Fees", Section 8.5 "Trustee's Fee" and Section 10.5 "Property Management Fee" of this Prospectus.

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1. DETAILED INFORMATION ON AME REIT

1.1 OVERVIEW OF AME REIT

Investment Policy

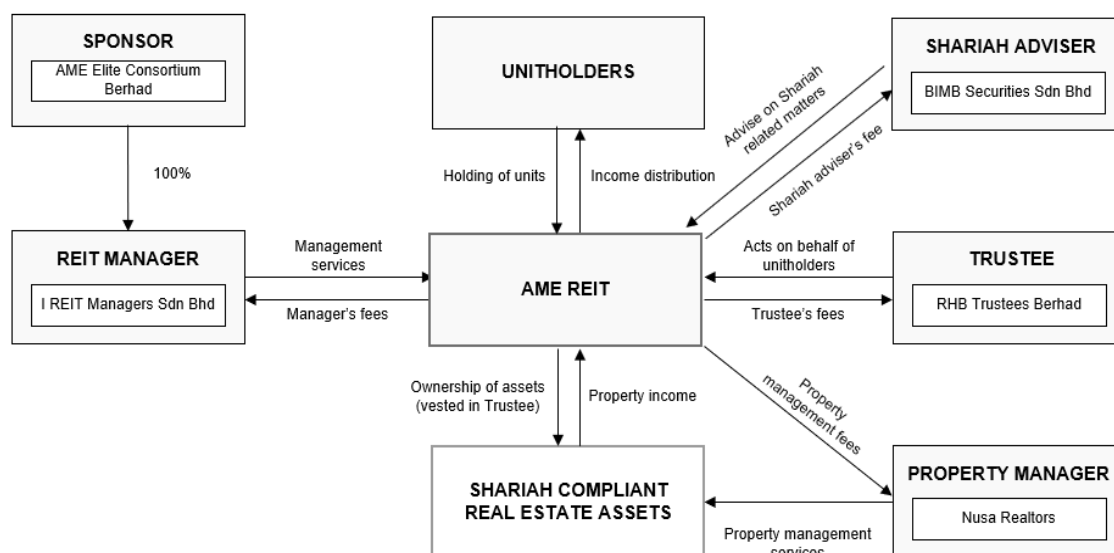
AME REIT is an Islamic REIT established with the principal investment policy of investing, directly and indirectly, in a Shariah-compliant portfolio of income producing Real Estate used primarily for industrial and industrial-related purposes in Malaysia and overseas. The current focus of AME REIT is on Real Estate in Malaysia and overseas investment has not been determined. AME REIT may also invest in other investments as permissible in the REIT Guidelines or as otherwise permitted by the SC. Any material change to the investment policy of AME REIT must be approved by the Unitholders by way of a resolution of not less than two-thirds of the votes given on poll at a Unitholders' meeting duly convened and held in accordance with the Deed.

Investment Objective

The Manager's key objective is to provide Unitholders with a stable and growing distribution of income and to achieve long-term growth in the NAV per Unit.

1.2 STRUCTURE OF AME REIT

The following diagram illustrates the structure of AME REIT and indicates the relationship between AME REIT, the Manager, the Trustee, the Property Manager, the Shariah Adviser and the Unitholders.



1.3 STRATEGIES

For the first 5 years after the listing of AME REIT, the Manager intends to achieve the investment objectives through the implementation of the following strategies:

- (i) **Acquisition growth strategy** – The Manager will leverage on AME Group's future property development projects as well as third party properties to source for and acquire properties within Malaysia⁽¹⁾ that fit within AME REIT's investment strategy to generate stable cash flows and potential for long-term income and capital growth;
- (ii) **Proactive asset management strategy** – The Manager will seek to optimise and maintain high occupancy rates, achieve stable rental growth and maximise investment returns; and
- (iii) **Capital and risk management strategy** – The Manager intends to optimise AME REIT's capital structure and cost of capital within the financing limits set out in the REIT Guidelines and intends to use a combination of Islamic financing and equity financing to fund future acquisitions and capital expenditure.

Note:

- (1) *The CEO is also mandated to source properties situated outside of Johor, with specific focus on the central and northern regions of Peninsular Malaysia as set out in Section 2.2.6.1.*

The Manager acknowledges the importance of ESG impact when developing business strategies of AME REIT. As such, the Manager and its Board is committed to adhere to good sustainability practices as further described in Section 6.15 of this Prospectus.

1.3.1 Acquisition growth strategy

Whilst AME REIT will have an initial portfolio immediately upon Listing, the Manager, on behalf of AME REIT, will leverage on AME Group's future property development projects as well as third party properties to pursue opportunities for acquisitions of assets within Malaysia⁽¹⁾ that fit within AME REIT's investment strategy to generate stable cash flows and potential for long-term income and capital growth.

In evaluating future acquisition opportunities, the Manager will be sourcing for properties that will be beneficial for AME REIT by undertaking acquisitions of assets that are potentially yield accretive and with potential for improvement, such that the Unitholders are able to enjoy enhanced DPU and potential capital gains in future if such acquisition opportunities are realised.

The Manager will also seek to enhance diversification of the portfolio by location and tenant profile to maintain an optimal mix of quality properties and tenants in AME REIT's portfolio.

Note:

- (1) *The CEO is also mandated to source properties situated outside of Johor, with specific focus on the central and northern regions of Peninsular Malaysia as set out in Section 2.2.6.1.*

(i) Investment Criteria

In evaluating acquisition opportunities for AME REIT from third parties and AME Group, the Manager will consider the following key investment criteria:

- (a) **Yield accretion** – the Manager will seek to acquire potentially yield accretive income-producing properties that will enhance the distribution and yield to Unitholders as well as bring potential growth to AME REIT.
- (b) **Quality of existing tenants** – the Manager will seek out tenanted properties with tenants that have good financial standing and credit quality to maximise tenant retention rate and minimise rental delinquency and turnover. A key consideration will be the impact of an acquisition on AME REIT's overall tenant portfolio and tenancy expiry profile.
- (c) **Location** – Properties should be located in prime locations and the Manager will evaluate properties in terms of accessibility and proximity to major roads and public transportation, the immediate and surrounding catchment areas and competition.
- (d) **Capital appreciation** – The management will seek to acquire quality Real Estate with potential for market value appreciation.
- (e) **Value adding opportunities and asset enhancement potential** – The Manager will seek to acquire properties with potential opportunities to increase rental rates, occupancy rates and enhance value through proactive property management, including but not limited to, asset enhancement initiatives, renovations or refurbishments.

1. DETAILED INFORMATION ON AME REIT (Cont'd)

- (f) **Building design and specifications** – Potential properties for acquisition should have good quality specifications which are in compliance with building and zoning regulations. At the same time, the design should, as much as possible, be versatile such that it would appeal to as many potential tenants as possible. The age and condition of the building will also be considered, taking into account any assessment, if necessary, by independent experts relating to repairs, maintenance and capital expenditure requirements in the short to medium-term.

Any acquisitions of future properties will be made in compliance with the Deed, the REIT Guidelines and any other Relevant Laws and Requirements, taking into consideration the current maximum permissible debt level of 50.0% of the Total Asset Value of AME REIT at the time any financing is incurred.

(ii) Acquisition Opportunities from AME Group

After the Listing, the Manager will leverage on AME Group's pipeline of property development projects to source for high quality industrial properties, dormitories and warehouses.

In terms of on-going industrial property projects by AME Group, as at LPD, there are still ongoing property developments by AME Group. Further, AME Group is actively pursuing land banking to further expand its portfolio of industrial park development projects going forward, for example:

- (a) on 30 December 2020, 2 of AME's wholly-owned subsidiaries had entered into 2 conditional sales and purchase agreements with UEM Land Berhad and Nusajaya Heights Sdn Bhd to acquire 72 plots of freehold industrial land measuring 169.8 acres in total in SiLC to be developed into AME Group's fourth managed industrial park, i-TechValley in SiLC, for which conditions precedent have been fulfilled for the acquisition of 57 plots out of the total 72 plots. AME Group soft launched i-TechValley in SiLC in March 2022.
- (b) AME Group is actively seeking opportunities to develop industrial parks in other areas of Peninsular Malaysia, with focus on the central and northern regions.

For a period of 5 years from Listing, AME REIT will have access to future acquisition opportunities of any industrial property or dormitory with leasing or tenancy arrangement from AME and its wholly-owned subsidiaries as well as Ipark Development, subject to certain conditions. The ROFR is expected to increase the pipeline of assets for AME REIT. Further details of the ROFR are set out in Section 15.4 of this Prospectus.

As at the LPD, the Manager has identified the following properties belonging to AME Group as potential pipeline to be acquired by AME REIT within 12 months from the Listing Date:

Development Project	Potential Pipeline	Estimated GFA (sq ft)	Actual/ Targeted Lease Commencement Date	Actual/ Expected Lease Term
i-Park @ SAC	Plot 43	56,814.44	Q3 2022	Fixed 10 Years
i-Park @ Indahpura	Plot 15	101,764.26	Q3 2022	Fixed 10 Years
	Plot 16	98,249.38	Q3 2023	Fixed 10 Years

(iii) Participation in Property Development

Subject to compliance with the REIT Guidelines in relation to the maximum level of permitted investments in property development, the Manager may eventually explore investing in development land and undertaking industrial property development activities for the purpose of leasing such completed properties, if suitable opportunities arise.

In undertaking such activities, the Manager may avail itself of AME Group's expertise and integrated services in designing and constructing high quality, functional industrial properties and warehouses.

AME REIT will undertake property development activities as and when there are viable opportunities although the Manager's initial intention after Listing is for AME REIT to be focused on property investment and property leasing activities.

1.3.2 Proactive Asset Management Strategy

The Manager will seek organic growth of its property portfolio, by working closely with the Property Manager, to optimise and maintain high occupancy rates, achieve stable rental growth and maximise investment returns.

To achieve this, the Manager will focus on:

(i) Proactive Asset Management

The Manager will actively seek to enhance the value of its property portfolio through, among others:

- (a) regular review of rental rates against market rates for possible upward adjustments, in accordance with the provisions of the lease agreements;
- (b) prioritising the incorporation of contractual periodic rental step-up provisions during lease agreement negotiations to secure positive rental reversion as an additional source of income growth;
- (c) regular review of the market value of the properties to identify capital appreciation and opportunities for disposal to realise capital gains;
- (d) carry out regular checks on the properties for defects or damages and to ensure that tenants fulfill their obligations to preserve the quality of the properties;
- (e) ensure maintenance and repairs are carried out in a timely manner, without affecting the tenants' operations;
- (f) active monitoring of tenant viability and tenants' rental arrears as well as conducting due diligence on prospective tenants to minimise the risk of late payments and rental defaults;
- (g) regular review of the portfolio to ensure the properties are in-line with current and future industrial trends and requirements to ensure their relevance; and
- (h) identifying and undertaking asset enhancement initiatives to improve the marketability of the properties and maximise rental potential, based on assessments of the feasibility and profitability of such enhancement initiatives.

(ii) Maximising Tenant Retention and Minimising Vacancies

The Manager will work together with the Property Manager to maintain high retention rates and minimising vacancy periods as well as expenses for the sourcing of new tenants through the following initiatives:

- (a) cultivating a tenant orientated culture to develop close relationships by regularly engaging with tenants, with an emphasis on understanding and actively addressing tenants' requirements;
- (b) actively seeking and responding to tenants' feedback and enquiries in an expedient and efficient manner, including the provision of repair and maintenance works;
- (c) conducting regular maintenance and/ or improvements to the properties to maintain tenant satisfaction;
- (d) identifying expansion needs of existing tenants and satisfying such needs where possible;
- (e) early engagement in renewal negotiations with tenants whose leases are approaching expiry to minimise vacancy rates; and
- (f) collaborating with real estate agents to pro-actively seek new tenants, should the need arise, before existing tenancies expire.

(iii) Budgetary Controls

The Manager will seek to maximise returns to Unitholders through, among others:

- (a) regularly exploring opportunities to minimise operating expenses through improved operational efficiencies without compromising on the quality of services and facilities provided;
- (b) actively adjusting property management costs and other outgoings based on competitive market benchmarks;
- (c) preparing comprehensive annual budgets, which will be complemented by monthly reviews to detect any deviation; and
- (d) implementing stringent cost control management systems and strictly adhering to the budgetary plans and strategies.

1.3.3 Capital and Risk Management Strategy

The Manager aims to optimise AME REIT's capital structure and cost of capital within the financing limits set out in the REIT Guidelines and intends to use a combination of Islamic financing and equity financing to fund future acquisitions and capital expenditure, determined based on the following strategies:

- (i) securing the most favourable terms of funding while maintaining an appropriate gearing level;
- (ii) maintaining a reasonable level of financing service capability by ensuring that cash inflows from tenants match the outflows arising from financial obligations;
- (iii) diversifying sources of debt funding and actively managing the range of financing maturities to reduce refinancing risks and optimise the cost of capital;
- (iv) proactively managing risks associated with refinancing and changes in financing rates; and

1. DETAILED INFORMATION ON AME REIT (Cont'd)

- (v) where appropriate, implementing hedging strategies to minimise any exposure arising from adverse market financing rates and foreign exchange fluctuations.

1.3.4 Permissible Investments and Investment Limits

The permissible investments of AME REIT are as follows:

- (i) Real Estate;
- (ii) Non-Real Estate Assets;
- (iii) cash, Islamic deposits and Islamic money market instruments; and
- (iv) any other investment not specified in (i) to (iii) above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC.

AME REIT's investments are subject to the following investment limits as prescribed in the REIT Guidelines:

- (i) at least 75.0% of AME REIT's Total Asset Value must be invested in Real Estate that generates recurrent rental income at all times;
- (ii) the aggregate investments in property development activities (Property Development Costs) and Real Estate under construction must not exceed 15.0% of the Total Asset Value of AME REIT; and
- (iii) investments in Non-Real Estate Assets are subject to the following investment limits:
 - (a) the Shariah-compliant securities must be traded in or under the rules of an eligible market, except for unlisted sukuk;
 - (b) the value of AME REIT's investments in Shariah-compliant securities issued by any single issuer must not exceed 5.0% of AME REIT's Total Asset Value;
 - (c) the value of AME REIT's investments in Shariah-compliant securities issued by any group of companies must not exceed 10.0% of AME REIT's Total Asset Value; and
 - (d) AME REIT's investments in any class of Shariah-compliant securities must not exceed 10.0% of the securities issued by any single issuer; or

such other limits and investments as may be permitted by the SC or the REIT Guidelines.

1.4 INVESTORS' PROFILE

AME REIT may appeal to an investor with long-term investment objectives who seeks regular and stable income distribution and long-term capital appreciation, and who understands the risks related to the real estate industry and REITs.

1.5 PERFORMANCE BENCHMARK

The following performance indicators can be considered in reviewing the performance of AME REIT:

(i) Distribution Yield

The ratio of the distribution paid to Unitholders from AME REIT's Distributable Income to the market price of the Units.

1. DETAILED INFORMATION ON AME REIT (Cont'd)

(ii) NAV

NAV represents the Total Asset Value less all of AME REIT's liabilities and obligations.

(iii) Total Return

The change in market price of the Units over a period of time plus any distributions received during the relevant period.

The performance indicators will be used to benchmark AME REIT against its peers as well as against its own historical performance, where applicable.

1.6 DISTRIBUTION POLICY

The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all or such other percentage as determined by the Manager at its absolute discretion, of AME REIT's Distributable Income. It is the intention of the Manager to distribute at least 90.0% of AME REIT's Distributable Income on a quarterly basis or such other intervals as the Manager may determine at its absolute discretion.

Quarterly basis refers to each consecutive 3-month period commencing on and ending on the following dates (all dates inclusive) in each financial year during the continuance of AME REIT or such other interval as the Manager may determine in accordance with the Deed:

- (i) 1 April to 30 June;
- (ii) 1 July to 30 September;
- (iii) 1 October to 31 December; and
- (iv) 1 January to 31 March.

The actual proportion of Distributable Income to be distributed to Unitholders beyond the FYE 2023, which shall be at the absolute discretion of the Manager, may be greater than 90.0% of AME REIT's Distributable Income to the extent that the Manager believes is appropriate, having regard to AME REIT's funding requirements, other capital management considerations and the availability of funds. Distributions, when made in the form of cash, will be in Ringgit Malaysia.

For the period from the Listing Date to 31 March 2023, AME REIT will distribute 100.0% of its Distributable Income. The first distribution, which will be in respect of the period from the Listing Date to 31 December 2022, being the first full financial quarter after Listing will be paid by the Manager within 2 months from 31 December 2022.

1.7 VALUATION POLICY

Independent professional valuation will be obtained at least once every financial year in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary and these valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines. The Manager has engaged the Independent Property Valuer to carry out valuation of the Subject Properties as at 2 August 2021 and subsequent valuation as at 7 February 2022.

The Manager has yet to decide on the exact date for the next valuation for the Subject Properties, but in any event, such valuation will be carried out on or before 31 March 2023 in accordance with AME REIT's valuation policy.

Please refer to the Valuation Certificate set out in Appendix A "Valuation Certificates" of this Prospectus, which is to be read together with the full valuation reports for the Subject Properties. Copies of the full valuation reports will be available for inspection at the registered office of the Manager for a period of 12 months from the date of this Prospectus.

1. DETAILED INFORMATION ON AME REIT (Cont'd)

1.8 FINANCING LIMITATIONS AND GEARING POLICY

AME REIT may obtain financing up to 50.0% of the Total Asset Value of AME REIT at the time the financing is incurred (or such other limit permitted by the REIT Guidelines from time to time).

Upon Listing, based on AME REIT's Pro Forma Statement of Financial Position, AME REIT will have a total indebtedness of approximately RM46.5 million representing approximately 8.1% of its estimated Total Asset Value of RM574.5 million.

Further details of AME REIT's financing are set out in Section 3.9 "REIT Financing" of this Prospectus.

1.9 INTELLECTUAL PROPERTY

AME REIT does not own any registered intellectual property rights. The Trustee and the Manager have been granted non-exclusive and non-transferable licences to use the following registered trademarks by the Registered Trademark Owner as set out below:

Trademark	Registered Trademark Owner
	AME Integrated Sdn Bhd
	AME Integrated Sdn Bhd
	AME Integrated Sdn Bhd
	AME Integrated Sdn Bhd

On 23 June 2022, the Trustee and the Manager have entered into the Trademark Licensing Agreement with the Registered Trademark Owner. Pursuant to the terms of the Trademark Licensing Agreement, the Registered Trademark Owner has the option to require the Trustee and/or Manager to remove the relevant registered trademarks as set out in the said agreement from any of the Subject Properties upon the occurrence of any of the following events:

- (i) the Manager ceasing to be a subsidiary of the Sponsor;
- (ii) the Manager ceasing to be the management company of AME REIT;
- (iii) the Sponsor ceasing to hold direct and/or indirect interest of more than 50.0% of the total issued Units; or
- (iv) the Registered Trademark Owner ceases to hold the title and right to the registered trademarks.

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1. DETAILED INFORMATION ON AME REIT (Cont'd)

1.10 SHARIAH INVESTMENT GUIDELINES

At all times, AME REIT shall only invest in Shariah-compliant assets and instruments as advised by the Shariah Adviser based on the REIT Guidelines and Shariah rulings of the SACSC.

To ensure compliance with the relevant Shariah Requirements, listed below are the Shariah Investment Guidelines for AME REIT to which the Manager has to strictly adhere on a continuous basis. These guidelines cover investments as well as operational and administrative matters in relation to Shariah.

1.10.1 Investments in Real Estate

- (i) AME REIT may invest in any real estate having tenants with either fully Shariah-compliant activities or some of the tenants with either mixed or Shariah non-compliant activities, provided always that the percentage of rental received from all Shariah non-compliant activities is less than the permitted threshold of 20% of the total turnover upon initial listing; and less than 5% of the total turnover by the end of the 10th financial year post listing and beyond.
- (ii) Notwithstanding the above, AME REIT must not invest in a real estate where all the tenants carry out fully Shariah non-compliant activities, even if the percentage of the Shariah non-compliant rental is less than the prevailing permitted threshold.
- (iii) The Shariah non-compliant activities are as follows:
 - (a) conventional banking and lending;
 - (b) conventional insurance;
 - (c) gambling;
 - (d) liquor and liquor-related activities;
 - (e) pork and pork-related activities;
 - (f) non-halal food and beverages;
 - (g) tobacco and tobacco-related activities;
 - (h) stockbroking or share trading in Shariah non-compliant securities;
 - (i) Shariah non-compliant entertainment; and
 - (j) other activities deemed non-compliant according to Shariah principles as determined by the SACSC or the Shariah Adviser, in cases where no specific ruling is made by the SACSC.
- (iv) The calculation for Shariah non-compliant rental from a tenant conducting mixed business activities, shall be based on the percentage of area occupied for Shariah non-compliant activities over the total area occupied by the tenant. Nevertheless, the Shariah Adviser may, if necessary, apply *Ijtihad* (intellectual reasoning) in making decision for activities that do not involve the usage of space such as service-based activities.
- (v) AME REIT may accept new tenants at its existing property and renew tenancy agreements of existing tenants provided that the percentage of Shariah non-compliant rental (if any) after such exercise complies with the prevailing permitted threshold. Prior to the end of AME REIT's 10th financial year after Listing, the permitted threshold of the Shariah non-compliant rental after such on-boarding of new tenants and renewal of existing tenants shall be less than 20%. By the end of the 10th financial year after Listing, AME REIT must reduce the Shariah non-compliant rental to less than 5%. After the end of the 10th financial year post Listing and beyond, AME REIT may accept new tenants and renew tenancy agreements of existing tenants whose business activities are Shariah non-compliant provided that the percentage of Shariah non-compliant rental after such acceptance of new tenants and renewal of existing tenants is less than 5%. Prior to such on-boarding of new tenants, the Manager shall conduct an initial assessment on the expected percentage of Shariah non-compliant rental to be received from the new tenants. In case of any ambiguity in the business activities of the new tenants, the

1. DETAILED INFORMATION ON AME REIT (Cont'd)

Manager shall seek Shariah Adviser's opinion to determine the Shariah status of the rental income to be received from the new tenants.

- (vi) AME REIT may acquire a real estate with existing tenants provided that the percentage of its Shariah non-compliant rental after such acquisition is less than the prevailing permitted threshold. Prior to AME REIT reaching the end of its 10th financial year after Listing, the permitted threshold is less than the 20%. By the end of the 10th financial year after Listing, AME REIT must reduce the Shariah non-compliant rental to less than 5%. After the end of the 10th financial year post Listing and beyond, the permitted threshold shall be less than the 5%. Prior to such an acquisition of real estate, the Manager shall submit the proposed acquisition factsheet to the Shariah Adviser for confirmation on the Shariah compliance status of the tenants. The factsheet shall consist of information on the acquisition, the details on the business activities of the tenants, the net lettable and actual rental areas, as well as the rental income to be received from the existing tenants of the real estate to be acquired.
- (vii) In the event of Shariah non-compliance due to failure to reduce the Shariah non-compliant rental to less than 5% of the total turnover by the end of the 10th financial year post Listing and beyond, the excess amount of the Shariah non-compliant rental must be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. It is advised that the excess amount must be channelled within 1 year from the end of each financial year for as long as AME REIT is unable to comply with the Shariah non-compliant rental requirement of less than 5% of the total turnover by the end of the 10th financial year post Listing and beyond.

Please refer to Section 3.1 of the Appendix F "Shariah Pronouncement" and Section 5.2.13 of this Prospectus for further details of the Shariah non-compliant rental information of the Subject Properties.

1.10.2 Takaful

- (i) AME REIT is required to use takaful coverage to cover all of its real estates. In the event that takaful coverage is unavailable or is not commercially viable, AME REIT may then use the conventional insurance subject to prior approval by the Shariah Adviser.
- (ii) Notwithstanding the above, if a real estate is already covered under an existing insurance policy, the said conventional insurance policy may be used until its expiry. Once the conventional insurance policy expires, the real estate shall be covered by takaful unless such coverage is unavailable or is not commercially viable subject to prior approval by Shariah Adviser.

1.10.3 Usage of Islamic Derivatives

AME REIT shall only use Islamic derivatives for the purpose of hedging of its risk exposures. However, if Islamic derivatives are unavailable or are not commercially viable, AME REIT may then use conventional derivatives subject to prior approval by the Shariah Adviser.

1.10.4 Financing Facilities

- (i) AME REIT shall only use Islamic financing facilities provided by financial institutions or by way of an issuance of sukuk, for the purpose of investment in real estate and for capital expenditure.
- (ii) Any financing facilities obtained or to be obtained by AME REIT must comply with Shariah principles.

1. DETAILED INFORMATION ON AME REIT (Cont'd)

1.10.5 Investments in Non-Real Estate Assets, Cash, Deposits, and Money Market Instruments

AME REIT shall only invest in Islamic non-real estate assets, Islamic deposits and Islamic money market instruments. Any cash placement made with financial institutions shall be based on Shariah principles.

1.10.6 Zakat for AME REIT

AME REIT does not pay zakat on behalf of investors of the REIT, both Muslim individuals and Islamic legal entities. Thus, investors are advised to pay zakat on their own.

1.10.7 Periodic Review by the Shariah Adviser

The Shariah Adviser will review the portfolio of AME REIT on a monthly basis to ensure that its operations and investments comply with Shariah. Upon completion of each review, the Shariah Adviser will deliver its opinion on AME REIT's compliance with Shariah through the issuance of monthly confirmation reports. Further, a report on the Shariah compliance status of AME REIT for the respective financial year will also be prepared to be included in the annual report of the REIT.

The Shariah Adviser confirms that the investment of AME REIT is carried out in accordance with the Shariah Investment Guidelines issued by the Shariah Adviser. For investment in Non-Real Estate Assets, the Shariah Adviser also confirms that the instruments have been classified as Shariah-compliant by the SACSC or the Shariah Advisory Council of BNM. Whilst for instruments which have not been classified as Shariah-compliant by the said relevant authorities, their Shariah status has been reviewed and determined by the Shariah Adviser.

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2. SUBJECT PROPERTIES

2.1 OVERVIEW OF THE SUBJECT PROPERTIES

2.1.1 Overview

AME REIT's initial portfolio will consist of 31 freehold industrial real estate ("**Industrial Properties**") and 3 freehold industrial-related real estate used as workers' dormitories ("**Industrial-Related Properties**" or "**Dormitories**").

All of AME REIT's 34 Subject Properties are located within Iskandar Malaysia. Iskandar Malaysia is an economic hub and driver for the growth of Malaysia's economy, as identified in the Ninth Malaysia Plan. Since its inception 15 years ago, Iskandar Malaysia has recorded total cumulative investments of RM337.3 billion with over 60.0% realised.

As an economic corridor, the Iskandar Malaysia region has ample transportation infrastructure, including an airport and 3 ports, which provides connectivity, accessibility and logistical convenience for businesses operating within the freehold industrial parks of AME:

- (a) i-Park @ SAC is situated in Senai Airport City, which is about 6 km from Senai International Airport. It is also 3 km from North-South Expressway, 4 km from Senai-Desaru Expressway, 5 km from Malaysia-Singapore Second Link Expressway, 6 km from Senai International Airport and 20 km from Johor Bahru Customs, Immigration and Quarantine Complex ("**CIQ**");
- (b) i-Park @ Indahpura is located about 7 km from Malaysia-Singapore Second Link Expressway, 8 km from North-South Expressway and Senai-Desaru Expressway, 11 km from Senai International Airport and 33 km from the CIQ; and
- (c) i-Park @ SiLC and District 6 @ SiLC are situated within Iskandar Puteri. i-Park @ SiLC is about 4 km from Malaysia-Singapore Second Link Expressway, 18 km from Port of Tanjung Pelepas, 26 km from Senai International Airport, 44 km from Johor Port and 67 km from Singapore Changi Airport. District 6 @ SiLC fronts the Pontian Link Expressway and is about 4 km away from Malaysia-Singapore Second Link Expressway.

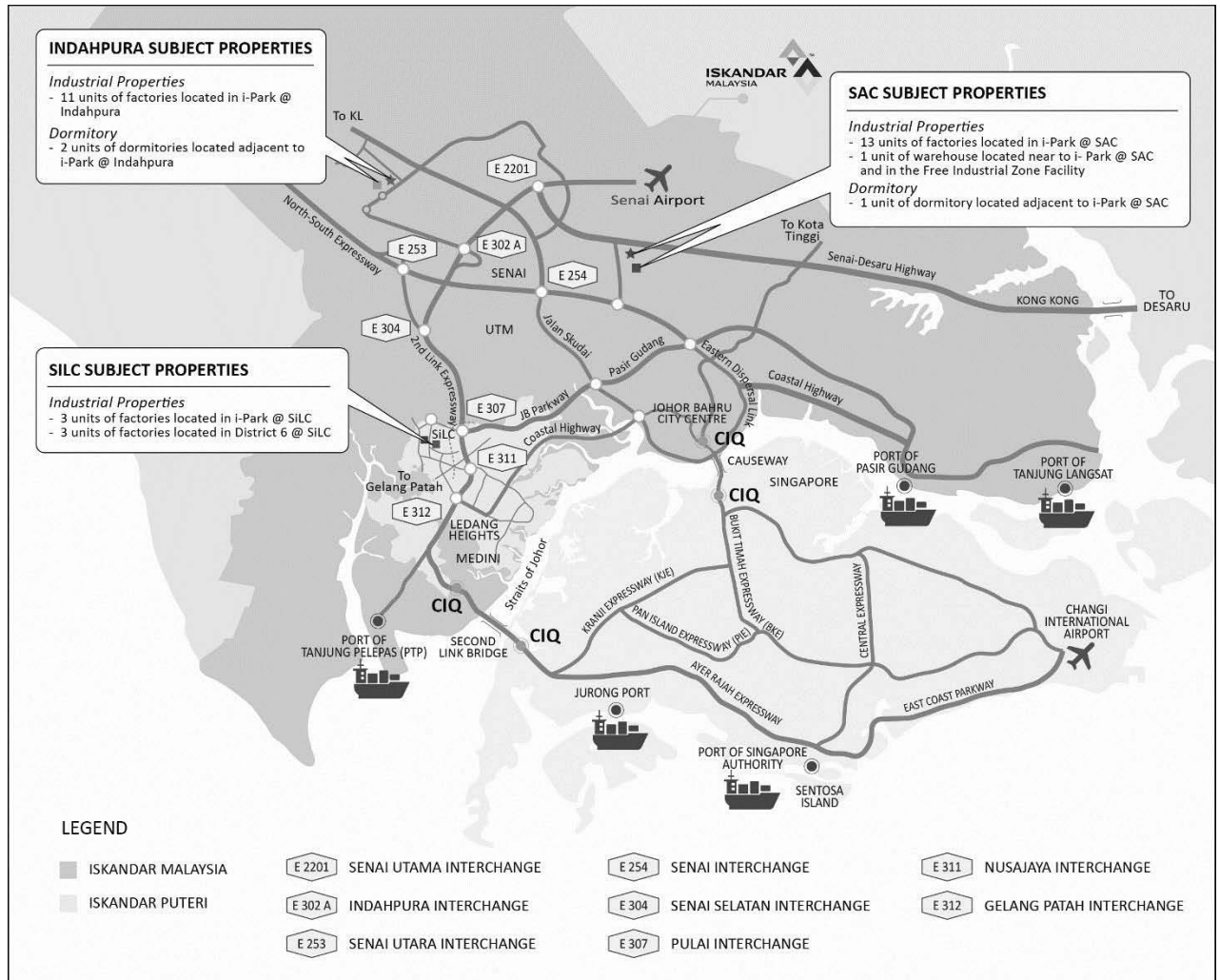
All the 34 Subject Properties were developed by the AME Group as part of their ongoing and completed developments of industrial and industrial-related properties.

Please refer to Section 2.2.1.1 for the details of the development projects of AME Group.

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2. SUBJECT PROPERTIES (Cont'd)

The map below sets out the locations of the Subject Properties:



Source: AME

(a) SAC Subject Properties

The SAC Subject Properties consist of:

- (i) 13 Industrial Properties located in i-Park @ SAC, a managed industrial park developed by Ipark Development, a subsidiary of the Sponsor, with gated and guarded facilities such as vehicle access control system. i-Park @ SAC is part of a 195-acre master development that features a recreational park and other amenities, such as a clubhouse equipped with swimming pool, game courts and a gym in Senai Airport City, Senai, Johor;
- (ii) 1 Industrial Property used as a warehouse located in the Free Industrial Zone facility which is near to i-Park @ SAC; and
- (iii) 1 Industrial-Related Property which is used as workers' dormitory located adjacent to i-Park @ SAC,

collectively referred to as "SAC Subject Properties".

2. SUBJECT PROPERTIES (Cont'd)

The location of the SAC Subject Properties are shown in the map below.



1	Main Entrance / Guardhouse 1	5	i-Park Privilege Club	9	Futsal Court & Multi-purpose Court		i-Park@SAC
2	Entrance / Guardhouse 2	6	Commercial Development	10	Cycling Lane / Pedestrian Walkway		SAC Subject Properties
3	Entrance / Guardhouse 3	7	Lakeside Recreational Park & Sport Facilities	11	Common Parking Bay		
4	Workers' Dormitory	8	Sand Volleyball Court & Tennis Court	12	Kastam Diraja Malaysia @ Free Zon (Senai Airport City)		

Source: AME

i-Park @ SAC is located in SAC and is next to Senai-Desaru Expressway. It is approximately 5 km from Senai town and 25 km due north-west of Johor Bahru city centre. It is also accessible from Johor Bahru city via Inner Ring Road (Jalan Lingkar Dalam), Jalan Stulang Darat, Eastern Dispersal Link, North-South Expressway, exits at Senai Airport City/Bukit Amber interchange followed by Persiaran SAC. Alternatively, it is accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Skudai Highway, Senai Highway, Jalan Lapangan Terbang, Jalan Seelong and Persiaran SAC. It is also located about 3 km from the nearest North-South Expressway interchange, 4 km from the nearest Senai-Desaru Expressway interchange, 5 km from the nearest Malaysia-Singapore Second Link Expressway interchange, 6 km from Senai International Airport and 20 km from CIQ. In addition, it is also located close to retail and recreational amenities such as Econsave hypermarket (about 4 km away), Palm Resort Golf & Country Club (about 8 km away), IOI Mall Kulai (about 10 km away), Johor Premium Outlet (about 10 km away) and Aeon Mall Kulaijaya (about 11 km away).

i-Park @ SAC is a managed industrial development with gated and guarded facilities, which is equipped with a multi-tier security system, including 24-hour security control, CCTV surveillance, access cards system, RFID car stickers, and visitor management system. The integrated master plan for i-Park @ SAC and its surroundings, consists of semi-detached and detached industrial factory lots with standard sizes ranging from 12,000 sq ft to 74,000 sq ft and custom-built industrial premises of up to 377,450 sq ft which are for sale and lease, retail shop lots, clubhouse facilities, a linear park with outdoor sports facilities (futsal court, tennis court, sand volley court and multi-purpose court), and workers' dormitory adjacent to it as well as free zone warehouses which are also located near to i-Park @ SAC.

The buildings in i-Park @ SAC are designed according to green building criteria to promote sustainability of the environment and building. The green building concept also includes infrastructure/facilities that are constructed with low carbon footprints that are environmentally responsible and resource-efficient. The buildings are designed to facilitate the occupants to further enhance and install more green features as the green building concept is an ongoing operational effort which includes installation of equipment to enhance sustainability standards by the users. Basic standard features in the factory buildings include rainwater harvesting to improve water efficiency, usage of natural lighting to cut down on electrical consumption, thicker roof insulation to lower ambient factory temperature, building designs to cut down thermal transfer into the building and natural ventilation. More information on the green building features is set out in Section 2.2.2.2 of this Prospectus. The facilities in i-Park @ SAC and its surroundings are also designed and constructed towards a holistic green theme which involves providing sports and recreational facilities to promote healthy living and landscaping that also involves sustainable planting methods. The dormitory facilities adjacent to i-Park @ SAC are designed to provide comfortable living and provide recreational and sport spaces for workers.

i-Park @ SAC and its surroundings has other facilities such as high-speed broadband, natural gas, sports and recreational facilities, clubhouse facilities, cycling lane, pedestrian walkway and landscaping, including a recreational park. In line with the green theme, the park operator conducts regular environmental monitoring for permissible limits of air, water and noise emissions.

i-Park @ SAC has received several awards and accolades since it was launched in 2017, including the 5 Stars Winners for Best Industrial Development Malaysia for 2017-2018 awarded by the Asia Pacific Property Award, Excellence Winner of the Best Industrial Park Development in 2017 in the Starproperty.my Jewels of Johor Awards 2017 and Best Industrial Development (Regional Winner) by the PropertyGuru Asia Property Awards 2020 and Honorary Mention of The Edge – PAM Green Excellence Award 2021 by The Edge Malaysia – Property Excellence Awards (TEPEA) 2021. Please refer to Section 2.2.1.1 for further details of the awards and accolades received.

The Industrial Properties in i-Park @ SAC are designed to suit various light and medium industries such as precision engineering, medical devices manufacturing, logistics, plastic injection molding, packaging, trading, warehouse/storage, electrical and electronics-related manufacturing as well as research and development.

2. SUBJECT PROPERTIES (Cont'd)

The details of the 14 Industrial Properties in or near i-Park @ SAC are as follows:

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 5 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently tenanted to Polycore Optical (Malaysia) Sdn Bhd for the manufacturing and warehousing of ophthalmic lenses and related activities	4 years	31,202	100	8,000
Plot 6 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to Federal Express Services (M) Sdn Bhd for the processing, logistics and parcel distribution and related activities	3 years, 7 months	28,809	100	7,000
Plot 9 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to PPC Moulding Services (Malaysia) Sdn Bhd for the manufacturing of silicone and plastic injection moulded parts, assembling components for the medical device industry and related activities	4 years	31,202	100	8,000
Plot 16 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently tenanted to Mytech & Assembly Sdn Bhd for the manufacturing and assembly of electronic part, plastic and brush making and related activities	3 years, 5 months	58,074	100	14,000
Plot 17 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently tenanted to Mytech & Assembly Sdn Bhd for the manufacturing and assembly of electronic part, plastic and brush making and related activities	3 years, 7 months	58,074	100	14,000

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 18 & 19 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to Dyson Manufacturing Sdn Bhd for the manufacturing of technology components and related products	2 years, 10 months	129,275	100	47,000
Plot 1A1 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to Lyreco Office Supplies (Malaysia) Sdn Bhd for the processing and distribution centre of office supplies and workplace products and related activities	3 years, 5 months	71,486	100	17,000
Plot 1B1 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to DHL Express (Malaysia) Sdn Bhd for the processing, logistics cum parcel distribution and related activities	3 years, 1 month	81,969	100	17,000
Plot 1C2 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to AAC Technologies (Malaysia) Sdn Bhd for the manufacturing, research and development of engineering and technology relating to smart phones and related activities	1 year, 5 months	72,177	100	23,000
Plot 20 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to TEK Automotive Malaysia Sdn Bhd for the manufacturing of parts and accessories for motor vehicles and related activities	4 years	58,074	100	14,000

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 21 SAC	A single storey detached factory mezzanine office and other ancillary buildings located in i-Park @ SAC currently tenanted to Weidmuller (Malaysia) Sdn Bhd for the manufacturing of connecting devices, electronic components and enclosures and related activities	3 years	58,074	100	14,000
Plot 30 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to Hochuen Medical Sdn Bhd for the manufacturing and supply of medical and dental instruments and supplies and related activities	1 year, 6 months	31,424	100	8,000
Plot 32 SAC	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ SAC currently leased to a Malaysian subsidiary of a foreign multinational electronics manufacturing services company for the manufacturing of electronics	1 year, 3 months	100,367	100	21,000
FZW SAC	A single storey detached warehouse together with an office annex and other ancillary buildings located in the Free Industrial Zone facility within SAC and currently leased as a warehouse facility to the following: (i) Plot A: GWIP Sdn Bhd which is involved in the packaging, assembly, warehousing and related activities; (ii) Plot B: Agility Logistics Sdn Bhd which is involved in the warehousing and related activities; and (iii) Plot C: GN Resound Malaysia Sdn Bhd which is involved in the distribution and packaging of medical devices.	1 year, 11 months	129,818	100	38,000

2. SUBJECT PROPERTIES (Cont'd)

Note:

- (1) The market value of the Subject Properties were appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022.

The details of the Industrial-Related Property adjacent to i-Park @ SAC is as follows:

Plot Name	Description	Approximate age of building as at the LPD	Bed Capacity (No. of beds)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
SAC Dorm	5 blocks of 5-storey walk-up workers' dormitories, a 2-storey shop and other ancillary buildings located adjacent to i-Park @ SAC currently tenanted to I Stay, which is involved in the business of letting out the dormitory to third parties	3 years, 3 months ⁽²⁾ 3 years ⁽³⁾	1,828 ⁽⁴⁾	100	45,000

Notes:

- (1) The market value of the Subject Property was appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022.
- (2) Age of building is calculated based on the completion of Phase 1 of SAC Dorm.
- (3) Age of building is calculated based on the completion of Phase 2 of SAC Dorm.
- (4) The bed capacity as stipulated in the Certificate for Accommodation issued by the Department of Labour of Peninsular Malaysia to I Stay, the master lessee.

SAC Dorm is situated adjacent to i-Park @ SAC with a capacity of about 1,828 beds. The building complex comprises 5 blocks of 5-storey walk-up workers' dormitory, a 2-storey shop and other ancillary buildings and are equipped with various facilities such as sports and games facilities, multipurpose hall and other amenities such as convenience stores, cafes and high-speed broadband. The accommodation comprises 185 units of self-contained living spaces comprising 2 and 3 bedrooms, a living room, a dining room, kitchen, toilets and a yard. The 2-storey shop provides space for a café and laundry shop on the ground floor and grocery on the first floor. The ancillary buildings include a guard house and space which has been used as first-aid room.

SAC Dorm is tenanted to the Sponsor's subsidiary, I Stay, under a master lease agreement. I Stay operates SAC Dorm and is responsible to ensure that it complies with the governmental regulations for workers' dormitory. I Stay aims to provide a safe, comfortable and convenient living environment for the residents who comprise mainly the workers of the operators of i-Park @ SAC including some of AME REIT's tenants. I Stay has a dedicated management team that oversees that the workers' dormitories adhere to the government guidelines and caters to the needs of the occupants of the industrial park. Further, I Stay received an accolade as the Special Mention Recipient in Green Accord Initiative Awards "GAIA" 2019/2020 awarded by the Iskandar Regional Development Authority (IRDA) in respect of SAC Dorm. The dormitories under the operation of I Stay, which include SAC Dorm, implement a cash withdrawal system called SoCash to ease cash withdrawal by the workers and a separate contactless e-wallet system to make payments and remittance back to their home countries. SAC Dorm is also equipped with "Arcade Sport Facilities", providing a space for the residents to participate in various arcade games.

SAC Dorm is equipped with amenities to improve the productivity of workers as well as reduce social-related problems. It is within walking distance of the factories in i-Park @ SAC and I Stay has installed a biometric security system, a first-aid room, and has been provided with the Certificate for Accommodation by the Department of Labour Peninsular Malaysia.

The design of the living accommodation which are designed as self-contained apartment units with separate living, dining, kitchen and bathroom facilities akin to service apartments which allow for physical distancing for the residents. In 2020, I Stay increased the space allocation for the workers' dormitories from 3 sq m per pax to 3.6 sq m per pax, for a higher standard of physical distancing. I Stay also implemented a stringent and disciplined framework to ensure the general safety and wellbeing of the residents amid the COVID-19 outbreak. It has implemented a fast response system called i-Response which includes increasing the frequency of disinfection in common areas, adhering to the healthcare requirements of the Department of Labour of Peninsular Malaysia and the Ministry of Health, implementing contact tracing and movement monitoring after new COVID-19 outbreaks, and setting up isolation quarantine facility centers.

Further details of the SAC Subject Properties are in Section 2.12 of this Prospectus.

(b) Indahpura Subject Properties

The Indahpura Subject Properties consist of:

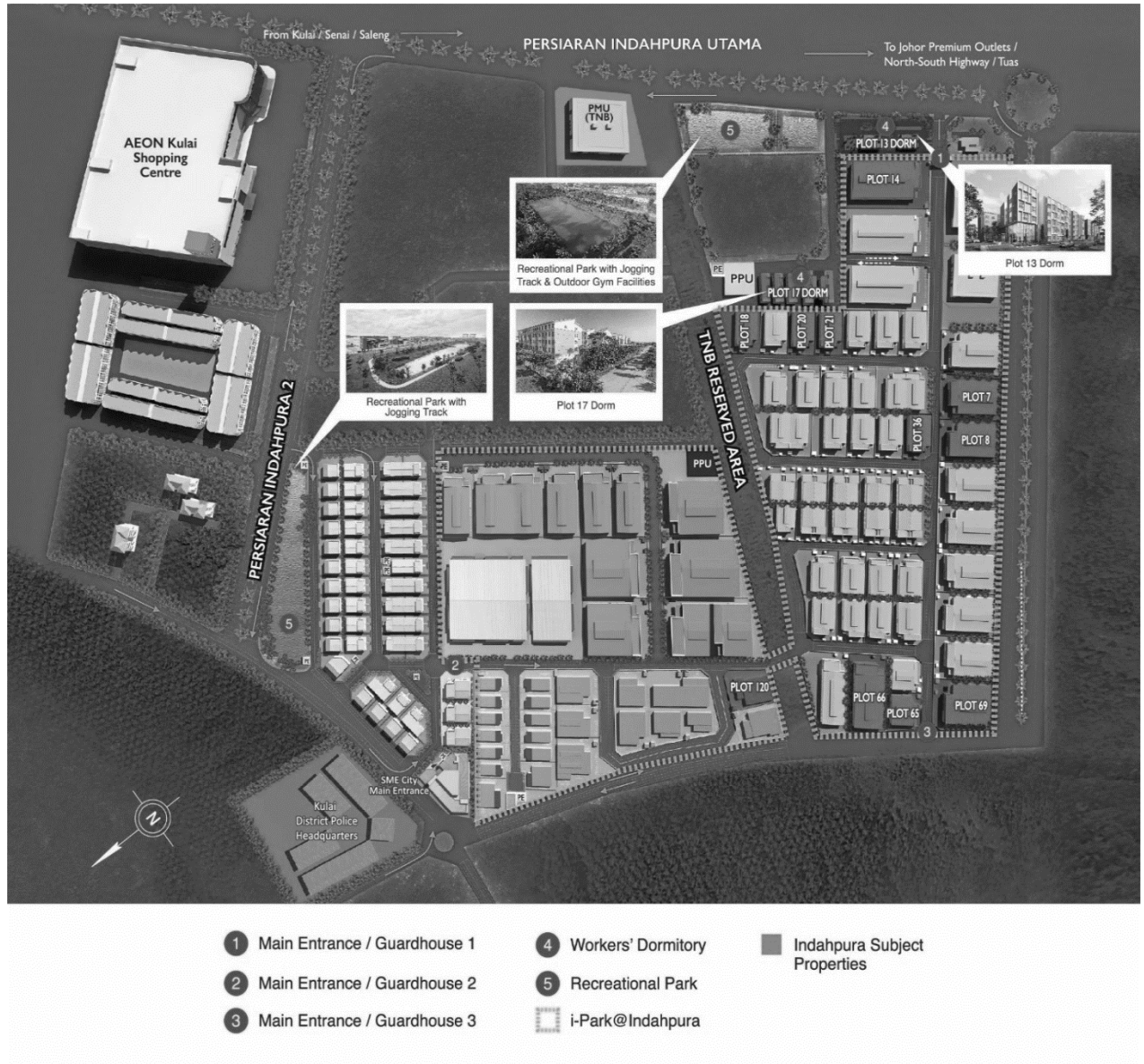
- (i) 11 Industrial Properties located in i-Park @ Indahpura, a managed industrial park development project undertaken by AME Development, a subsidiary of the Sponsor (for Phase 1 and 2), and by Axis AME IP Sdn Bhd, a jointly controlled entity of AME, for Phase 3 which features gated and guarded facilities such as a vehicle and visitor access control system, with landscaping and planned drainage systems and is also complemented with a recreational park located in Bandar Indahpura, Kulai, Johor; and
- (ii) 2 Industrial-Related Properties which are used as workers' dormitories located adjacent to i-Park @ Indahpura,

collectively referred to as "**Indahpura Subject Properties**".

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2. SUBJECT PROPERTIES (Cont'd)

The location of the Indahpura Subject Properties is shown in the map below.



Source: AME

i-Park @ Indahpura is located in Bandar Indahpura, a township within Iskandar Malaysia and the corridor of Kulai District, Johor. It is situated about 5 km from Kulai town and 35 km due north-west of Johor Bahru city centre. It is also accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Skudai Highway, Senai-Desaru Expressway, Senai-Kulai main road, Persiaran Indahpura Utama and Persiaran Indahpura 2. Alternatively, it is accessible from Johor Bahru city centre via Inner Ring Road, Eastern Dispersal Link, North-South Expressway exit at Senai Selatan Interchange followed by Malaysia-Singapore Second Link Expressway, Persiaran Indahpura 6, Persiaran Indahpura Utama, and Persiaran Indahpura 2. i-Park @ Indahpura is also located about 7 km from the nearest interchange to Malaysia-Singapore Second Link Expressway, 8 km from the nearest interchange to the North-South Expressway and Senai-Desaru Expressway, 11 km from Senai International Airport, and 33 km from CIQ. The strategic location of i-Park @ Indahpura as well as its facilities and amenities have been key factors in attracting local manufacturing companies as well as MNCs to set up their production plants within the industrial park. Some facilities in the vicinity include Johor Premium Outlet, AEON Mall Kulaijaya, Foon Yew High School and Hospital Temenggong Seri Maharaja Tun Ibrahim.

2. SUBJECT PROPERTIES (Cont'd)

i-Park @ Indahpura is a managed industrial park with gated and guarded facilities, built with landscaping and planned drainage systems. Phase 1 and Phase 2 of i-Park @ Indahpura measuring 104.84 acres were developed by AME Development, which comprises 1½ storey semi-detached factories and 1½ storey detached factories, with standard built-up areas ranging from about 11,800 sq ft to about 93,000 sq ft and custom-built industrial premises of up to 150,000 sq ft. Phase 3 of i-Park @ Indahpura is developed by Axis AME IP Sdn Bhd, a joint venture between AME Industrial Park Sdn Bhd and Axis IE Sdn Bhd, which has a land area of about 85.4 acres offering large sites ranging from 1 to 40 acres. i-Park @ Indahpura is part of a 190-acre master development in Indahpura, Johor that includes Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura and is next to a recreational park that features jogging track and outdoor gym equipment which is maintained by the Sponsor.

The buildings in i-Park @ Indahpura are designed according to the green building criteria to promote sustainability of the environment and building. Similar to i-Park @ SAC, the buildings are designed to facilitate the occupants to further enhance and install more green features as the green building concept is an on-going operational effort which includes installation of equipment to enhance sustainability standards by the users. Basic standard features in the factory buildings include rainwater harvesting to improve water efficiency, usage of natural lighting to cut down on electrical consumption, thicker roof insulation to lower ambient factory temperature, building designs to cut down thermal transfer into the building and natural ventilation. More information of the green building concept is set out in Section 2.2.2.2 of this Prospectus. A recreational park outside i-Park @ Indahpura is aimed to provide a conducive environment for the occupants of the park and surrounding areas. In line with the green theme, the park operator appointed by AME Development conducts regular environmental monitoring for permissible limits of air, water and noise emissions. Further, i-Park @ Indahpura features a multi-tier security system, including 24-hour security control, perimeter fencing with CCTV surveillance, access cards system, RFID car stickers and visitor management system.

i-Park @ Indahpura is also an award-winning industrial park and has received several awards and accolades since its launch, including the Platinum Winner of “Most Conducive Workplace” for the year 2016-2017 in The Iskandar Malaysia Accolades 2016/2017, Honours Winner of The Earth-Conscious Award (Best Sustainable Development) in 2018 awarded by the Starproperty.my Awards 2018, Honours Winner of The Business Estate Award (Best Industrial Park Development) in 2018 awarded by Starproperty.my Awards 2018, Honours Winner of The Best Sustainable Development in 2018 in the Starproperty.my Jewels of Johor Awards 2018, Malaysia Property Award™ (MPA) (Industrial Category) in 2018 awarded by FIABCI-Malaysia (International Real Estate Federation) and World Silver Winner (Industrial Category) in the 2019 FIABCI World Prix d' Excellence Awards. Please refer to Section 2.2.1.1 for further details of the awards and accolades received.

The factory units in i-Park @ Indahpura are designed to suit light and medium industries such as pharmaceutical research and development centre, RFID, electronics and electrical, precision engineering, logistics and warehouses, oil and gas related industries, food and beverages, plastic injection and moulding as well as packaging materials.

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2. SUBJECT PROPERTIES (Cont'd)

The details of the 11 Industrial Properties are as follows:

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 7 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently tenanted to GN Resound (Malaysia) Sdn Bhd for the manufacturing of hearing aid devices and related activities and office	8 years, 8 months	55,365	100	14,000
Plot 8 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently leased to Heraeus Materials Malaysia Sdn Bhd for the manufacturing of metal contact materials and related activities and office	8 years, 8 months	55,365	100	14,000
Plot 14 Indahpura	A single storey detached factory with other ancillary buildings located in i-Park @ Indahpura currently leased to Bericap Malaysia Sdn Bhd for the manufacturing of plastic closures and general wholesale trade and its related activities and office	5 months	89,169	100	21,000
Plot 18 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently tenanted by HID Global Sdn Bhd for the manufacturing of RFID transponders and related activities and warehousing	8 years, 3 months	27,521	100	7,000
Plot 20 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently leased to Cam Plas (Johor) Sdn Bhd for the manufacturing of precision plastics injection, moulding, tooling and related activities and office	9 years, 7 months	27,521	100	7,000

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 21 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently leased to Nippon Kinzoku (Malaysia) Sdn Bhd for the cutting of stainless steel and related activities and office	8 years, 11 months	26,977	100	7,000
Plot 36 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently leased to Samwoo Colorants (Malaysia) Sdn Bhd for the manufacturing of colour masterbatches and compounding for plastic applications and related activities and office	8 years, 3 months	27,521	100	7,000
Plot 65 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently tenanted to W & S Plastics (Malaysia) Sdn Bhd for the use of plastic moulding and assembly and related activities and office	6 years, 5 months	27,980	100	7,000
Plot 66 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently leased to HQPack Sdn Bhd for the manufacturing and distribution of high technology packaging and related activities	7 years, 1 month	67,639	100	17,000
Plot 69 Indahpura	A single storey detached factory with mezzanine office and other ancillary buildings located in i-Park @ Indahpura currently tenanted to Merlin Entertainments Studios (Malaysia) Sdn Bhd for the manufacturing of toys and warehousing	5 years, 5 months	61,135	100	17,000

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 120 Indahpura	A single storey detached factory located in i-Park @ Indahpura currently leased to W & S Plastics (Malaysia) Sdn Bhd for the use of plastic moulding and assembly and related activities and office	4 years, 10 months	32,186	100	7,000

Note:

- (1) The market value of the Subject Properties were appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022.

The details of the 2 Industrial-Related Properties adjacent to i-Park @ Indahpura are as follow:

Plot Name	Description	Approximate age of building as at the LPD	Bed Capacity (No. of beds)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 17 Dorm Indahpura	5 blocks of 5-storey walk-up workers' dormitory and other ancillary buildings located adjacent to i-Park @ Indahpura currently tenanted to I Stay which is involved in the business of letting out the dormitory to third parties	8 years, 5 months ⁽²⁾ 7 years, 2 months ⁽³⁾	2,290 ⁽⁴⁾	100	45,000
Plot 13 Dorm Indahpura	2 blocks of 5-storey walk-up workers' dormitory, 2-storey facilities block, and other ancillary buildings located adjacent to i-Park @ Indahpura tenanted effective from 15 July 2022 to I Stay which is involved in the business of letting out the dormitory to third parties	CCC has been obtained on 5 July 2022	2,272 ⁽⁵⁾	100	45,000

Notes:

- (1) The market value of the Subject Properties were appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022.
- (2) Age of building is calculated based on the completion of Phase 1 of Plot 17 Dorm Indahpura.
- (3) Age of building is calculated based on the completion of Phase 2 of Plot 17 Dorm Indahpura.

2. SUBJECT PROPERTIES (Cont'd)

- (4) *The bed capacity as stipulated in the Certificate for Accommodation issued by the Department of Labour of Peninsular Malaysia to I Stay, the master lessee.*
- (5) *The bed capacity is an estimated number by I Stay, the master lessee, pending issuance of the Certificate for Accommodation by the Department of Labour of Peninsular Malaysia.*

Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura are situated adjacent to i-Park @ Indahpura with a capacity of about 2,290 beds and 2,272 beds (subject to final approval in Certificate for Accommodation) respectively as follows:

- Plot 17 Dorm Indahpura's building complex comprises 5 blocks of 5-storey walk-up workers' dormitory and other ancillary buildings. The accommodation comprises 229 units of self-contained living spaces comprising 2 bedrooms, a living room, a dining room, kitchen, toilets and a yard. One of the blocks also contain management office and common facilities including a canteen, kitchen, 4 retail units and a first-aid room. The ancillary buildings include guard house.
- Plot 13 Dorm Indahpura's building complex comprises 2 blocks of 5-storey walk-up workers' dormitory, 2-storey facilities block and other ancillary buildings. The accommodation comprises 195 units of self-contained living spaces comprising 2 bedrooms, a living room, a dining room, kitchen, toilets and a yard for certain units. One of the blocks also contain management office and common facilities including a first-aid room and quarantine room. The 2-storey facilities block includes space for a café, laundry shop, grocery and a multipurpose hall. The ancillary buildings include guard house.

Both Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura (upon it being operational) are equipped with various facilities such as sports and games facilities, multipurpose hall and other amenities such as convenience stores, cafes and high-speed broadband. I Stay is also the tenant for Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura under master lease agreements. I Stay operates both dormitories and is responsible to ensure that they comply with the governmental regulations for workers' dormitories. I Stay aims to provide a safe, comfortable and convenient living environment for the residents who comprise mainly the workers of customers of i-Park @ Indahpura and some of AME REIT's tenants. This eliminates the hassle of finding housing to accommodate workers as well as solving workers' logistics issues. Similar to SAC Dorm, these dormitories are also equipped with SoCash system.

Furthermore, Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura (upon it being operational) are equipped with amenities to improve the productivity of workers as well as reduce social-related problems. They are within walking distance of the factories in i-Park @ Indahpura and is equipped with a biometric security system and a first-aid room. It is the tenant's responsibility to apply for the Certificate for Accommodation from the Department of Labour Peninsular Malaysia for the Dormitories, which has been duly obtained for Plot 17 Dorm Indahpura, while the Certificate for Accommodation for Plot 13 Dorm Indahpura has been applied by I Stay on 15 July 2022.

The living accommodation which are designed as self-contained apartment units with separate living, dining, kitchen and bathroom facilities akin to service apartments which allows for physical distancing for the residents. In 2020, I Stay increased the space allocation for the Plot 17 Dorm Indahpura from 3 sq m per pax to 3.6 sq m per pax, for a higher standard of physical distancing. I Stay also implemented a stringent and disciplined framework to ensure the general safety and wellbeing of the residents amid the COVID-19 outbreak. It implemented a fast response system called i-Response which includes increasing the frequency of disinfection in common areas, adhering to the healthcare requirements of the Department of Labour of Peninsular Malaysia and the Ministry of Health, implementing contact tracing and movement monitoring after new COVID-19 outbreaks, and setting up isolation quarantine facility centers.

Further details of the Indahpura Subject Properties are in Section 2.12 of this Prospectus.

2. SUBJECT PROPERTIES (Cont'd)

(c) SiLC Subject Properties

The SiLC Subject Properties consist of:

- (i) 3 Industrial Properties located in i-Park @ SiLC which is AME Group's first managed industrial park with gated and guarded facilities such as security features and landscaping at common areas. i-Park @ SiLC comprises 18 units of semi-detached factories and 1 unit of detached factory located in SiLC; and
- (ii) 3 Industrial Properties which are gated single storey detached industrial buildings with 3-storey offices and built with separate individual guard houses to be managed by the occupants located in District 6 @ SiLC,

collectively referred to as “**SiLC Subject Properties**”.

The Subject Properties of i-Park @ SiLC are shown in the map below.



1 Guardhouse
i-Park@SiLC

i-Park@SiLC
Subject Properties

Overall Development Land Area

12.31 acres

Freehold

Source: AME

2. SUBJECT PROPERTIES (Cont'd)

i-Park @ SiLC marked the establishment of AME Group's "i-Park" brand of industrial park development as a managed industrial park with gated and guarded and security features and landscaping at common areas within the industrial park. i-Park @ SiLC is situated within Iskandar Puteri and is about 4 km from Malaysia-Singapore Second Link Expressway, 18 km from Port of Tanjung Pelepas, 26 km from Senai International Airport, 44 km from Johor Port and 67 km from Singapore Changi Airport. It is 3 km due north of Gelang Patah town and 20 km due north-west of Johor Bahru city centre. It is also accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Skudai Highway, Persiaran Perling and then Johor Bahru East Coast Parkway followed by Persiaran SiLC, Jalan SiLC 1/5 and finally onto Jalan SiLC 1/6. Alternatively, it is also accessible from Johor Bahru city centre via Persiaran Abu Bakar Sultan, Persiaran Sultan Iskandar, Iskandar Coastal Highway, exiting at Johor State New Administrative Centre Interchange onto Nusajaya Highway, Jalan Nusa Perintis, Persiaran SiLC. There is also accessibility from Tuas Second Link Expressway by exiting at the Gelang Patah Interchange (Exit 312) onto Nusajaya Highway. i-Park @ SiLC occupies a total land area of 12.31 acres.

i-Park @ SiLC was developed by a wholly-owned subsidiary of the Sponsor, AME Development. i-Park @ SiLC comprises 18 units of 1½ storey semi-detached factories and 1 unit of 1½ storey detached factory, with standard built-up areas ranging from about 12,785 sq ft to about 21,281 sq ft. Apart from perimeter fencing and guardhouse, the industrial park is also equipped with other security features such as boom gate with access card system, CCTV surveillance and round-the-clock security services. The common areas in i-Park @ SiLC are planted with trees and other greeneries to create a conducive environment in the industrial park.

The District 6 @ SiLC Subject Properties are shown in the map below.



Source: AME

2. SUBJECT PROPERTIES (Cont'd)

District 6 @ SiLC is a freehold industrial area situated within SiLC Iskandar Puteri and is 1 km away from i-Park @ SiLC and located next to Nusajaya Square, a development comprising commercial, retail and leisure properties. Nusajaya Square houses restaurants, retail shops as well as sports facilities such as a gymnasium and indoor badminton courts. District 6 @ SiLC is accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Skudai Highway, Persiaran Perling and then Johor Bahru East Coast Parkway followed by Persiaran SiLC, Persiaran Bioteknologi, Jalan Bioteknologi 2 and finally onto Jalan Bioteknologi 3. District 6 @ SiLC fronts the Pontian Link Expressway and is about 4 km away from Malaysia-Singapore Second Link Expressway.

District 6 @ SiLC was developed by the wholly-owned subsidiary of the Sponsor, AME Development. District 6 @ SiLC which occupies a total land area of approximately 7.57 acres is a row of industrial buildings, comprising detached factory units built with modern architecture design and glass frontage with adjoining office block at the front. The 6 units of single-storey detached factories with 3-storey offices have a total built-up area of 46,101 sq ft each. The factory has 9 metres of factory height and is suitable for manufacturing companies that require high ceiling production areas. Further, each unit is gated and built with an individual guard house that is managed by the customers and/or tenants.

The details of the 6 Industrial Properties comprising SiLC Subject Properties are as follows:

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 3 SiLC	2 adjoining units of 1½ storey semi-detached factory located in i-Park @ SiLC currently leased to Lightpack Food Industries Sdn Bhd for the manufacturing of biscuits and cookies and related activities and office	9 years, 1 month	24,319	100	6,500
Plot 4 SiLC					
Plot 6 SiLC	1½ storey semi-detached factory located in i-Park @ SiLC currently tenanted to Lightpack Food Industries Sdn Bhd for the manufacturing of biscuits and cookies and related activities and office	9 years, 1 month	12,785	100	3,500

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 3 District 6	2 contiguous units of single storey detached factory with 3-storey office and other ancillary buildings including an individual guard house to be managed by the occupant located in District 6 @ SiLC. Plot 3 & Plot 4 District 6 are currently leased to Westrock Coffee & Tea Malaysia Sdn Bhd for the manufacturing and production of coffee, tea and coffee liquid extracts and related activities	7 years	92,202	100	24,000
Plot 4 District 6		6 years, 9 months			
Plot 6 District 6	A single storey detached factory with 3 storey office and other ancillary buildings including an individual guard house to be managed by the occupant located in District 6 @ SiLC. Plot 6 District 6 is currently tenanted to Ametalin Sdn Bhd for the manufacturing of thermal insulation products, building wraps, specialty laminates and packaging materials and related activities	6 years, 9 months	45,984	100	13,000

Note:

(1) The market value of the Subject Properties were appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022.

Further details of the SiLC Subject Properties are in Section 2.12 of this Prospectus.

2. SUBJECT PROPERTIES (Cont'd)

2.1.2 Summary of the Subject Properties

AME REIT's initial portfolio will consist of 34 Subject Properties comprising 31 Industrial Properties and 3 Industrial-Related Properties, with a total appraised value of RM557.0 million. Industrial Properties comprise 14 SAC Subject Properties, 11 Indahpura Subject Properties and 6 SiLC Subject Properties, with a total NLA of approximately 1.6 million sq ft. Industrial-Related Properties comprise 3 Dormitories, with a total bed capacity of 6,390 beds⁽¹⁾.

The table below sets out the number of properties, total NLA, and appraised value with respect to each category of the Industrial Properties as at the LPD:

Industrial Properties	Number of Properties	Total NLA ('000 sq ft)	Appraised value ⁽²⁾ (RM'000)
SAC Subject Properties	14	940	250,000
Indahpura Subject Properties	11	499	125,000
SiLC Subject Properties	6	175	47,000
Total	31	1,614	422,000

The table below sets out the total bed capacity (number of beds) and their aggregate appraised value with respect to the 3 Dormitories as at 15 July 2022 ⁽³⁾:

Industrial-Related Properties	Number of Properties	Number of beds	Appraised value ⁽²⁾ (RM'000)
Dormitories	3	6,390 ⁽¹⁾	135,000

Notes:

- (1) The total bed capacity of 6,390 beds is based on the approved capacity for Plot 17 Dorm Indahpura and SAC Dorm under their respective Certificates for Accommodation and estimated bed capacity for Plot 13 Dorm Indahpura, pending issuance of the Certificate for Accommodation by the Department of Labour of Peninsular Malaysia.
- (2) The market value of the Subject Properties were appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022.
- (3) Tenancy for Plot 13 Dorm Indahpura commenced on 15 July 2022 upon receipt of CCC on 5 July 2022.

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2. SUBJECT PROPERTIES (Cont'd)

2.1.3 Gross Rental Income, Average Rental Rate and Occupancy Rate

Gross Rental Income

As at 31 May 2022, all 34 Subject Properties have secured tenancies. There are 2 tenancies which have not commenced rental as at 31 May 2022. In order to provide a more reflective profile of the Gross Rental Income of the Subject Properties and contribution by tenants, Gross Rental Income in this section has been presented based on the monthly rental income as at 31 May 2022 and adjusted to include rental income commencing after 31 May 2022 as set out below and described as “**Pro Forma Gross Rental Income**”: -

- (a) Plot A FZW SAC: tenanted and occupied since 28 April 2022, with rental commencing on 28 June 2022; and
- (b) Plot 13 Dorm Indahpura: tenanted and occupied on 15 July 2022 with rental commencing on 1 August 2022, upon its completion with CCC on 5 July 2022.

Occupancy Rate

In this section, the Occupancy Rate for:

- (a) Industrial Properties as at the LPD reflects the actual occupancy as at the LPD; and
- (b) Industrial-Related Properties have been presented as at 15 July 2022 to include Plot 13 Dorm Indahpura, which reflects the actual occupancy as at 15 July 2022.

The Pro Forma Gross Rental Income of the Subject Properties is approximately RM3.44 million per month, of which Industrial Properties accounts for RM2.50 million or 72.7% while the remaining RM0.94 million or 27.3% is contributed by Dormitories.

The table below sets out the Pro Forma Gross Rental Income, average rental rate and Occupancy Rate for the Industrial Properties:

Industrial Properties	Pro Forma Gross Rental Income		Average rental rate ⁽¹⁾ (RM/sq ft)	Occupancy Rate (%)
	(RM'000)	(%)		
SAC Subject Properties	1,481	59.2	1.58	100.0
Indahpura Subject Properties	781	31.2	1.57	100.0
SiLC Subject Properties	241	9.6	1.38	100.0
Total/ Average	2,503	100.0	1.55	100.0

Note:

- (1) The average rental rate is calculated based on the Occupied NLA as at the LPD.

The table below sets out the Pro Forma Gross Rental Income, average rental rate and Occupancy Rate for the Industrial-Related Properties:

Industrial-Related Properties	Pro Forma Gross Rental Income		Average rental rate ⁽¹⁾ (RM/bed)	Occupancy Rate ⁽²⁾ (%)
	(RM'000)	(%)		
Dormitories	938	100.0	147	100.0

Notes:

- (1) The average rental rate is calculated based on the aggregate approved bed capacity (number of beds) for Plot 17 Dorm Indahpura and SAC Dorm and estimated bed capacity for Plot 13 Dorm Indahpura.
- (2) The Occupancy Rate is 100% as the Dormitories are rented on master lease arrangements.

2. SUBJECT PROPERTIES (Cont'd)

2.1.4 Top 10 Tenants

AME REIT's Pro Forma Gross Rental Income is well distributed within its portfolio of 28 tenants.

(a) Industrial Properties

The top 10 tenants of the Industrial Properties by Occupied NLA contributed an aggregate of approximately 41.5% to the Pro Forma Gross Rental Income. The top 10 tenants occupy an aggregate of 57.4% of Occupied NLA of the Industrial Properties as at the LPD. The portfolio is as set out below:

Tenants	Occupied NLA (%)	Trade Sector	Overview	Tenancy Periods ⁽¹⁾
Dyson Manufacturing Sdn Bhd	8.0	Electrical and electronics	Manufacturing of technology components	3 years, 2 months
Mytech & Assembly Sdn Bhd	7.2	Electrical and electronics	Manufacturing and assembly of electronic part, plastic and brush making	3 years, 7 months
GN Resound (Malaysia) Sdn Bhd	6.6	Medical devices	Distribution and packaging of medical devices	7 years, 11 months
Malaysian subsidiary of a foreign multinational electronics manufacturing services company ⁽²⁾	6.2	Electrical and electronics	Manufacturing of electronics	1 year, 2 months
Westrock Coffee & Tea Malaysia Sdn Bhd	5.7	Food and beverage products	Manufacturing and production of coffee, tea and coffee liquid extracts	1 year, 4 months
Bericap Malaysia Sdn Bhd	5.5	Packaging products	Manufacturing of plastic closures and general warehouse trade	5 months
DHL Express (Malaysia) Sdn Bhd	5.1	Logistics services	Processing, logistics cum parcel distribution	3 years
AAC Technologies (Malaysia) Sdn Bhd	4.5	Electrical and electronics	Manufacturing, research and development of engineering and technology relating to smart phones	1 year, 5 months
Lyreco Office Supplies (Malaysia) Sdn Bhd	4.4	E-commerce	Processing and distribution of office supplies and workplace products	3 years, 5 months
HQPack Sdn Bhd	4.2	Packaging products	Manufacturing and distribution of high technology packaging	Less than 1 month ⁽³⁾
Sub-total	57.4			
Others	42.6			
Total	100.0			

2. SUBJECT PROPERTIES (Cont'd)

Notes:

- (1) Tenancy periods refer to the commencement of tenancy up to the LPD.
- (2) The tenant is a Malaysian subsidiary of an electronics manufacturing services company with operations in multiple countries, focusing on providing entire lifecycle electronics manufacturing services.
- (3) The tenancy for HQPack Sdn Bhd commenced on 24 May 2022.

(b) Industrial-Related Properties

I Stay occupies all 3 Dormitories and has contributed an aggregate of approximately 27.3% to the Pro Forma Gross Rental Income of the Subject Properties.

The Occupied NLA is not applicable as the rentals are on master lease arrangements based on the total number of beds and unit capacity, the details of which are set out below:

	SAC Dorm	Plot 17 Dorm Indahpura	Plot 13 Dorm Indahpura
Dormitories capacity	1,828 ⁽¹⁾ beds	2,290 beds ⁽¹⁾	2,272 beds ⁽²⁾

Notes:

- (1) The bed capacity as stipulated in the Certificate for Accommodation issued by the Department of Labour of Peninsular Malaysia to I Stay, the master lessee.
- (2) The bed capacity is an estimated number by I Stay, the master lessee, pending issuance of the Certificate for Accommodation by the Department of Labour of Peninsular Malaysia.

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2. SUBJECT PROPERTIES (Cont'd)

2.1.5 Trade Sector Analysis

The table below sets out a breakdown of the different trade sectors represented in the portfolio in both percentage of Occupied NLA and percentage of the Pro Forma Gross Rental Income:

Trade sector	Percentage of Occupied NLA (%)	Percentage of Pro Forma Gross Rental Income based on Occupied NLA (%)	As a percentage of Pro Forma Gross Rental Income (%)
Industrial Properties			
Manufacturing			
Electrical and electronics	31.2	33.4	24.3
Packaging products	12.6	12.2	8.9
Industrial products (steel and metal, chemicals, and insulation products)	9.7	9.7	7.0
Medical devices	8.5	8.9	6.5
Food and beverage products	8.0	6.4	4.7
Plastic products	7.4	7.6	5.5
Others (automotive parts and accessories, and optical products)	5.5	5.5	4.0
Services			
Logistics/E-commerce	13.3	11.9	8.6
Family entertainment	3.8	4.4	3.2
	100.0	100.0	72.7
Dormitories	N/A ⁽¹⁾	N/A ⁽¹⁾	27.3
Total	100.0	100.0	100.0

Note:

- (1) Percentage of Occupied NLA is not applicable as the rentals are on master lease arrangements based on the total number of beds and unit capacity.

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2. SUBJECT PROPERTIES (Cont'd)

2.1.6 Tenants' Countries of Origin

The table below illustrates the countries of origin of the tenants of the Subject Properties in both percentage of Occupied NLA and percentage of Pro Forma Gross Rental Income:

Country of origin	No. of tenants	Percentage of Occupied NLA (%)	Percentage of Pro Forma Gross Rental Income based on Occupied NLA (%)	As a percentage of Pro Forma Gross Rental Income (%)
Industrial Properties				
Germany	4	17.6	15.7	11.4
United Kingdom	2	11.8	15.8	11.5
Malaysia	2	9.5	9.4	6.8
US	3	9.2	7.3	5.3
Australia	3	8.5	9.0	6.6
China (including Hong Kong)	3	8.1	8.7	6.4
Denmark	1	6.6	7.2	5.3
France	2	6.4	6.3	4.6
Switzerland	1	6.2	4.5	3.3
Netherlands	1	4.2	4.5	3.2
Italy	1	3.6	3.5	2.5
Japan	2	3.4	3.3	2.4
Singapore	1	2.9	2.8	2.0
Kuwait	1	2.0	2.0	1.4
	27	100.0	100.0	72.7
Dormitories				
Malaysia	1	N/A ⁽¹⁾	N/A ⁽¹⁾	27.3
Total	28	100.0	100.0	100.0

Note:

- (1) Percentage of Occupied NLA is not applicable as the rentals are on master lease arrangements based on the total number of beds and unit capacity.

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2. SUBJECT PROPERTIES (Cont'd)

2.1.7 Occupancy Profile

Occupancy Rate

The table below sets out the Occupancy Rate of the Industrial Properties for the FYE 2020, FYE 2021, FYE 2022 and as at the LPD:

Industrial Properties	FYE 2020	FYE 2021	FYE 2022	As at the LPD
	(%)	(%)	(%)	(%)
SAC Subject Properties	99.6	93.5	95.0	100.0
Indahpura Subject Properties	100.0	100.0	99.7	100.0
SiLC Subject Properties	73.7	58.4	100.0	100.0
Average	95.8	90.8	96.9	100.0

As illustrated below, the Occupancy Rate of the Dormitories is 100% for the FYE 2020, FYE 2021, FYE 2022 and as at 15 July 2022, being tenanted on a master lease basis:

Industrial-Related Properties	FYE 2020	FYE 2021	FYE 2022	As at 15 July 2022
	(%)	(%)	(%)	(%)
Dormitories	100.0	100.0	100.0	100.0

Number of units available for tenancy

The table below sets out the number of units available for tenancy as at 31 March 2020, 31 March 2021, 31 March 2022, and as at the LPD:

Industrial Properties	As at 31 March			As at the LPD
	2020	2021	2022	
	(No. of units)	(No. of units)	(No. of units)	(No. of units)
SAC Subject Properties	10	13	14	14
Indahpura Subject Properties	10	10	11	11
SiLC Subject Properties	6	6	6	6
Total	26	29	31	31

The number of units available for tenancy for the Dormitories as at 31 March 2020, 31 March 2021, 31 March 2022 and as at 15 July 2022 are set out below:

Industrial-Related Properties	As at 31 March			As at 15 July 2022
	2020	2021	2022	
	(No. of units)	(No. of units)	(No. of units)	(No. of units)
Dormitories	2	2	2	3

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2. SUBJECT PROPERTIES (Cont'd)

Total NLA of the Industrial Properties

The table below sets out the total NLA of the Industrial Properties as at 31 March 2020, 31 March 2021, 31 March 2022, and as at the LPD:

Industrial Properties	As at 31 March			As at the LPD
	2020	2021	2022	
	('000 sq ft)	('000 sq ft)	('000 sq ft)	('000 sq ft)
SAC Subject Properties	607	840	940	940
Indahpura Subject Properties	409	409	499	499
SiLC Subject Properties	175	175	175	175
Total	1,191	1,424	1,614	1,614

Average monthly Occupied NLA of the Industrial Properties

The table below sets out the average monthly Occupied NLA of the Industrial Properties for the FYE 2020, FYE 2021, FYE 2022 and as at the LPD:

Industrial Properties	FYE 2020	FYE 2021	FYE 2022	As at the LPD
	('000 sq ft)	('000 sq ft)	('000 sq ft)	('000 sq ft)
SAC Subject Properties	576	675	893	940
Indahpura Subject Properties	409	409	427	499
SiLC Subject Properties	129	102	175	175
Average	1,114	1,186	1,495	1,614

Total bed capacity of the Dormitories

The table below sets out the number of tenanted Dormitories and their total bed capacity (number of beds) as 31 March 2020, 31 March 2021, 31 March 2022, and as at 15 July 2022:

Industrial-Related Properties	As at 31 March			As at 15 July 2022
	2020	2021	2022	
Dormitories				
Number of Dormitories	2	2	2	3
Number of beds	4,118 ⁽¹⁾	4,118 ⁽¹⁾	4,118 ⁽¹⁾	6,390 ⁽²⁾

Notes:

- (1) The number of beds as at 31 March 2020, 2021 and 2022 have been restated based on the approved bed capacity for SAC Dorm and Plot 17 Dorm Indahpura as at LPD which is based on their respective Certificate for Accommodation and in compliance with Act 446. The actual bed capacity prior to reconfiguration to comply with Act 446 was more than 5,000 beds.
- (2) The number of beds as at 15 July 2022 includes the estimated bed capacity for Plot 13 Dorm Indahpura, pending issuance of the Certificate for Accommodation by the Department of Labour of Peninsular Malaysia.

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2. SUBJECT PROPERTIES (Cont'd)

2.1.8 Tenancy Expiry Profile

The table below illustrates the tenancy expiry profile of the Industrial Properties by percentage of Occupied NLA and percentage of Pro Forma Gross Rental Income:

Industrial Properties	FYE 2023	FYE 2024	FYE 2025	FYE 2026 to FYE 2028	FYE 2029 to FYE 2031	FYE 2032 to FYE 2034	Total
<u>SAC Subject Properties</u>							
Number of tenancies expiring	2	3	--	5	5	1	16
Occupied NLA expiring (%)	7.3	7.5	--	19.1	22.5	1.9	58.3
Percentage of expiring rental against total Pro Forma Gross Rental Income of Industrial Properties (%)	7.0	7.5	--	16.8	26.1	1.8	59.2
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	5.1	5.4	--	12.3	19.0	1.3	43.1
<u>Indahpura Subject Properties</u>							
Number of tenancies expiring	1	5	1	4	--	--	11
Occupied NLA expiring (%)	1.7	14.0	4.2	10.9	--	--	30.8
Percentage of expiring rental against total Pro Forma Gross Rental Income of Industrial Properties (%)	1.6	14.6	4.5	10.5	--	--	31.2
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	1.2	10.6	3.2	7.6	--	--	22.6
<u>SiLC Subject Properties</u>							
Number of tenancies expiring	--	3	--	2	--	--	5
Occupied NLA expiring (%)	--	5.1	--	5.8	--	--	10.9
Percentage of expiring rental against total Pro Forma Gross Rental Income of Industrial Properties (%)	--	5.6	--	4.0	--	--	9.6
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	--	4.1	--	2.9	--	--	7.0

2. SUBJECT PROPERTIES (Cont'd)

Industrial Properties	FYE 2023	FYE 2024	FYE 2025	FYE 2026 to FYE 2028	FYE 2029 to FYE 2031	FYE 2032 to FYE 2034	Total
<u>Total Industrial Properties</u>							
Number of tenancies expiring	3	11	1	11	5	1	32
Occupied NLA expiring (%)	9.0	26.6	4.2	35.8	22.5	1.9	100.0
Percentage of expiring rental against total Pro Forma Gross Rental Income of Industrial Properties (%)	8.6	27.7	4.5	31.3	26.1	1.8	100.0
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	6.3	20.1	3.2	22.8	19.0	1.3	72.7

The table below illustrates the tenancy expiry profile of the Dormitories by units and percentage of percentage of Pro Forma Gross Rental Income:

Industrial-Related Properties	FYE 2023	FYE 2024	FYE 2025	FYE 2026 to FYE 2028	FYE 2029 to FYE 2031	FYE 2032 to FYE 2034	Total
<u>Dormitories</u>							
Number of tenancies expiring	--	1	--	2	--	--	3
Number of dormitories expiring (%)	--	33.3	--	66.7	--	--	100
Percentage of expiring rental against total Pro Forma Gross Rental Income for Dormitories (%)	--	32.0	--	68.0	--	--	100
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	--	8.7	--	18.6	--	--	27.3
Occupied NLA of Industrial Properties expiring (%)	9.0	26.6	4.2	35.8	22.5	1.9	100.0
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	6.3	28.8	3.2	41.4	19.0	1.3	100.0

As at the LPD, the existing tenancies by Industrial Properties have a WALE by Occupied NLA of approximately 3.7 years. If weighted based on Pro Forma Gross Rental Income, the WALE of the Industrial Properties would be 3.8 years. Meanwhile, the Dormitories have a WALE of 2.5 years based on Pro Forma Gross Rental Income.

On an overall basis, the 35 existing tenancies for the Subject Properties have a WALE of 3.5 years, based on Pro Forma Gross Rental Income.

2. SUBJECT PROPERTIES (Cont'd)

All the tenancies except for 1 tenancy have renewal terms, which may be subject to mutual agreement.

2.1.9 Tenancy Renewal Trend

The table below illustrates the tenancy renewal trend of the Subject Properties (excluding cases of early termination and temporary tenancies)⁽¹⁾ for FYE 2020, FYE 2021, FYE 2022 and the period from 1 April 2022 to the LPD:

Subject Properties	FYE 2020	FYE 2021	FYE 2022	1 April 2022 to the LPD
<u>SAC Industrial Properties</u>				
Number of tenancies due for renewal	--	--	2	--
NLA of tenancies due for renewal ('000 sq ft)	--	--	116	--
Renewal rate (%)	--	--	100	--
<u>Indahpura Industrial Properties</u>				
Number of tenancies due for renewal	3	1	--	--
NLA of tenancies due for renewal ('000 sq ft)	123	61	--	--
Renewal rate (%)	100	100	--	--
<u>SiLC Industrial Properties</u>				
Number of tenancies due for renewal	--	--	1	--
NLA of tenancies due for renewal ('000 sq ft)	--	--	46	--
Renewal rate (%)	--	--	100	--
<u>Dormitories</u>				
Number of Dormitories under master lease due for renewal	--	2	--	--
Renewal rate (%)	--	100	--	--
<u>Total/Average</u>				
Number of tenancies due for renewal	3	1	3	--
NLA of Industrial Properties' tenancies due for renewal ('000 sq ft)	123	61	162	--
No. of Dormitories under master lease due for renewal	--	2	--	--
Renewal rate (%)	100	100	100	--

2. SUBJECT PROPERTIES (Cont'd)

Notes:

- (1) The cases of early termination and temporary tenancies are as set out below:
- (i) For FYE 2020, there was 1 early termination of tenancy which was replaced with a new tenancy with 1-month void period;
 - (ii) For FYE 2020, there were 2 temporary tenancies for 2 Industrial Properties in District 6 @ SiLC over a period of 6 months. They were tenanted to a purchaser whose factory unit was pending completion and handover;
 - (iii) For FYE 2021, there was 1 early termination of tenancy which was replaced with a new tenancy with no void period;
 - (iv) For FYE 2022, there was 1 early termination of tenancy due to the tenant moving to another Industrial Property to cater for their business expansion. The vacancy was replaced with a new tenancy with 13 days void period; and
 - (v) For 1 April 2022 to the LPD, there was 1 early termination of tenancy which was replaced with a new tenancy with only 1 day void period.

As set out in Section 2.3(iii) of this Prospectus, the early termination cases relating to (iii), (iv) and (v) above during the COVID-19 pandemic (during the period 1 April 2020 to the LPD) did not adversely affect the tenancies of the Subject Properties.

2.2 COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS

The Manager believes that an investment in AME REIT offers the following investment attractions to Unitholders:

(i) Committed support from a reputable Sponsor

- (a) The Sponsor is an integrated industrial space solutions provider, with a proven track record and comprehensive capabilities in the design and construction of industrial buildings, the development of industrial parks, as well as owning and managing industrial properties and workers' dormitories for leasing; and
- (b) Majority ownership in AME REIT by the Sponsor ensures alignment of interests between the Sponsor and Unitholders, and incentivises the Manager, a wholly-owned subsidiary of the Sponsor, to maximise distributions to Unitholders.

(ii) Majority of the Subject Properties benefit from value enhancement from i-Park branding

- (a) Majority of the Subject Properties (27 Industrial Properties and 3 Dormitories out of 34 properties) are located in or adjacent to AME Group's award-winning i-Park branded industrial parks that feature multiple value-added services, infrastructure and amenities, which enhances value for the industrial properties within;
- (b) The i-Park developments were planned and undertaken with ESG considerations in mind, not only in the design of buildings, but also in the parks' surrounding environment and amenities; and
- (c) These factors elevate the appeal of the i-Park Subject Properties, and has successfully attracted many international occupants, including notable MNCs.

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(iii) Strategically located in prime industrial and economic hub

- (a) The Subject Properties are strategically located in Iskandar Malaysia, identified by the Government as an economic hub and growth driver for Malaysia's economy;
- (b) The economic hub features ample transportation and logistical infrastructure; and
- (c) The region is a beneficiary of spillover effects from businesses in Singapore, as well as from the US-China trade war.

(iv) Resilient and quality portfolio of industrial and industrial-related properties

- (a) The portfolio comprises properties which enjoy good leasing potential;
- (b) The Subject Properties have resilient occupancy and rental rates;
- (c) Well-spread lease expiry terms; and
- (d) Diversified and good quality tenant base with limited tenant concentration.

(v) Synergistic relationship with Sponsor offers unique growth potential

- (a) The Sponsor Group's ongoing and future industrial developments offer potential acquisition opportunities; and
- (b) Ability to leverage on the Sponsor Group's capabilities and expertise in implementing asset enhancement and value-adding initiatives for AME REIT's portfolio, as well as to tap-on the Sponsor Group's established relationship network for future leasing opportunities.

(vi) Management team with proven track record in industrial and industrial-related properties

- (a) The Manager is spearheaded by a CEO with proven REIT and industrial property credentials; and
- (b) Executive Directors and key management have extensive experience in the development and management of industrial and industrial-related properties.

(vii) Rising relevance for workers' dormitories

- (a) Recent developments indicate rising relevance for workers' accommodation; and
- (b) AME REIT is expected to be the first Malaysian listed REIT to offer Unitholders exposure to this property class.

(viii) Prudent capital structure and active capital management

- (a) Conservative gearing level with ample debt headroom for future growth; and
- (b) The Manager will employ an active management approach to optimise capital structure and efficiency.

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2. SUBJECT PROPERTIES (Cont'd)

2.2.1 Committed Support from Reputable Sponsor

2.2.1.1 Industrial Property Specialist with Proven Track Record

The Sponsor, together with its subsidiaries, is an integrated and comprehensive industrial space solutions provider, with activities that encompass the development of industrial parks, the rental and management of workers' dormitories, as well as the design and construction of large industrial buildings and manufacturing plants.

The history of AME Group can be traced back to 1995 when it commenced its business in the design and construction of customised large manufacturing plants and industrial buildings for MNCs and local enterprises. As at the LPD, AME Group has completed the construction of more than 200 large manufacturing plants and industrial buildings in Peninsular Malaysia, for, amongst others, the steel, oleochemical, oil and gas, electrical and electronics, consumer products, food and beverage, logistics and automotive industries. Since 1998, a subsidiary of AME Group has been registered with the Construction Industry Development Board as a Grade G7 contractor, enabling it to tender for construction contracts of unlimited value.

AME Group ventured into the development of industrial parks in Johor in 2011 and as at the LPD, launched 5 industrial parks and 1 commercial development, with a total estimated GDV of RM2.9 billion. In March 2022, AME Group soft-launched i-TechValley in SiLC, a new managed industrial park in Johor with estimated GDV of RM1.5 billion. i-TechValley in SiLC is envisaged to cover 169.8 acres comprising 1½-storey detached factories with standard land sizes of approximately 1 to 3 acres. Similar to i-Park managed industrial parks, it is equipped with guardhouses, CCTV surveillance, 24-hour security control, high-speed broadband and wide entrances allowing unobstructed access.

The flagship development projects of AME Group are the managed industrial parks which carry the "i-Park" brand, namely i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC. These developments offer, among others, gated and guarded services, landscaping management, health and safety monitoring services, business service centre and recreational facilities. The features and facilities of the parks are further described in Section 2.2.2 of this Prospectus. These parks host many large and well-known MNCs, which is a testament to AME Group's ability to deliver value in the form of quality properties within their parks. 27 of the 31 Industrial Properties forming the initial portfolio of AME REIT are situated in these 3 parks. The 3 Dormitories forming the Industrial-Related Properties of AME REIT are situated adjacent to i-Park @ SAC and i-Park @ Indahpura.

In undertaking the industrial development projects, AME Group offers two types of industrial properties to customers and tenants:

- a) **Build-on-demand properties**, where plots of land within the industrial parks are allocated for units of industrial buildings and left vacant until sold or leased. As an industrial one-stop-solution provider, this allows AME Group the flexibility to offer customised properties to customers and tenants, which is one of the unique selling points of AME Group's development projects. This strategy reduces property overhang whilst achieving customer satisfaction.
- b) **Ready-built properties**, where the properties are completed and generally in 'move-in-condition' before customers or tenants are secured. AME Group typically constructs a small batch of such properties for ad-hoc or urgent demand by customers and lessees. Occasionally, some of the completed units are temporarily leased to customers awaiting construction of customised properties.

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2. SUBJECT PROPERTIES

The table below summarises the status of AME Group's various development projects up to 31 March 2022

Development Projects	Type of Development	Acres	Total/ Planned Units	Take-up rate (Sold/ Leased)	Commencement	Completion/ Estimated Completion	Total/Estimated Total GDV (RM mil)
Completed:							
i-Park @ SiLC	Industrial factory (Gated & Guarded)	12.3	19	Take-up: 100% - Sold: 84% - Leased: 16% ⁽¹⁾	4Q2011	4Q2013	80
District 6	Industrial factory with office	7.6	6	Take-up: 100% - Sold: 33% - Leased: 67% ⁽²⁾	2Q2014	3Q2015	86
i-Park @ Indahpura (Phase 1 & 2)	Industrial factory, commercial development and dormitory (Gated & Guarded)	104.8	64	Take-up: 97% - Sold: 81% - Leased: 16% ⁽³⁾	4Q2011	4Q2016	600
SME City	Industrial factory and commercial development	40.0	86	Take-up: 100% - Sold: 100%	1Q2013	2Q2015	192
On-going:							
i-Park @ Indahpura (Phase 3)	Industrial factory (Gated & Guarded)	85.4	35	Take-up: 95% - Sold: 92% - Leased: 3% ⁽⁴⁾	1Q2013	2023	456
i-Park @ SAC (Phase 1 & 2)	Industrial factory, commercial development and dormitory (Gated & Guarded)	98.1	51	Take-up: 98% - Sold: 67% - Leased: 31% ⁽⁵⁾	1Q2017	2025	717
The Jacaranda	Commercial development	13.9	48	Take-up: 92% - Sold: 92%	1Q2019	2021	68
i-Park @ SAC (Phase 3)	Industrial factory (Gated & Guarded)	76.6	36	Take-up: 39% - Sold: 33% - Leased: 6% ⁽⁶⁾	1Q2020	2025	555
i-Park @ SAC (Phase 3 Plus)	Industrial factory (Gated & Guarded)	2.8	10	Take-up: --	1Q2021	2025	29
i-Park @ Indahpura (Plot 108)	Industrial factory (Gated & Guarded)	15.0	2	Take-up: 100% - Sold: 100%	2Q2020	4Q2021	120
Total		456.5	357				2,903

2. SUBJECT PROPERTIES (Cont'd)

Notes:

- (1) all 3 plots form SiLC Subject Properties, together with the plots in District 6 @ SiLC as described in note (2) below will be acquired by AME REIT pursuant to the Listing.
- (2) 3 out of 4 plots form SiLC Subject Properties, together with the plots in i-Park @ SiLC as described in note (1) above will be acquired by AME REIT pursuant to the Listing and the remaining 1 plot is retained by AME Group as the existing tenant has an option to purchase the plot within the tenancy period.
- (3) 16% representing 10 factory plots. All 10 plots form Indahpura Subject Properties, together with the plot in Phase 3 as described in note (4) below will be acquired by AME REIT pursuant to the Listing. In addition, Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura are also part of this Phase 1 & 2 development.
- (4) 1 out of 2 plots form Indahpura Subject Properties, together with the plots in Phase 1 & 2 as described in note (3) above will be acquired by AME REIT pursuant to the Listing and the remaining 1 plot is retained by the developer, Axis AME IP Sdn Bhd, a jointly-controlled entity of AME.
- (5) 31% representing 16 factory plots. The 12 plots out of 16 plots form SAC Subject Properties together with the plot in Phase 3 as described in note (6) below will be acquired by AME REIT pursuant to the Listing and the remaining 4 plots are retained by the developer, which is Ipark Development as they are deemed to be unsuitable for acquisition by AME REIT as at 31 March 2022:
 - (i) 2 plots which are factory units are deemed unsuitable for acquisition by AME REIT due to concerns on tenancy stability for one plot and the other plot being below the acceptable size for AME REIT; and
 - (ii) 2 plots are vacant land currently rented to existing tenant for nominal rental.

In addition to the above, SAC Dorm is part of this Phase 1 & 2 development.
- (6) 1 out of 2 plots form SAC Subject Properties, together with the plots in Phase 1 & 2 as described in note (5) above, will be acquired by AME REIT pursuant to the Listing and the remaining 1 plot is being retained by the developer for temporary tenancy to a buyer whose factory unit is pending completion and handover. In addition, FZW SAC is situated in the Free Industrial Zone facility within SAC which is near to i-Park @ SAC.

Based on the table and the notes above, AME Group as part of its ongoing industrial park development activities may from time to time hold similar type of properties for lease which may potentially meet the investment criteria of AME REIT in the future. In such circumstances, there could be conflict of interest situations between AME Group and AME REIT which have been elaborated in Section 5.2.11 of this Prospectus and the Manager's procedures to handle conflict of interest situations are set out in Section 12.4.2 of this Prospectus.

AME Group and its industrial parks have won multiple awards and accolades:

Year	Awards & Accreditation	Presented at/by	Recipient Entity
2016 - 2017	Platinum Winner of "Most Conducive Workplace"	The Iskandar Malaysia Accolades 2016/17	AME Development for i-Park @ Indahpura
2017 - 2018	5 Stars Winners for Best Industrial Development Malaysia	Asia Pacific Property Awards 2017/2018	Ipark Development for i-Park @ SAC
2017	Excellence Winner of The Best Industrial Park Development (Note: There were 2 winners)	Starproperty.my Jewels of Johor Awards 2017	Ipark Development for i-Park @ SAC
2018	EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2018	EdgeProp Malaysia's Best Managed Property Awards 2018	AME Development
2018	The Best Choice Awards	Starproperty.my Jewels of Johor Awards 2018	AME Development
2018	Excellence Winner of The Business Estate Award (Best Industrial Park Development)	Starproperty.my Awards 2018	Ipark Development for i-Park @ SAC

2. SUBJECT PROPERTIES (Cont'd)

Year	Awards & Accreditation	Presented at/by	Recipient Entity
2018	Honours Winner of The Earth-Conscious Award (Best Sustainable Development)	Starproperty.my Awards 2018	AME Development for i-Park @ Indahpura
2018	Honours Winner of The Business Estate Award (Best Industrial Park Development)	Starproperty.my Awards 2018	AME Development for i-Park @ Indahpura
2018	Honours Winner of The Best Sustainable Development	Starproperty.my Jewels of Johor Awards 2018	AME Development for i-Park @ Indahpura
2018	Malaysia Property Award™ (MPA) 2018 (Industrial Category)	FIABCI-Malaysia (International Real Estate Federation)	AME Development for i-Park @ Indahpura
2019	Innovative Developer Awards	ASEAN Property Awards Malaysia 2018/2019	AME Development
2019	World Silver Winner (Industrial Category)	2019 FIABCI World Prix d'Écellence Awards	AME Development for i-Park @ Indahpura
2019	Best Industrial Development	ASEAN Property Developer Awards Malaysia 2018/2019	Ipark Development for i-Park @ SAC
2020	Best Industrial Development	Property Guru Asia Property Awards Malaysia 2020	Ipark Development for i-Park @ SAC
2020	Best Industrial Development (Regional Winner)	Property Guru Asia Property Awards 2020	Ipark Development for i-Park @ SAC
2020	Best Industrial Developer	Property Guru Asia Property Awards Malaysia 2020	AME Development
2021	Honorary Mention of The Edge – PAM Green Excellence Award 2021	The Edge Malaysia – Property Excellence Awards (TEPEA) 2021	AME Development for i-Park @ SAC

AME Group's pipeline of industrial property development projects, including the award-winning industrial park developments mentioned above, will provide a future source of acquisition and growth opportunities for AME REIT. Please refer to Section 2.2.5.1 on ROFR arrangements to provide AME REIT with access to future industrial and industrial-related properties.

2.2.1.2 Strong Alignment of Interests between the Sponsor, Manager and Unitholders

The interest of the Sponsor and the Manager, a wholly-owned subsidiary of the Sponsor, will be aligned with the other Unitholders of AME REIT, which will incentivise AME Group and the Manager to achieve AME REIT's growth targets and maximise distributions to Unitholders. The establishment of AME REIT and the injection of the Subject Properties into AME REIT enables AME Group to partly monetise their investments in the Subject Properties and AME Group would also be able to unlock the value of its leasing property assets by securitising those assets which fit the investment criteria of AME REIT. AME Group will be the single largest Unitholder of AME REIT holding 51.0% of the Units upon the Listing, and is committed to support and grow AME REIT over the long-term.

Post Listing, AME Group would be able to offer a pipeline of properties from their current and future industrial and industrial-related property developments to AME REIT while AME Group focuses on its principal business activities which include but not limited to development of industrial parks and construction.

In addition to fixed management fees based on the Total Asset Value (excluding cash and bank balances which are held in non-interest/non-profit bearing accounts), the Manager will also be entitled to receive performance-based management fees, which provides incentive for the Sponsor and Manager to grow AME REIT's distributable income. Furthermore, the Manager may receive a

2. SUBJECT PROPERTIES (Cont'd)

portion or all of the management fees in Units of AME REIT, which will further align its interest with Unitholders. However, there could be circumstances where the NAV per Unit may be diluted if the management fees are received in Units of AME REIT as further discussed under Section 5.3.9 of this Prospectus.

For the first financial year after Listing, it is the intention of the Manager for AME REIT to distribute 100% of its Distributable Income whilst the Management Fees for the period will be fully paid in Units.

2.2.2 Majority of the Subject Properties benefit from value enhancement from i-Park branding

Majority of the Subject Properties (27 Industrial Properties and 3 Dormitories out of 34 properties) are located in or adjacent to AME Group's award-winning i-Park branded industrial parks. A key factor differentiating these Subject Properties from most other industrial properties is the value enhancement enjoyed by these properties by being part of the managed i-Park developments.

2.2.2.1 The i-Park Concept

In Malaysia, gated and guarded industrial parks have increasingly become an attractive alternative for both local and foreign companies to set up their facilities as these industrial parks feature modern buildings, well-managed environment and landscaping, as well as more organised infrastructure. Having business facilities set up in well-managed industrial parks enhances a company's corporate image and provides confidence to customers. Gated and guarded industrial parks also provide a more secure environment for businesses seeking better safety (*Source: Independent Market Research Report*).

AME Group began with a mission to provide a well-managed, Gated and guarded industrial park in the form of i-Park @ SiLC in 2011. This evolved into new benchmarks for industrial park development, culminating in the on-going development of i-Park @ SAC as a clean and green gated and guarded industrial parks within a resort like environment, with landscaping, recreational facilities exclusive to occupants and workers' accommodation in the form of workers' dormitories.

The value-adding features showcased in the industrial parks, are summarised below:

(i) i-Park @ SiLC

The first park to carry the "i-Park" brand, i-Park @ SiLC was conceptualised to be a gated and guarded freehold industrial park with security features and well-managed landscaping at common areas within the park. The park is equipped with security features such as boom gate with access card system, CCTV surveillance and round-the-clock security services and traffic and parking management. Common areas are planted with trees and other greeneries which are maintained regularly.

3 of the Subject Properties are situated within this park.

(ii) i-Park @ Indahpura

The second stage in the evolution of the i-Park concept, AME Group believes i-Park @ Indahpura is the first holistically managed industrial park in Iskandar Malaysia. The development was conceived as an industrial park with fully integrated amenities that combines sustainability and functionality, underpinned by a clean, green and socially responsible concept.

The industrial properties of i-Park @ Indahpura were designed according to criteria for green buildings, and surrounded by green landscapes.

From high-speed fibre-optic broadband to power, water and natural gas utilities, occupants of the park are provided with these infrastructures. Security is also a primary feature, with the park being fully gated and guarded, complete with security access card system, visitor management system, traffic and parking management, 24-hour security control, patrolling and CCTV surveillance.

2. SUBJECT PROPERTIES (Cont'd)

For the comfort and wellness of its occupants, i-Park @ Indahpura was the first i-Park to feature a recreational park, complete with jogging tracks and outdoor gym equipment. For the convenience of business owners and welfare of workers, the development also provides dormitories within walking distance of the Industrial Properties.

11 of the Subject Properties are located within this park with 2 Dormitories being located adjacent to the park.

(iii) i-Park @ SAC

The current on-going iteration of the i-Park brand, i-Park @ SAC represents AME Group's vision to merge industrial activities, business operations, and a healthy, resort-like environment in a fully integrated, gated and guarded hub.

i-Park @ SAC comprises both work and lifestyle spaces to promote work-life balance for enhanced productivity, comfort and wellness of its occupants.

The industrial park further expands on the features of i-Park @ Indahpura, offering:

- (a) Industrial factories and other buildings which are constructed based on green building concepts;
- (b) Landscaping in the common areas to provide a resort-like workspace, with landscaped paths, pedestrian walkways and bicycle lanes to encourage healthy living and green transportation;
- (c) 24-hour security control and patrolling, with CCTV surveillance, RFID sticker access and a visitor management system;
- (d) A 5.8-acre park known as the Linear Park. The Linear Park is the main recreational and congregational hub for occupants, featuring an outdoor amphitheatre, pavilions and sports facilities (futsal court, tennis court, sand volleyball court and multipurpose court);
- (e) Clubhouse with facilities featuring a swimming pool, a function hall, gymnasium, badminton court, café and restaurant. The clubhouse facilities are available to members of "i-Privilege Club", which is open for subscription by executive level occupants of all the i-Park developments;
- (f) Managed workers' dormitory, which features various facilities for the convenience of workers, such as automatic laundry, grocery shops with cashless payment systems, first-aid room/clinic with quarantine room and a canteen. For workers of occupants in i-Park @ SAC, the dormitory offers accommodation within walking distance to the workplace; and
- (g) The "Smart" management system mobile application, which was created by AME Group to connect park occupants with the park management, and allow for improved communication, dissemination of news and updates, booking of facilities, visitor registration and management.

13 of the Subject Properties are situated in i-Park @ SAC, with SAC Dorm being adjacent to the park and FZW SAC being near to the park.

The i-Park branded industrial parks, and in particular, i-Park @ Indahpura and i-Park @ SAC, showcases AME Group's ability to deliver value-added services and offerings to complement its properties. This differentiating factor elevates the appeal of the i-Park properties, including the Subject Properties, and has successfully attracted international customers including companies such as DHL Express (Malaysia) Sdn Bhd, Federal Express Services (M) Sdn Bhd and Lyreco Office Supplies (Malaysia) Sdn Bhd.

2. SUBJECT PROPERTIES (Cont'd)

2.2.2.2 ESG Awareness

AME Group undertakes its development projects, including the Subject Properties, with key ESG considerations in mind.

The i-Park concept incorporates the planning, development, and management of the industrial parks aligned to principles of sustainability to promote a green, healthy, and comfortable environment for occupants.

Buildings are planned and designed based on the concept and criteria of green buildings, to promote sustainability of the buildings and surrounding environment, with a strong focus on improving the efficiency of resource utilisation, i.e. energy, water and materials, through better siting, design, construction, operation and maintenance.

The buildings of i-Park @ SAC and i-Park @ Indahpura include infrastructure and facilities that are constructed to be environmentally responsible and resource-efficient. In addition, the buildings are designed to facilitate future enhancements and installations of further green features, as the green building concept includes on-going efforts to enhance sustainability standards by the users.

As a key objective of a green building is to be energy and water efficient, standard features of the i-Park @ SAC and certain phases in i-Park @ Indahpura factory buildings include:

- (i) Building materials and design elements to improve energy efficiency, such as:
 - (a) incorporating translucent sheets that allow for increased natural lighting;
 - (b) zincalume metal roof with thick fiberglass insulation to keep the interior cool;
 - (c) high ceiling and up-lift jack roof system for natural ventilation;
 - (d) low window height design to minimise overall thermal transfer into the building and maximise daylight harvesting;
 - (e) reflective glaze and high solar reflectance roofing to minimise thermal transfer into the building;
 - (f) sun shading fixtures and building orientation that reduce direct sunlight and glare; and
 - (g) optional solar power systems, which AME Group began offering in 2020, to advocate the adoption of sustainable green energy solutions.
- (ii) Features to improve water efficiency, as follow:
 - (a) rainwater harvesting to be reused for landscaping and general cleaning purposes; and
 - (b) low water consumption toilet fixtures to reduce water usage.

In line with the green theme, the management conducts regular environmental monitoring for permissible limits of air, water and noise emissions.

From the social aspect, the developments of i-Park @ Indahpura and i-Park @ SAC incorporate concepts to achieve work-life balance through clean and green landscaped surroundings, as well as leisure and recreational amenities to promote health and well-being. The recreational amenities are also available to occupants of i-Park @ SiLC.

In addition, AME Group also built workers' dormitories adjacent to these parks, which are key to supporting the accommodation needs for the workers of the i-Park clientele. I Stay, a subsidiary of the Sponsor operates the dormitories and aim to offer a safe and comfortable environment with a host of managed services that support workers' welfare and quality of life.

In the spirit of the ESG agenda, AME Group provides managed, purpose-built workers' dormitories that are designed as an antithesis of mass hostels. SAC Dorm, Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura feature self-contained individual units, complete with living rooms and cooking facilities, akin to serviced apartments. This provides sufficient space for residents aimed to prevent mass outbreaks of COVID-19 among residents.

2. SUBJECT PROPERTIES (Cont'd)

To provide a healthy, clean and convenient living space for residents, the Dormitories are equipped with various facilities and amenities such as grocery stores, all-day self-service laundry, first-aid rooms, canteen and high-speed broadband, as well as access to recreational parks, park gym equipment and other amenities.

The majority of AME REIT's Subject Properties are beneficiaries of ESG initiatives by AME Group, as there is an increasing awareness and requirements to meet ESG standards for tenants and potential tenants.

2.2.3 Strategically Located in a Prime Industrial and Economic Hub

2.2.3.1 Strategically Located Real Estate within Iskandar Malaysia

AME REIT's initial portfolio of Subject Properties are strategically located within Iskandar Malaysia. Iskandar Malaysia was identified in the Ninth Malaysia Plan as an economic hub and driver for the growth of Malaysia's economy.

Iskandar Malaysia is divided into 5 flagship areas, namely Johor Bahru City Centre, Iskandar Puteri, Western Gate Development, Eastern Gate Development and Senai – Skudai, it has a total population of approximately 2.3 million based on the available data as of 2019.

In 2019, Iskandar Malaysia recorded a GDP of RM91.9 billion, or 68.4% to the total GDP in Johor and 6.5% to the total GDP in Malaysia, according to the Independent Market Research Report, demonstrating the importance of Iskandar Malaysia towards the overall economic growth of Johor as well as Malaysia as a whole.

Iskandar Malaysia aims to receive a cumulative investment of RM383.0 billion by 2025. The Independent Market Research Report noted that between 2006 to 2020, it received a cumulative investment of RM340.0 billion, out of which the manufacturing sector, industrial property sector and logistics sector received total investments of RM83.4 billion, RM19.0 billion and RM13.5 billion respectively during the same period. Out of the total cumulative investment received between 2006 and 2020, 41.0% was contributed by foreign investments, with China being the top source of investment, followed by Singapore and US. The continuous investments received in Iskandar Malaysia bodes well for industrial development in the region along with the increasing business and economic activities in various sectors, including manufacturing and logistics.

2.2.3.2 Ample Logistical Infrastructure

As an economic hub in the southern region of Malaysia, the Iskandar Malaysia region has ample transportation infrastructure, including an airport (Senai International Airport) and 3 seaports (i.e. Johor Port, Port of Tanjung Pelepas and Tanjung Langsat Port). Further, it also has access to major highways such as Johor Causeway, North-South Expressway and Malaysia-Singapore Second Link Expressway which connect Iskandar Malaysia to other states in Malaysia and Singapore. Additionally, the Iskandar Rapid Transit (formerly known as Iskandar Malaysia Bus Rapid Transit) project has also been launched to enhance public transportation coverage, accessibility and connectivity within the Iskandar Malaysia region.

All of these infrastructures will provide connectivity, accessibility and logistical convenience for AME REIT's Subject Properties, which are situated within or nearby the industrial parks of AME Group.

Further details on the proximity of AME Group's industrial parks to the various major transportation and logistical infrastructure can be found in Section 2.1.1 of this Prospectus.

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2. SUBJECT PROPERTIES (Cont'd)

2.2.3.3 Proximity to Singapore

Being in close proximity to Singapore, Iskandar Malaysia may also reap the benefits of spillover effects from the island nation. Singapore continues to attract foreign investments to establish operations in Singapore. Given the higher operating cost and limited land space in Singapore, other foreign players who are part of the supply chain to such companies and want to be in close proximity to these players in Singapore may set up or expand their operations or facilities in Iskandar Malaysia.

In addition, to enhance the connectivity between Johor and Singapore, MRT Corp has commenced the construction of Johor Bahru – Singapore Rapid Transit System which connects Bukit Chagar, Johor Bahru, Malaysia and Woodlands, Singapore. The project is expected to complete by the end of 2026 and start operations in January 2027. It aims to provide fast and efficient transportation between the 2 countries. The accessibility is expected to attract investments and business expansions to Johor, and in particular, the Iskandar Malaysia region, thereby driving the demand for industrial properties.

2.2.3.4 Beneficiary of International Trade War

The on-going US-China trade war has led to some MNCs diverting their expansions to countries in Southeast Asia, which may include Malaysia, from their original expansion plans to China.

Despite the COVID-19 pandemic, the manufacturing sector in Malaysia recorded a strong year-on-year increase by 113.8% in total approved investments for 2021, amounting to RM195.1 billion, of which, FDI accounted for RM179.6 billion. The increase in FDI inflows may be partly attributed to the US-China trade war that had resulted in the relocation of manufacturing facilities by foreign companies from China to countries such as Malaysia, with Iskandar Malaysia being among the beneficiaries of the FDI.

2.2.4 Resilient and Quality Portfolio of Industrial and Industrial-Related Properties

2.2.4.1 Property Portfolio with Good Leasing Potential

AME REIT's portfolio of 31 Industrial Properties and 3 Dormitories enjoy good leasing potential.

Industrial Properties

While business owners can choose to own industrial properties for their business operations, acquiring industrial properties often require intensive capital investment, as well as the costs and resources associated with owning a property, such as taxes, insurance, maintenance and repairs. Due to such financial challenges and commitment, some businesses may prefer to lease industrial properties which provide them with more operational and strategic flexibility.

In Malaysia, leasing industrial properties is common among foreign companies while setting up manufacturing facilities or branches here. Adopting an asset-light approach by leasing industrial properties reduces capital investment and commitment, while providing more flexibility and eliminating the need to go through lengthy procedures which involve dealing with multiple local authorities to purchase and/or sell their industrial properties.

The motivation for business owners to lease industrial properties bodes well for AME REIT's Industrial Properties. This is because businesses are less likely to relocate within a short span of time or frequently due to the heavy capital involved in setting up the manufacturing facilities such as acquisition and installation of production lines, machinery and equipment as well as other administrative matters involved such as obtaining permits and approvals from the local authorities. Frequent relocation is disruptive to business operations as it will lead to production downtime and consequently adversely impact the business. The Industrial Properties in AME REIT's portfolio were built and/or fitted out to the requirements and specifications of the tenants, which deters the tenants from relocating.

2. SUBJECT PROPERTIES (Cont'd)

Dormitories

AME REIT's industrial-related properties, comprising the Dormitories, stand to benefit from emphasis being placed by the Government on the need for employers to provide adequate accommodations for workers, especially foreign workers. On 1 September 2020, the Human Resource Ministry began enforcing new rules under the Act 446 for minimum standards in relation to the provision of accommodation to foreign workers. Subsequently, the continuous enforcement of Act 446 has seen an increasing demand for workers' accommodation that are properly managed and equipped with the necessary facilities to provide suitable living conditions that meet the minimum requirements set out in Act 446.

Further details on the increasing relevance for managed workers' accommodation, such as AME REIT's Dormitories, are discussed in Section 2.2.7 of this Prospectus.

2.2.4.2 Resilient Portfolio of Quality Properties

AME REIT's initial portfolio, which comprises all freehold properties, are attractive to tenants, especially in view of the amenities provided in AME Group's industrial parks, as well as their strategic location in Iskandar Malaysia.

The Subject Properties feature aesthetics underpinned by ESG considerations, with such Subject Properties not exceeding 10 years of age as at the LPD. This also reduces the need for immediate asset enhancement initiatives or major repairs and maintenance works. Detailed information of the age of the building can be found in Section 2.1.1 of this Prospectus.

The resiliency of the Subject Properties can be seen in the average Occupancy Rate, rental rates and NPI over the years.

<u>Industrial Properties⁽¹⁾</u>	<u>FYE 2020</u>	<u>FYE 2021</u>	<u>FYE 2022</u>
Average Occupancy Rate (%)	95.8	90.8	96.9
Average monthly Occupied NLA ('000 sq ft)	1,114	1,186	1,495
Average monthly rental rate ⁽²⁾ (RM/sq ft)	1.58	1.58	1.56
Average monthly NPI per Occupied NLA ⁽³⁾ (RM/sq ft)	1.44	1.44	1.43

Notes:

- (1) *Excluding the Dormitories as they have been fully tenanted by a subsidiary of AME since completion. Further, NLA-based metrics are not applicable as the Dormitory tenancies are on master lease arrangements based on the total number of beds and unit capacity.*

For further details on the historical average Occupancy Rate, average monthly Occupied NLA, average monthly rental rate and average NPI, please refer to Sections 4.4.5 of this Prospectus.

- (2) *The average monthly rental rate is computed based on the average monthly Occupied NLA and the rental revenue for the respective financial years, which is recognised on a straight-line basis. The straight-line rental income is obtained by dividing the total rental income for committed tenancies over the tenure of such rentals, i.e. the total rental amount over the life of the lease is divided and recognised equally over the relevant tenancy period. This differs from the actual rental applicable during the relevant periods, as leases may feature rental rate escalations over the tenure of the leases as well as rent-free periods. The actual historical monthly rental rates of the Industrial Properties are as follow:*

<u>Industrial Properties</u>	<u>FYE 2020</u>	<u>FYE 2021</u>	<u>FYE 2022</u>
Average actual monthly rental rate (RM/sq ft)	1.53	1.57	1.56

- (3) *Average monthly NPI divided by average monthly Occupied NLA.*

2. SUBJECT PROPERTIES (Cont'd)

Despite the COVID-19 outbreak, overall occupancy has been maintained at above 90% for the past 3 financial years, whilst NPI has overall seen moderate growth between FYE 2020 to FYE 2022, due to progressive increase in properties completed and available for tenancy in the portfolio from 28 Subject Properties in FYE 2020 to 33 Subject Properties in FYE 2022. Plot 13 Dorm Indahpura was completed with CCC on 5 July 2022 and commenced the tenancy on 15 July 2022, which falls within FYE 2023.

Please refer to Section 2.1.7 and Section 4.4.5.2 of this Prospectus for the detailed breakdown of Occupancy Rate of the respective Industrial Properties and Section 4.4.5.4 of this Prospectus for the NPI of the Subject Properties.

Tenant loyalty also strengthens the resiliency of the portfolio. Out of the 27 existing tenants of the Industrial Properties, 22 have been tenants of the respective properties or units when they were first completed. 11 of the 27 existing tenants renewed their tenancies over the years up to the LPD, which demonstrates the resiliency of these properties and the ability to retain the tenants with increase in rental rates in tandem with market. Further, the Industrial Properties were built and/or fitted out to the requirements and specifications of the tenants, which encourages tenant retention and enhances resiliency.

The table below illustrates the tenancy renewal trend of the Industrial Properties for FYE 2020, FYE 2021, FYE 2022 and the period from 1 April 2022 to the LPD:

Industrial Properties	FYE 2020	FYE 2021	FYE 2022	1 April 2022 to the LPD ⁽¹⁾
Number of tenancies due for renewal	3	1	3	--
NLA of tenancies due for renewal ('000 sq ft)	123	61	162	--
Renewal rate (%)	100	100	100	--

Note:

(1) Please refer to Section 4.5.3.1 for disclosure of tenancies that expired and expiring (without renewal) during Forecast Year 2023.

The 100% renewal rate for FYE 2020 to FYE 2022 is an indication of high tenant retention, which supports the resiliency of the Industrial Properties.

Overall, the Manager believes that the Industrial Properties as an asset class have good prospects due to the Sponsor's established branding, the properties' strategic location and tenant base, as well as the proactive asset management strategies to be implemented by the Manager, as detailed in Section 1.3.2 of this Prospectus.

The Dormitories, which are integral to the success of i-Park @ Indahpura and i-Park @ SAC, are currently rented to I Stay on master leases. The Manager expects AME Group to continue leasing these properties even after the expiry of the current master leases for SAC Dorm, Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura on 31 December 2023, 31 May 2025 and 31 July 2025, respectively subject to market pricing consideration. The Manager is confident that the Dormitories will continue to be in demand in the future, in view of the catchment area in which they are situated.

In relation to the tenancy agreements entered into in respect of Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura and SAC Dorm, please refer to Section 12.2.2 of the Prospectus for the respective salient terms of these tenancy agreements.

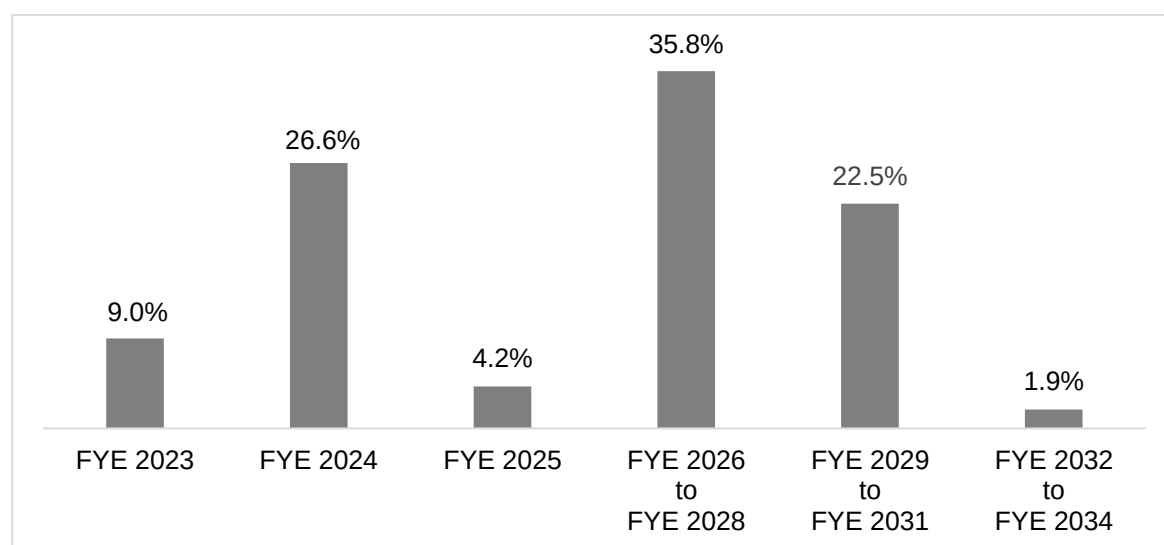
2. SUBJECT PROPERTIES (Cont'd)

2.2.4.3 Visible and well-spread tenancy terms providing stable cash flows

AME REIT's initial portfolio has visible tenancy terms which will yield stable cash flows. As at the LPD, 34 of the Subject Properties have secured tenancies, although tenancy for one Subject Property, Plot 13 Dorm Indahpura commenced on 15 July 2022 which is subsequent to the LPD.

As at the LPD, the tenanted Industrial Properties features a WALE of 3.7 years based on Occupied NLA, with 91.0% of Occupied NLA expiring beyond FYE 2023. The tenancy expiries range from less than a year and up to approximately 11 years (expiring in FYE 2034), with a maximum of 26.6% (in FYE 2024) of tenancies by Occupied NLA expiring in any year, providing stability of cash flows and DPU in the medium term.

The chart below sets out the expiry profile of subsisting leases of the Industrial Properties, based on percentage of Occupied NLA.



As for the Dormitories, NLA-based metrics are not applicable as the tenancies are on master lease arrangements based on the total number of beds and unit capacity.

The table below illustrates the expiry profile of the subsisting tenancies by number of tenancies.

	FYE 2023	FYE 2024	FYE 2025	FYE 2026 to FYE 2034
Industrial Properties	3	11	1	17
Dormitories	--	1	--	2
Total	3	12	1	19

2.2.4.4 Quality and Diversified Tenant Base

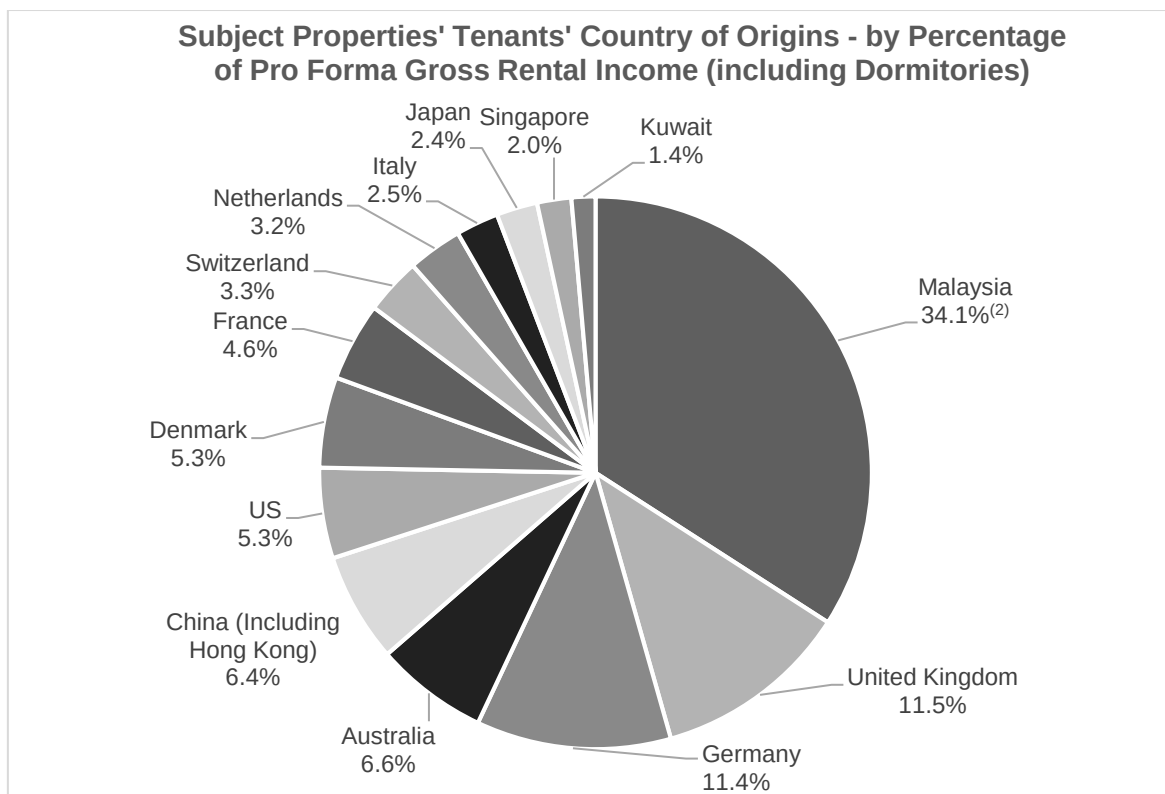
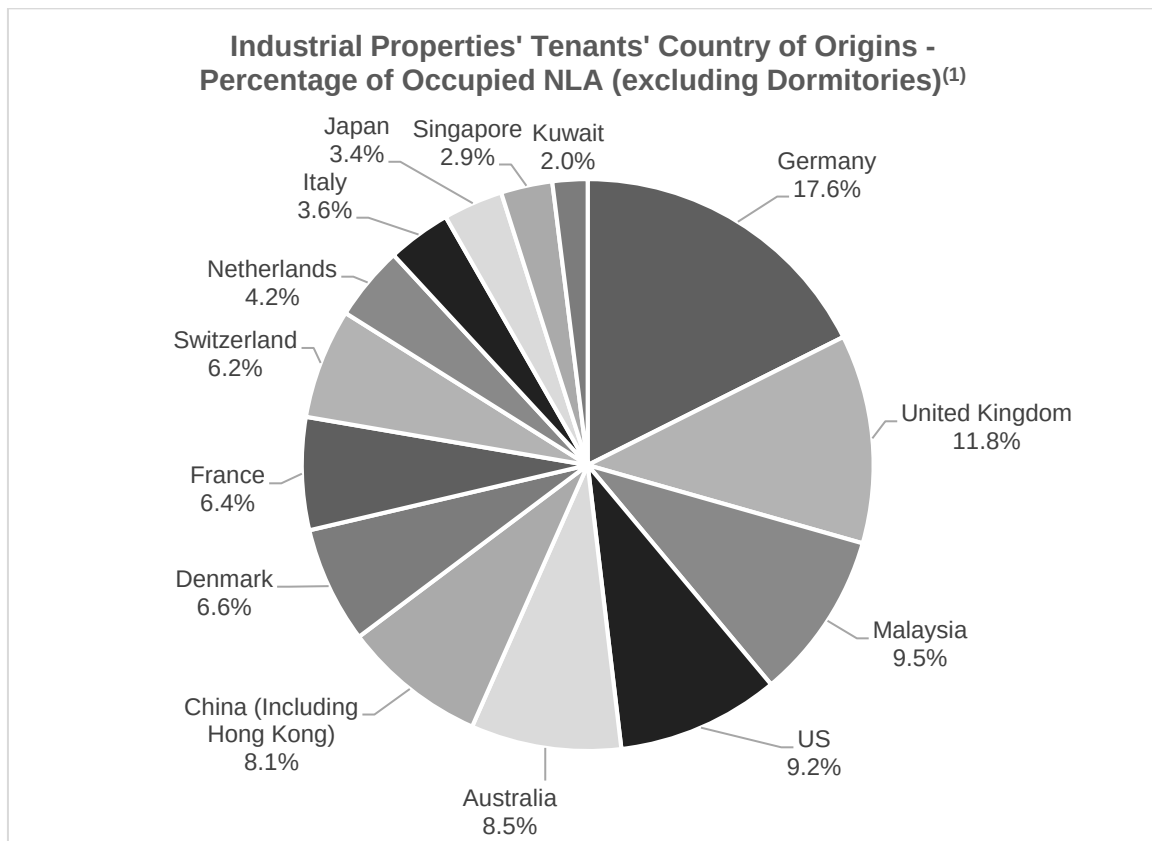
The Subject Properties feature a quality tenant base comprising 28 tenants from diverse economic sectors and countries of origin, which significantly reduces concentration risk.

Multinational Tenant Based

As at the LPD, the majority of the Industrial Properties (excluding the Dormitories) are occupied by international tenants originating from various countries, including many large and well known MNCs with such brand names as Lyreco Office Supplies (Malaysia) Sdn Bhd, Federal Express Services (M) Sdn Bhd and DHL Express (Malaysia) Sdn Bhd. In total, MNCs occupy 90.5% of the total NLA of these properties leased out as at the LPD.

2. SUBJECT PROPERTIES (Cont'd)

The demographic profile of the tenants of the Industrial Properties (excluding the Dormitories) as at the LPD by country of origin are set out below.



Notes:

- (1) NLA-based metrics for Dormitories are not applicable as the tenancies are on master lease arrangements based on the total number of beds and unit capacity.

2. SUBJECT PROPERTIES (Cont'd)

(2) Of which 27.3% is contributed by a subsidiary of AME as the tenant of the Dormitories.

As depicted in the charts above, the tenants of the Industrial Properties (excluding the Dormitories) originate from 14 different countries, with no single nationality occupying more than 17.6% of NLA.

Meanwhile, excluding the Dormitories which are leased to a subsidiary of AME, no single nationality contributed more than 11.5% of the Pro Forma Gross Rental Income.

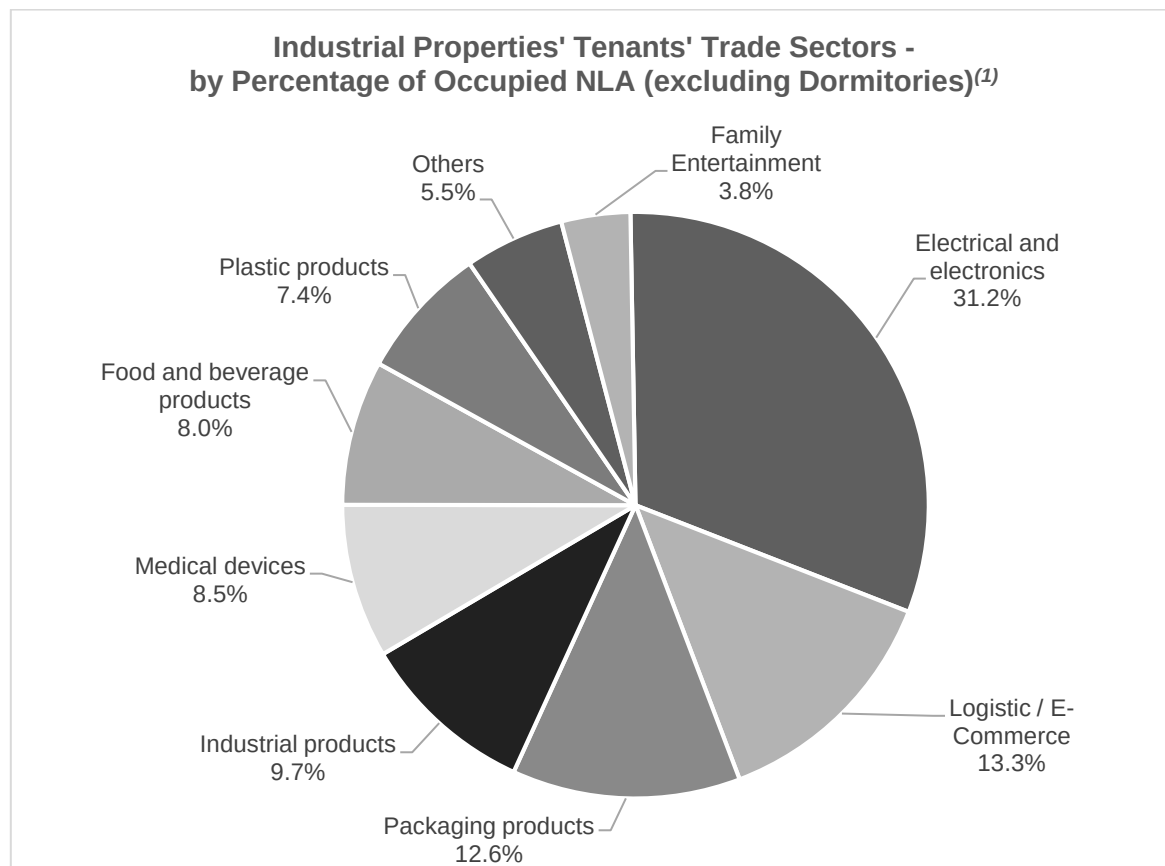
Trade Sector Diversity

The tenants of the Industrial Properties are involved in diverse trade sectors. The top 3 sectors by Occupied NLA are electrical and electronics (31.2%), logistics/E-commerce services (13.3%) and packaging products (12.6%). Other business sectors comprise industrial products (steel and metal, chemicals, and insulation products), medical devices, food and beverage products, plastic products, automotive parts and accessories, optical products as well as family entertainment services⁽¹⁾.

Note:

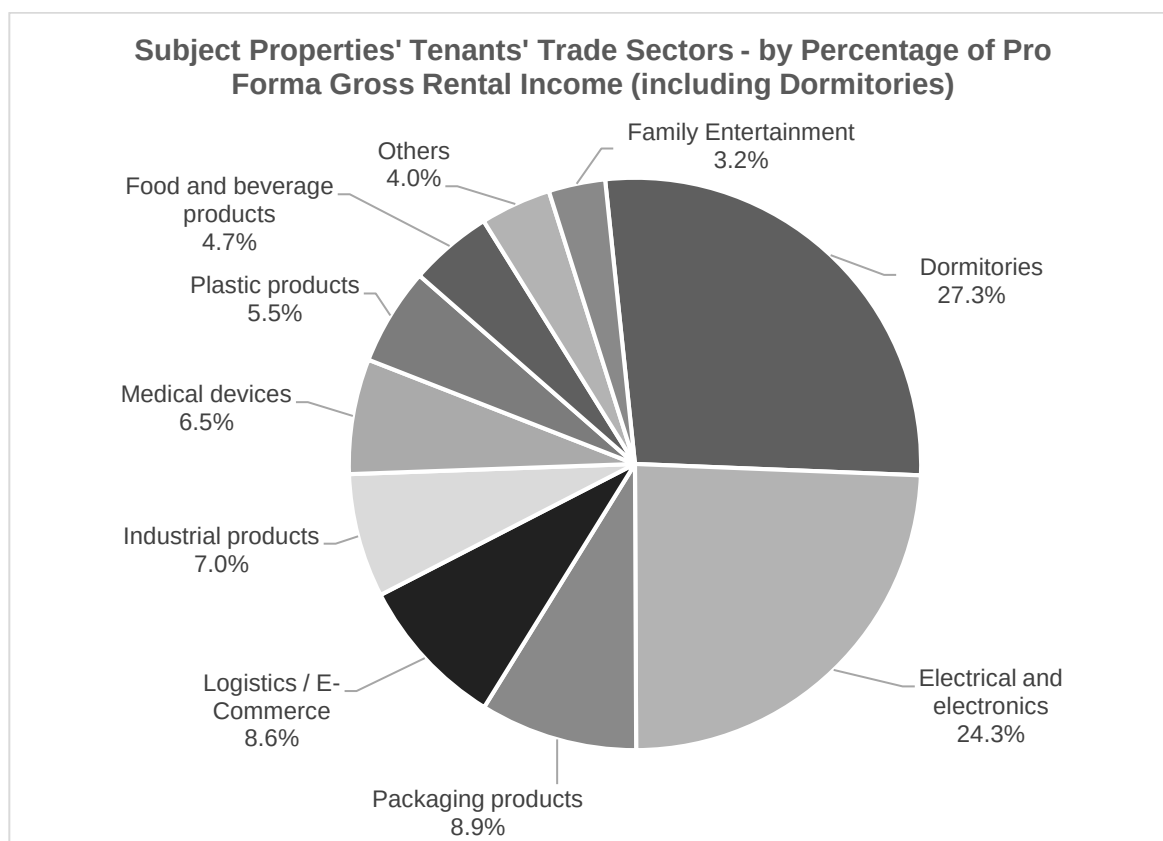
(1) The services refer to activity of building large-scale model structures made from interlocking plastic bricks for a family entertainment theme park.

The charts below provide a breakdown of the different trade sectors represented in the portfolio by percentage of Occupied NLA and percentage of the Pro Forma Gross Rental Income.



Note:

(1) NLA-based metrics for Dormitories are not applicable as the tenancies are on master lease arrangements based on the total number of beds and unit capacity.



In terms of Pro Forma Gross Rental Income, excluding the Dormitories which are leased to a subsidiary of AME, no single trade sector contributed more than 24.3% of the total Pro Forma Gross Rental Income. Having tenants from the top 2 trade sectors by percentage of Occupied NLA bodes well for the Subject Properties, as these sectors have been thriving in Malaysia, based on Independent Market Research Report, as summarised below:

- (i) **Electrical and Electronic (“E&E”) industry** – The E&E industry in Malaysia, as represented by the manufacturing sales value of E&E products, increased from RM325.3 billion in 2016 to RM483.2 billion in 2021, at a CAGR of 8.2%. Moving forward, it is expected that the introduction of new and innovative E&E products compatible with the lifestyle of today's society will continue to increase further, thereby driving the growth of the E&E industry.
- (ii) **Logistics and E-Commerce services** – Growth in e-commerce boosts the demand for logistics services. The e-commerce industry in Malaysia, measured in terms of online retail sales value, increased from RM5.0 billion in 2016 to RM35.6 billion in 2021 at a CAGR of 48.0%. Further, the percentage of e-commerce sales over total retail sales in Malaysia also grew during the same period, from 1.2% in 2016 to 6.7% in 2021. In e-commerce, logistics services play an essential role to ensure proper product handling and storage, and timely delivery of products to customers.

The COVID-19 pandemic and the movement restriction measures imposed by the Government have resulted in a shift in consumer shopping behaviour towards online shopping and which has subsequently boosted the growth in e-commerce activities in 2020 and 2021. Many merchants have also ventured into e-commerce to sustain and grow their businesses, including those who were previously not involved in online businesses prior to the COVID-19 pandemic.

While Malaysia is transitioning into the endemic phase and the impact of the COVID-19 pandemic is steadily subsiding, consumers are expected to continue to practise online shopping as they have adapted to the lifestyle and convenience of online shopping. This is expected to continue to drive demand for e-commerce, and subsequently sustain the demand for industrial properties.

For further details of the trade sectors above, kindly refer to Section 4.1 of Independent Market Research Report in Appendix B of this Prospectus.

2.2.5 Synergistic Relationship with Sponsor Offers Unique Growth Potential

The Manager intends to drive the future growth of AME REIT through the following strategies:

- (i) Acquisition growth strategy, involving the acquisition of properties that fit within AME REIT's investment strategy;
- (ii) Proactive asset management strategy, involving the optimisation and preservation of high occupancy rates; and
- (iii) Capital and risk management strategy, involving optimisation of AME REIT's capital structure and cost of capital.

Further details of the strategies above have been elaborated in Section 1.3 of this Prospectus.

In implementing these strategies for future growth, the Manager may leverage on AME REIT's synergistic relationship with the Sponsor and AME Group. As an integral part of a reputable and experienced industrial property development group, AME REIT will be able to avail itself of the expertise of AME Group in construction, developing and managing industrial properties.

2.2.5.1 Inorganic Growth

Whilst AME REIT will have an initial portfolio of 34 Subject Properties, the Manager will pursue opportunities for yield-accretive acquisitions of assets that fit within AME REIT's investment strategy. The Sponsor's on-going and future industrial park development projects represent a ready source for high quality industrial properties, workers' dormitories and warehouses for acquisition.

AME Group has been actively expanding its landbank to launch more industrial property development projects. On 30 December 2020, AME Group entered into 2 conditional sales and purchase agreements to acquire 72 plots of freehold industrial land measuring 169.8 acres in total in SiLC to be developed into AME Group's fourth managed industrial park, i-TechValley in SiLC, for which conditions precedent have been fulfilled for the acquisition of 57 plots out of the total 72 plots. AME Group soft-launched i-TechValley in SiLC in March 2022.

Further, AME Group is also seeking opportunities to develop industrial parks in the central and northern regions of Peninsular Malaysia, with the intention of replicating the managed industrial parks concept. The development of industrial parks in these targeted areas will see AME REIT's potential pipeline of acquisition opportunities expand beyond the state of Johor.

As a demonstration of its commitment and support towards the growth of AME REIT, the Sponsor, together with its subsidiary, Ipark Development (collectively, "**the Grantors**") have granted a right of first refusal which will be effective for a period of 5 years from the date of Listing, for AME REIT to acquire:

- (i) any industrial property and dormitory with leasing or tenancy arrangement ("**Relevant Asset**") which the Grantors or the wholly-owned subsidiaries of the Sponsor intend to dispose (excluding disposal to existing tenant of the Relevant Asset, or transfer between AME Group companies); and
- (ii) any Relevant Asset which may in future be identified and targeted for acquisition by the Grantors and/or the wholly-owned subsidiaries of the Sponsor.

The ROFR, which will be effective for a period of 5 years from the date of AME REIT's listing, will provide AME REIT with access to future acquisition opportunities of tenanted industrial and industrial-related properties, thereby increasing the pipeline of assets for AME REIT.

Notwithstanding the support which may be derived from AME Group, AME REIT's portfolio is not intended to be limited to just properties acquired from AME Group. The Manager will also explore opportunities for acquisitions from external parties, in Johor as well as in the central and northern regions of Peninsular Malaysia.

2. SUBJECT PROPERTIES (Cont'd)

2.2.5.2 Organic Growth

In order to achieve organic growth for AME REIT and its portfolio, the Manager and its dedicated Management Team have outlined strategies which are focused on:

- (i) Proactive asset management;
- (ii) Maximising tenant retention and minimising vacancies; and
- (iii) Budgetary controls;

as discussed in further details in Section 1.3.2 of this Prospectus.

As part of an integrated industrial property construction and development group, AME REIT has the opportunity to tap on the know-how of AME Group for:

Customisation and asset enhancement initiatives – The Manager will seek to increase rental yield, demand and occupancy via asset enhancement initiatives, renovations and refurbishments to upgrade AME REIT's portfolio and to cater to the expectations of potential and existing tenants. This will allow the REIT grow with its tenants and provide prompt solutions to their needs through active tenant engagement.

Entrenched tenant relationships – As a property developer and investor, AME Group has established relationships with both customers and tenants of its properties, especially those within its industrial parks.

The Manager has the option to leverage on AME Group's goodwill with the tenants of the Subject Properties (and future properties to be acquired under the ROFR) to maximise retention, and to leverage on AME Group's customer network for potential tenants.

Value creation through asset development or re-development – Subject to compliance with the REIT Guidelines in relation to the maximum level of permitted investments in property development, the Manager will undertake property development activities as and when there are viable opportunities and construction of industrial property for leasing.

In undertaking such activities, the Manager may avail itself of AME Group's expertise and integrated services in designing and constructing high quality, functional industrial properties and warehouses. Another option available to the Manager is the re-development of ageing properties, or to fulfil the specifications of existing or potential tenants. However, at this juncture, there are no plans for AME REIT to undertake property development activities for the foreseeable future.

Nevertheless, in the meantime, the Manager may draw upon the support of AME Group to construct properties for tenants procured by the Manager for AME REIT. Once tenancies have been secured, the Manager may then engage AME Group to construct the properties for injection into AME REIT. Such an arrangement allows for AME REIT to only invest in the new properties once tenancies are secured, minimising holding costs on vacant properties, whilst offering tenants the option of having the properties custom-built to their required specifications.

2.2.6 Management Team with Proven Track Record in Industrial and Industrial-Related Properties

2.2.6.1 Spearheaded by a CEO with Proven REIT Credentials

The Sponsor has appointed Chan Wai Leo as the CEO of the Manager. Mr Chan has approximately 16 years of experience involving industrial properties, and over 14 years of experience in the management of REITs, through Axis REIT Managers Berhad, the manager of Axis REIT, a listed REIT with investments in industrial and office properties, and Alpha REIT Managers Sdn Bhd (which he co-founded), the manager of Alpha REIT.

2. SUBJECT PROPERTIES (Cont'd)

He has held various positions such as Head of Business Development & Investor Relations and Head of Originations and Investments in Axis REIT Managers Berhad, and was a director of Alpha REIT Managers Sdn Bhd. His experience included the evaluation and acquisition of investment properties, investor relations, equity fund-raising exercises, developing strategic tie-ups and developing asset pipeline for the REITs.

From January 2016 to September 2020, he was the Chief Operating Officer and subsequently in October 2020 was promoted to CEO of AREA Management Sdn Bhd, which is involved in the provision of business consultancy services to its related companies, until his resignation in October 2021. His responsibilities include identifying and negotiating potential purposed built facilities for clients, delivering property development projects from concept and development stage to completion and operations. He also oversaw the capital management of the project companies, leasing of the investment properties and investor relations.

The CEO of the Manager is mandated to expand AME REIT's portfolio beyond the state of Johor, with particular focus on the central and northern regions of Peninsular Malaysia.

2.2.6.2 Experienced Directors and Key Personnel with Core Expertise

The CEO of the Manager will be supported by executive members of the Board and key personnel who have extensive experience in the development and management of industrial and industrial-related real estate through their involvement in AME Group, including the Subject Properties.

Lee Sai Boon, the Chairman/Executive Director and Lee Chai, an Executive Director together with their Alternate Directors, Lim Yook Kim and Kang Ah Chee, respectively, founded the AME Group in 1995 and remain as Executive Directors in AME to date.

Throughout their tenure in AME Group, both Lee Sai Boon and Lee Chai have been the key drivers behind AME Group's accomplishments in the design and construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. They are also instrumental in the development of industrial parks undertaken by AME Group namely i-Park @ SiLC, i-Park @ Indahpura, i-Park @ SAC and i-TechValley in SiLC. Lee Sai Boon has vast experience in the workers' dormitories business, sourcing of prospective tenants and the formulation of leasing strategies whilst Lee Chai has considerable experience in overseeing of property investment including the successful leasing and tenancing of industrial properties, as well as the rental and management of workers' dormitories. Lim Yook Kim and Kang Ah Chee are responsible for the on-site operations and activities carried out by the construction and engineering division.

The experience of these directors, coupled with AME Group's capabilities, is an advantage for AME REIT, as the Manager will be able to tap on AME Group's expertise to customise and/or fit-out properties in accordance with potential tenants' requirements.

Lim Pei Shi, the Alternate Director to Chan Wai Leo has been the Marketing Director of AME Development since 2013, and was promoted to Alternate Director to Lim Yook Kim in AME in 2018. She has a vast experience in the property development operations including oversee of all stages of industrial park development, starting from feasibility study, land banking, conceptual planning, sales and marketing to management and operation of the industrial park. She is also involved in the leasing and management of industrial properties of the Sponsor. Upon listing, she will no longer oversee the 34 Subject Properties to be transferred into AME REIT.

Lee Ling Sien is the Operations Manager. She was the Marketing Manager in AME Development, and was involved in the sales and marketing functions as well as branding and promotional activities of the property development division of AME Group. She was actively involved in the customer relationship management and tenant management for the tenanted properties of AME Group. In May 2020, she was appointed as an Alternate Director to Lee Chai on the board of the Sponsor. Following her transfer as Operations Manager in the Manager on 1 May 2022, she will be responsible for the leasing and management of the 34 Subject Properties in AME REIT.

2. SUBJECT PROPERTIES (Cont'd)

Liow Jing Hong, the Finance Manager, has been with AME Construction Sdn Bhd since 2019 and had been involved in the initial public offering and due diligence exercises of AME and was responsible for various roles and group matters including the group accounts and consolidation, financial planning and reporting, corporate finance and governance, compliance and risk management, as well as investor relations. Following his transfer as Finance Manager in the Manager on 1 May 2022, he is responsible for overseeing overall accounting and financial matters of the Manager and AME REIT as well as investments and investor relations of AME REIT.

2.2.7 Rising Relevance for Workers' Dormitories

The outbreak of the COVID-19 pandemic has led to increased attention on workers' accommodation, highlighting the poor living conditions of many foreign workers in Malaysia. In December 2020, the Human Resources Minister highlighted that approximately 91.1% or 1.4 million foreign workers in the country are provided with accommodation that does not comply with Act 446.

Beginning on 1 September 2020, new rules were enforced by the Human Resource Ministry, imposing a set of minimum requirements for accommodations provided by employers. In addition, through the Safe @ Work programme implemented by the Ministry of International Trade and Industry under the Strategic Programme to Empower the People and Economy (PEMERKASA) in 2021, the Government announced a tax deduction for manufacturing and manufacturing-related service companies on rental expenses of premises used for employees' accommodation in accordance to Act 446, to be given from 1 January 2021 to 31 December 2021. The tax reduction incentive was further extended to 31 December 2022 as announced under Budget 2022.

Hence, the demand for well-managed and equipped dormitories is expected to increase as employers seek suitable workers' accommodation, including dormitories, that are properly managed and equipped with the necessary facilities to provide suitable living conditions that meet the minimum requirements and standards set out by the Human Resource Ministry.

Further, rising ESG awareness, particularly among large MNCs is driving more and more manufacturing companies to seek out accommodations that provide workers with humane and sustainable living conditions.

These developments will progressively see more industrial parks being developed with integrated purpose-built workers' accommodation, which is expected to become an important subset of the larger industrial real estate ecosystem.

According to the list of selected gated and guarded industrial parks presented in the Independent Market Research Report, it can be seen that several industrial parks developed by AME Group are among the industrial parks that include workers' accommodation as part of the park developments. The Dormitories are an integral part of AME Group's industrial parks, creating an integrated working and living community for occupants. The availability of these dedicated Dormitories increases the appeal of the parks and enhances retention of park occupants that appreciate and avail themselves to the Dormitory services, which will benefit both AME Group's parks and AME REIT's Subject Properties.

Requirement for such accommodations may see AME Group constructing more dormitories going forward, which may potentially be acquired by AME REIT for revenue growth.

AME REIT is expected to be the first Malaysian listed REIT to offer investors exposure to this property class, which is highly complementary with the rest of the portfolio, and Unitholders will be able to capitalise on the increasing relevance for workers' dormitories.

The 3 Dormitories contribute 27.3% of the Subject Properties' total Pro Forma Gross Rental Income.

2. SUBJECT PROPERTIES (Cont'd)

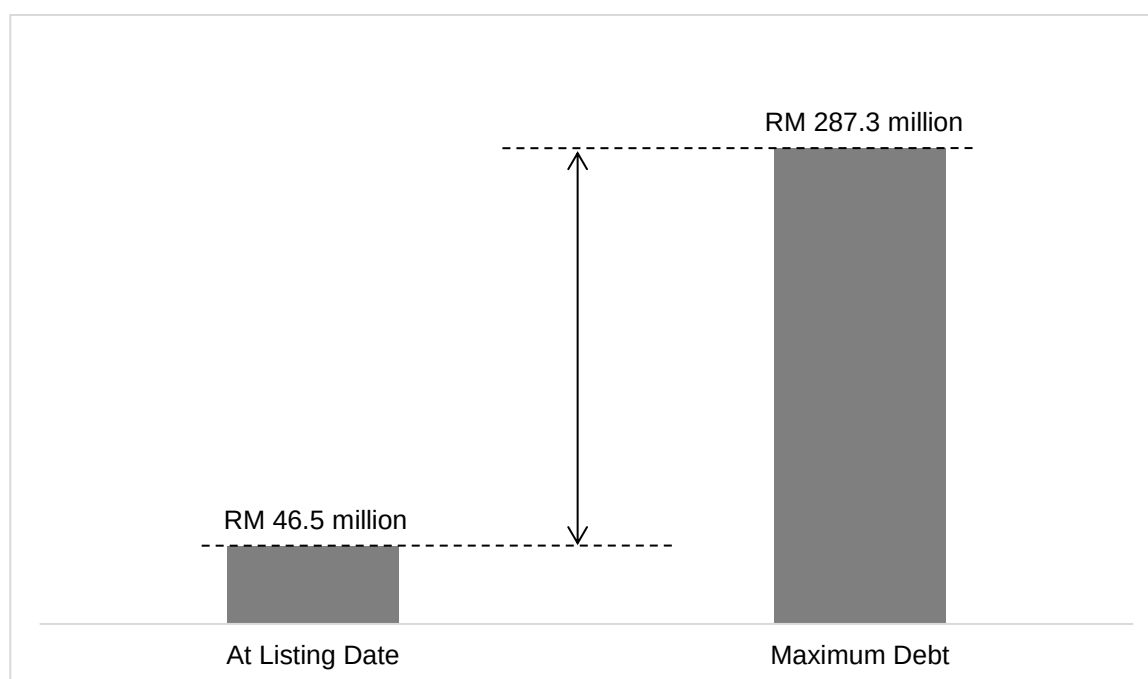
2.2.8 Prudent Capital Structure and Active Capital Management

2.2.8.1 Conservative gearing level with ample debt headroom

Upon Listing, AME REIT will have total indebtedness of RM46.5 million, representing approximately 8.1% of the estimated Total Asset Value of RM574.5 million based on AME REIT's Pro Forma Statement of Financial Position.

This is below the average debt-to-asset ratio of listed Malaysian REITs of approximately 38.7%⁽¹⁾, based on the latest available audited statements of financial position of the REITs as at the LPD.

The debt-to-asset ratio is also significantly below the prescribed limit under the REIT Guidelines of 50.0% of the total asset value of a REIT, providing AME REIT with ample debt headroom of up to approximately RM240.8 million.



This significant debt headroom provides AME REIT with the financial flexibility to capitalise on future investment opportunities.

Note:

- (1) Average debt-to-asset ratio of listed Malaysian REITs based on the latest publicly available audited financial statements, excluding KLCC Stapled Group (as it is a stapled security comprising KLCC REIT and KLCCP).

2.2.8.2 Experience in balance sheet management

The Manager's capability for capital management is underpinned by AME Group's experience, which is evident in the manner in which AME Group's statement of financial position has strengthened from a debt-to-equity ratio of 59.3% upon listing of the Sponsor on the Main Market of Bursa Securities on 14 October 2019 to 35.3% as at 31 March 2022, being the latest available quarterly report.

2.2.8.3 Active management to optimise capital structure

The Manager aims to optimise AME REIT's capital structure and cost of capital to manage borrowing cost efficiency to improve returns to Unitholders. The Manager also intends to use appropriate combinations of debt and equity to fund future acquisitions with the objective of ensuring capital efficiency.

2. SUBJECT PROPERTIES (Cont'd)

2.3 IMPACT OF COVID-19

In 2020, there was an outbreak of the infectious disease known as COVID-19 which has led to an unprecedented challenge to public health in Malaysia and globally. The World Health Organisation recognised COVID-19 as a “Public Health Emergency of International Concern” on 30 January 2020 and subsequently classified it as a “pandemic” on 11 March 2020.

To control the spread of COVID-19, the Government ordered all government and private premises to close with the imposition of a Movement Control Order pursuant to the Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulations 2020 with effect from 18 March 2020 to 3 May 2020, from 13 January 2021 to 18 February 2021 and from 12 May 2021 to 7 June 2021. The Prime Minister further announced a nationwide “total lockdown” on 28 May 2021 that was imposed on all social and economic sectors in Malaysia effective from 1 June 2021 and then further extended indefinitely until average daily cases fall below 4,000. On 15 June 2021, the Government introduced a 4-phase national recovery plan where different degrees of travel restrictions and restrictions in the operation of various economic sectors are implemented in each phase of the national recovery plan. Operations of tenants of the Subject Properties were allowed to fully resume on 25 October 2021 when Johor moved into Phase 4 of the National Recovery Plan. With the improving COVID-19 situation in the country, Malaysia transitioned into the endemic stage on 1 April 2022 and all economic sectors were allowed to open on 15 May 2022.

The economic and social disruption caused by the pandemic has impacted companies in various industries. However, as at the LPD, there were no adverse effects on the tenancies of the Subject Properties as:

- (i) the rental of the Subject Properties to existing tenants have continued without disruption;
- (ii) there was no rental reduction granted for any of the Subject Properties;
- (iii) while there were 3 early termination of tenancies during the period after March 2020 up to the LPD, 1 early termination of tenancy was due to the tenant moving to another Industrial Property to cater for their business expansion. The vacancy was replaced with a new tenancy with 13 days void period. The remaining 2 early termination were replaced with new tenancies with only 1 day void period recorded for 1 property;
- (iv) there were 9 new tenancies secured from third party tenants (not including I Stay’s rental of a Dormitory) after March 2020 up to the LPD;
- (v) there were 7 tenancy renewals secured after March 2020 up to the LPD.

In order to ease the burden of some tenants, the deferment of payment of rentals was granted and fully settled within the agreed period as follows:

No.	No. of Subject Properties	No. of tenants	Rental Period	Deferment Period	Status as at 30 June 2022
1.	7	5	April/May 2020	3 months	Fully paid
2.	4	3	April and May 2020	2 to 6 months	Fully paid
3.	1	1	July to first half September 2021	4 months	Fully paid
4.	1	1	November and December 2021	1 to 2 months	Fully paid
5.	1	1	February to July 2022	2 to 3 months	Fully paid for February, March and April 2022 as scheduled with remaining rental for May, June and July 2022 not due yet
6.	1	1	April and May 2022	1 to 2 months	Fully paid

2. SUBJECT PROPERTIES (Cont'd)

Apart from the above, there were no rebates granted nor any requests made for early termination of tenancies arising from the COVID-19 pandemic, and all of the tenants have continued to honour their respective rental payment obligations.

2.4 ACQUISITION OF THE SUBJECT PROPERTIES

On 19 July 2022, the Trustee had on behalf of AME REIT, entered into the SPAs with the Vendors for the Acquisitions for a total purchase consideration of RM557.0 million to be satisfied by:

- (i) issuance of 520,000,000 Consideration Units at an issue price of RM1.00 per unit, to be credited as fully paid-up; and
- (ii) cash consideration of RM37.0 million raised from the partial drawdown of the Financing Facilities.

Details of the purchase consideration and mode of satisfaction of the purchase consideration to be paid to the Vendors respectively for the Acquisitions are as follows:

Vendors	Subject Properties	Appraised Value/ Consideration ⁽¹⁾ (RM'000)	To be satisfied by	
			Consideration Units ⁽²⁾ (RM'000)	Cash Consideration ⁽³⁾ (RM'000)
Active Gold	Plot 66 Indahpura	17,000	-	17,000
Sub-total		17,000	-	17,000
AME Development	FZW SAC	38,000	38,000	-
AME Development	SAC Dorm	45,000	45,000	-
AME Development	Plot 17 Dorm Indahpura	45,000	45,000	-
AME Development	Plot 13 Dorm Indahpura	45,000	45,000	-
AME Development	Plot 7 Indahpura	14,000	14,000	-
AME Development	Plot 8 Indahpura	14,000	14,000	-
AME Development	Plot 14 Indahpura	21,000	21,000	-
AME Development	Plot 20 Indahpura	7,000	7,000	-
AME Development	Plot 21 Indahpura	7,000	7,000	-
AME Development	Plot 36 Indahpura	7,000	7,000	-
AME Development	Plot 65 Indahpura	7,000	7,000	-
AME Development	Plot 69 Indahpura	17,000	17,000	-
AME Development	Plot 120 Indahpura	7,000	7,000	-
AME Development	Plot 3 SiLC and Plot 4 SiLC	6,500	6,500	-
AME Development	Plot 3 District 6 ⁽⁴⁾ and Plot 4 District 6 ⁽⁵⁾	24,000	24,000	-
Sub-total		304,500	304,500	-

2. SUBJECT PROPERTIES (Cont'd)

Vendors	Subject Properties	Appraised Value/ Consideration ⁽¹⁾ (RM'000)	To be satisfied by	
			Consideration Units ⁽²⁾ (RM'000)	Cash Consideration ⁽³⁾ (RM'000)
Ipark Development	Plot 5 SAC	8,000	8,000	-
Ipark Development	Plot 6 SAC	7,000	7,000	-
Ipark Development	Plot 9 SAC	8,000	8,000	-
Ipark Development	Plot 16 SAC	14,000	14,000	-
Ipark Development	Plot 17 SAC	14,000	14,000	-
Ipark Development	Plot 18 & 19 SAC	47,000	47,000	-
Ipark Development	Plot 1A1 SAC	17,000	17,000	-
Ipark Development	Plot 1B1 SAC	17,000	17,000	-
Ipark Development	Plot 1C2 SAC	23,000	23,000	-
Ipark Development	Plot 20 SAC	14,000	14,000	-
Ipark Development	Plot 21 SAC	14,000	14,000	-
Ipark Development	Plot 30 SAC	8,000	8,000	-
Ipark Development	Plot 32 SAC	21,000	21,000	-
Sub-total		212,000	212,000	-
LKL Industries	Plot 18 Indahpura	7,000	-	7,000
LKL Industries	Plot 6 SiLC	3,500	3,500	-
Sub-total		10,500	3,500	7,000
Twin Sunrich	Plot 6 District 6	13,000	-	13,000
Sub-total		13,000	-	13,000
Total		557,000	520,000	37,000

Notes:

- (1) The market value of the Subject Properties was appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently on 7 February 2022.
- (2) The RM equivalent of the number of Consideration Units to be issued at the issue price of RM1.00 per Consideration Unit.
- (3) Cash consideration to be funded from the partial drawdown of the Financing Facilities.
- (4) AME Development is the beneficial owner of this Subject Property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 30 March 2015 between Symphony Square and AME Development.
- (5) AME Development is the beneficial owner of this property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 31 May 2016 between Twin Sunrich and AME Development.

2. SUBJECT PROPERTIES (Cont'd)

2.5 VALUATION POLICIES

Independent professional valuation will be obtained at least once every financial year in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary. All valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines. The Manager has engaged the Independent Property Valuer to carry out valuation for the Subject Properties as at 2 August 2021 and subsequently on 7 February 2022.

Please refer to the Valuation Certificates set out in Appendix A “Valuation Certificates” of this Prospectus, which is to be read together with the full valuation reports for the Subject Properties. Copies of the full valuation reports will be made available for inspection at the registered office of the Manager at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, for a period of 12 months from the date of this Prospectus.

2.6 INDEPENDENT MARKET RESEARCH REPORT

The Manager has engaged the Independent Market Researcher to prepare an Independent Market Research Report which described the real estate markets in which AME REIT operates and the outlook for those markets. Please refer to Appendix B “Independent Market Research Report” of this Prospectus for further details.

2.7 TENANCY/LEASE MANAGEMENT

The tenancy/lease agreements for the Subject Properties include terms and conditions relating to the rental rate, term of tenancy/lease, provision of security deposit as well as renewal and termination of tenancy/lease. These terms and conditions are varied and negotiated on a case-by-case basis to accommodate the specific needs of tenants and the landlord.

Tenants are required to provide a security deposit ranging from 2 to 6 months of monthly rental as security for due observance and performance by tenants of their tenancy/lease agreements. Unless otherwise agreed by the landlord, all tenants are also required to provide utility deposits. Security deposits are held on an unsecured basis and do not bear interest on the tenant's behalf. Rent and other tenancy-related charges are payable on a monthly basis.

Save for tenants of 7 of the Subject Properties, all tenants are also required to pay the gated development service deposit of typically 6 months of service charges to the developer of the Subject Properties for amongst others, the erection of guardhouse with boom gate and fencing, installation of CCTV monitoring system, provision of security personnel and general maintenance. The tenancy and lease agreements entered into range from 2 years to 12 years terms. The landlord may grant the tenant an option to renew the tenancy agreement upon expiry of the term. The tenant's right to exercise the option to renew is typically subject, among others, to the following:

- (i) the tenant shall make a written request to the landlord of its intention to renew the tenancy agreement no later than 2 months or 3 months or 6 months before the expiration of the term of the tenancy/lease;
- (ii) the tenant shall be in compliance with all covenants, obligations and responsibilities under the tenancy/lease agreement;
- (iii) the tenant shall make payment of the increased security deposit, utility deposit or any other deposit or charges, if applicable; and
- (iv) execute a new or supplementary tenancy agreement between the landlord and the tenant based on terms and conditions to be agreed by the parties.

In the event the tenant terminates the tenancy/lease agreements prior to the expiry dates, the landlord may forfeit the deposits paid by the tenant, and the tenant is required to pay to the landlord liquidated and ascertained damages equivalent to the remainder of the monthly rent for the whole unexpired period of the term in addition to other damages and arrears that may be applicable for the breaches under the tenancy/lease agreement. The tenant shall also at its own cost and expense redeliver vacant possession of the Subject Property to the landlord.

2. SUBJECT PROPERTIES (Cont'd)

In relation to the tenancy agreements entered into in respect of SAC Dorm, Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura please refer to Section 12.2.2 of the Prospectus for the respective salient terms of these tenancy agreements.

2.8 INSURANCE

The Subject Properties are currently insured under property and liability insurance policies, with coverage features and insured limits that are in line with industry practice in Malaysia. The coverage of these insurance policies includes property loss or damage caused by fire and special perils and consequential losses from fire and special perils. There are no significant or unusual excess or deductible amounts required under these policies. There are, however, certain risks that are not covered by such insurance policies pursuant to typical exclusions such as war, acts of terrorism and radioactive or nuclear risks. The insurance policies will be endorsed in favour of the Trustee effective from the Completion Date of the SPAs.

The Manager intends for takaful coverage for the Subject Properties to commence upon Acquisitions and if not, the conventional insurance policies set out above shall be only used until their expiry. Once expired, the Manager shall procure takaful for the Subject Properties unless such coverage is unavailable or not commercially viable subject to prior approval by the Shariah Adviser.

2.9 FIRE PROTECTION

Each of the Subject Properties is equipped with a fire protection system. Save for FZW SAC, the management of risk of fire incidences is the responsibility of the respective tenants of the Subject Properties, who will also be undertaking the responsibility to ensure compliance with the relevant fire safety requirements. Similarly, respective tenants except for FZW SAC are responsible to maintain and manage the fire protection system for each of the Subject Properties. In respect of FZW SAC, a third party has been contracted to maintain the fire protection system.

2.10 CAPITAL EXPENDITURE AND ASSET ENHANCEMENT INITIATIVES

Capital expenditure activities such as upgrading, renovating and refurbishment programme in respect of the Subject Properties will be conducted as and when appropriate and feasible, from time to time, to ensure that the Subject Properties remain competitive in terms of attracting and/or retaining new tenants.

These capital expenditures may include asset enhancement initiatives such as building expansion and the incorporation of ESG elements, such as the installation of resource-efficient fittings and equipment.

2.11 LEGAL PROCEEDINGS

As at the LPD, the Subject Properties and the Manager are not involved in any material litigation, and to the best of the Manager's knowledge, no material litigation is currently contemplated or threatened in relation to the Subject Properties or the Manager.

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2. SUBJECT PROPERTIES (Cont'd)

2.12 DETAILS OF THE SUBJECT PROPERTIES

(a) SAC Subject Properties

Plot Name	Plot 5 SAC	Plot 6 SAC	Plot 9 SAC	Plot 16 SAC
Vendor	lpark Development	lpark Development	lpark Development	lpark Development
Title detail	H.S.(D) 580789, PTD 196174, Mukim Tebrau, Johor Bahru, Johor	H.S.(D) 580788, PTD 196173, Mukim Tebrau, Johor Bahru, Johor	H.S.(D) 580795, PTD 196180, Mukim Tebrau, Johor Bahru, Johor	H.S.(D) 75859, PTD 112746, Mukim Senai, Kulai, Johor
Postal address	No.7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold	Freehold
Description/Category of land use	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted to Polycore Optical (Malaysia) Sdn Bhd (since 13 June 2018) for the manufacturing and warehousing of ophthalmic lenses and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to Federal Express Services (M) Sdn Bhd (since 27 September 2018) for the processing, logistics and parcel distribution and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to PPC Moulding Services (Malaysia) Sdn Bhd (since 1 January 2020) for the manufacturing of silicone and plastic injection moulded parts, assembling components for medical device industry and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted to Mytech & Assembly Sdn Bhd (since 8 January 2019) for the manufacturing and assembly of electronic part, plastic and brush making and related activities <u>Category of land use:</u> Industrial
NLA (sq ft)	31,202	28,809	31,202	58,074
Approximate age of building as at the LPD	4 years	3 years, 7 months	4 years	3 years, 5 months
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	8,000	7,000	8,000	14,000
Encumbrances/Restriction in interest/Express Conditions	(1)	(2)	(3)	(4)

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 17 SAC	Plot 18 & 19 SAC	Plot 1A1 SAC	Plot 1B1 SAC
Vendor	Ipark Development	Ipark Development	Ipark Development	Ipark Development
Title detail	H.S.(D) 75860, PTD 112747, Mukim Senai, Kulai, Johor	H.S.(D) 76888, PTD 112829, Mukim Senai, Kulai, Johor	H.S.(D) 596298, PTD 203569, Mukim Tebrau, Johor Bahru, Johor	H.S.(D) 604384, PTD 204026, Mukim Tebrau, Johor Bahru, Johor
Postal address	No.21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold	Freehold
Description/Category of land use	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted to Mytech & Assembly Sdn Bhd (since 31 October 2018) for the manufacturing and assembly of electronic part, plastic and brush making and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to Dyson Manufacturing Sdn Bhd (since 1 April 2019) for the manufacturing of technology components and related products <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to Lyreco Office Supplies (Malaysia) Sdn Bhd (since 16 January 2019) for the processing and distribution centre of office supplies and workplace products and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings with parking lot currently leased to DHL Express (Malaysia) Sdn Bhd (since 23 May 2019) for the processing, logistics cum parcel distribution and related activities <u>Category of land use:</u> Industrial
NLA (sq ft)	58,074	129,275	71,486	81,969
Approximate age of building as at the LPD	3 years, 7 months	2 years, 10 months	3 years, 5 months	3 years, 1 month
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	14,000	47,000	17,000	17,000
Encumbrances/ Restriction in interest/ Express Conditions	(5)	(6)	(7)	(8)

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 1C2 SAC	Plot 20 SAC	Plot 21 SAC	Plot 30 SAC
Vendor	Ipark Development	Ipark Development	Ipark Development	Ipark Development
Title detail	H.S.(D) 587217, PTD 198653, Mukim Tebrau, Johor Bahru, Johor	H.S.(D) 75867, PTD 112754, Mukim Senai, Kulai, Johor	H.S.(D) 75866, PTD 112753, Mukim Senai, Kulai, Johor	H.S.(D) 75873, PTD 112760, Mukim Senai, Kulai, Johor
Postal address	No.66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No.40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
Tenure/ Expiry of lease	Freehold	Freehold	Freehold	Freehold
Description/Category of land use	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to AAC Technologies (Malaysia) Sdn Bhd (since 14 January 2021) for the manufacturing, research and development of engineering and technology relating to smart phones and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to TEK Automotive Malaysia Sdn Bhd (since 19 April 2018) for the manufacturing of parts and accessories for motor vehicles and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted by Weidmuller (Malaysia) Sdn Bhd (since 1 July 2019) for the manufacturing of connecting devices, electronic components and enclosures and related activities <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased by Hochuen Medical Sdn Bhd (since 1 March 2021) for the manufacturing and supply of medical and dental instruments and supplies and related activities <u>Category of land use:</u> Industrial
NLA (sq ft)	72,177	58,074	58,074	31,424
Approximate age of building as at the LPD	1 year, 5 months	4 years	3 years	1 year, 6 months
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	23,000	14,000	14,000	8,000
Encumbrances/ Restriction in interest/ Express Conditions	(9)	(10)	(11)	(12)

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 32 SAC	FZW SAC	SAC Dorm
Vendor	Ipark Development	AME Development	AME Development
Title detail	H.S.(D) 77659, PTD 112781, Mukim Senai, Kulai, Johor	H.S.(D) 569755, PTD 195470, Mukim Tebrau, Johor Bahru, Johor	H.S.(D) 75887, PTD 112778, Mukim Senai, Kulai, Johor
Postal address	No.48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 81400 Senai, Johor	No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor	No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold
Description/Category of land use	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to a Malaysian subsidiary of a foreign multinational electronics manufacturing services company (since 1 April 2021) <u>Category of land use:</u> Industrial	A single storey detached warehouse together with an office annex and other ancillary buildings located in the Free Industrial Zone facility within SAC and currently leased as a warehouse facility to the following: (i) Plot A: GWIP Sdn Bhd (since 28 April 2022) which is involved in the packaging, assembly, warehousing and related activities; (ii) Plot B: Agility Logistics Sdn Bhd (since 13 November 2020) which is involved in the warehousing and related activities; and	5 blocks of 5-storey walk-up workers' dormitory, a 2-storey shop and other ancillary buildings currently tenanted to I Stay (since 1 April 2019), which is involved in the business of letting out the dormitory to third parties <u>Category of land use:</u> Building

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 32 SAC	FZW SAC	SAC Dorm
		(iii) Plot C: GN Resound Malaysia Sdn Bhd (since 8 July 2020) which is involved in the distribution and packaging of medical devices. <u>Category of land use:</u> Industrial	
NLA (sq ft) for Industrial Properties/Bed capacity for Dormitories	100,367	129,818	1,828 beds*
Approximate age of building as at the LPD	1 year, 3 months	1 year, 11 months	Phase 1 (3 years, 3 months) Phase 2 (3 years)
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	21,000	38,000	45,000
Encumbrances/ Restriction in interest/ Express Conditions	(13)	(14)	(15)

Note:

(*) The bed capacity as stipulated in the Certificate for Accommodation issued by the Department of Labour of Peninsular Malaysia to I Stay, the master lessee.

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2. SUBJECT PROPERTIES (Cont'd)

Notes:

	Encumbrances	Restriction in interest	Express Conditions
1	Land charged to RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
2	Land charged to RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
3	1. Land charged to RHB Islamic Bank Berhad 2. Land leased to PPC Moulding Services (Malaysia) Sdn Bhd for 6 years from 16 January 2020	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
4	Land charged to RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
5	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
6	1. Land charged in favour of Hong Leong Islamic Bank Berhad 2. Land partially leased to Tenaga Nasional Berhad for 30 years from 30 June 2019	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
7	Land charged in favour of Ambank (M) Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
8	Land charged in favour of Ambank (M) Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
9	Nil	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
10	Land charged in favour of Ambank (M) Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
11	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	1. The land is to be used as an industrial area for medium-sized industries as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
12	Land charged in favour of RHB Islamic Bank Berhad	1. This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan. 2. Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 20 January 2021.	1. The land is to be used as an industrial area for medium-sized industries as industry lots as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
13	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used as an industrial area for medium-sized industries as industry lots as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
14	Land charged to Ambank Islamic Berhad	Nil	1. The land is to be used as medium-sized industrial area for the business of cargo lots and logistics and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
15	Land charged to Hong Leong Islamic Bank Berhad	This land shall not be transferred to foreigner/ foreign company except with the permission of the State Authority	1. This land is to be used to build a workers' dormitory in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

(b) Indahpura Subject Properties

Plot Name	Plot 7 Indahpura	Plot 8 Indahpura	Plot 14 Indahpura	Plot 18 Indahpura
Vendor	AME Development	AME Development	AME Development	LKL Industries
Title detail	GRN 580233, Lot 98828, Mukim Kulai, Kulai, Johor	GRN 580232, Lot 98827, Mukim Kulai, Kulai, Johor	GRN 580207, Lot 98834, Mukim Kulai, Kulai, Johor	GRN 580211, Lot 98840, Mukim Kulai, Kulai, Johor
Postal address	No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No.12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold	Freehold
Description/Category of land use	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted to GN Resound (Malaysia) Sdn Bhd (since 30 June 2014) for the manufacturing of hearing aid devices and related activities and office <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to Heraeus Materials Malaysia Sdn Bhd (since 8 October 2013) for the manufacturing of contact materials and related activities and office <u>Category of land use:</u> Industrial	A single storey detached factory with ancillary buildings currently leased to Bericap Malaysia Sdn Bhd (since 17 Jan 2022) which is involved in the manufacturing of plastic closures and general wholesale trade and its related activities and office <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted by HID Global Sdn Bhd (since 21 October 2016) for the manufacturing of RFID transponders and related activities and warehousing <u>Category of land use:</u> Industrial
NLA (sq ft)	55,365	55,365	89,169	27,521
Approximate age of building as at the LPD	8 years, 8 months	8 years, 8 months	5 months	8 years, 3 months
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	14,000	14,000	21,000	7,000
Encumbrances/ Restriction in interest/ Express Conditions	(1)	(2)	(3)	(4)

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 20 Indahpura	Plot 21 Indahpura	Plot 36 Indahpura	Plot 65 Indahpura
Vendor	AME Development	AME Development	AME Development	AME Development
Title detail	GRN 580213, Lot 98842, Mukim Kulai, Kulai, Johor	GRN 580214, Lot 98843, Mukim Kulai, Kulai, Johor	GRN 580180, Lot 98856, Mukim Kulai, Kulai, Johor	H.S.(D) 63620, PTD 107695, Mukim Kulai, Kulai, Johor
Postal address	No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold	Freehold
Description/Category of land use	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to Cam Plas (Johor) Sdn Bhd (since 1 July 2017) for the manufacturing of precision plastics injection, moulding, tooling and related activities and office <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to Nippon Kinzoku (Malaysia) Sdn Bhd (since 12 July 2013) for the cutting of stainless steel and related activities and office <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to Samwoo Colorants (Malaysia) Sdn Bhd (since 1 January 2021) for the manufacturing of colour masterbatches and compounding for plastic applications and related activities and office <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted to W & S Plastics (Malaysia) Sdn Bhd (since 1 June 2016) for the use of plastic moulding and assembly and related activities and office <u>Category of land use:</u> Industrial
NLA (sq ft)	27,521	26,977	27,521	27,980
Approximate age of building as at the LPD	9 years, 7 months	8 years, 11 months	8 years, 3 months	6 years, 5 months
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	7,000	7,000	7,000	7,000
Encumbrances/Restriction in interest/Express Conditions	(5)	(6)	(7)	(8)

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 66 Indahpura	Plot 69 Indahpura	Plot 120 Indahpura	Plot 17 Dorm Indahpura
Vendor	Active Gold	AME Development	AME Development	AME Development
Title detail	H.S.(D) 63619, PTD 107694, Mukim Kulai, Kulai, Johor	H.S.(D) 63622, PTD 107697, Mukim Kulai, Kulai, Johor	GRN 601912, Lot 101709, Mukim Kulai, Kulai, Johor	GRN 580210, Lot 98837, Mukim Kulai, Kulai, Johor
Postal address	No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor	PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park Bandar Indahpura, 81000 Kulai, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold	Freehold
Description/Category of land use	A single storey detached factory with mezzanine office and other ancillary buildings currently leased to HQPack Sdn Bhd (since 24 May 2022) for the manufacturing and distribution of high technology packaging and its related activities. <u>Category of land use:</u> Industrial	A single storey detached factory with mezzanine office and other ancillary buildings currently tenanted to Merlin Entertainments Studios (Malaysia) Sdn Bhd (since 15 November 2017) for the manufacturing of toys and warehousing <u>Category of land use:</u> Industrial	A single storey detached factory currently leased to W&S Plastics (Malaysia) Sdn Bhd (since 1 April 2022) for the use of plastic moulding and assembly and related activities and office <u>Category of land use:</u> Industrial	5 blocks of 5-storey walk-up workers' dormitory and other ancillary buildings currently tenanted to I Stay (since 1 June 2014) which is involved in the business of letting out the dormitory to third parties <u>Category of land use:</u> Building
NLA (sq ft) for Industrial Properties/Bed capacity for Dormitories	67,639	61,135	32,186	2,290 beds*
Approximate age of building as at the LPD	7 years, 1 month	5 years, 5 months	4 years, 10 months	Phase 1 (8 years, 5 months) Phase 2 (7 years, 2 months)
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	17,000	17,000	7,000	45,000
Encumbrances/Restriction in interest/Express Conditions	(9)	(10)	(11)	(12)

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 13 Dorm Indahpura
Vendor	AME Development
Title detail	GRN 580206, Lot 98833, Mukim Kulai, Kulai, Johor
Postal address	No. 11, Jalan Seroja 2, Bandar Indahpura, 81000 Kulai, Johor
Tenure/Expiry of lease	Freehold
Description/Category of land use	2 blocks of 5-storey walk-up workers' dormitory, a 2-storey facilities block and other ancillary buildings tenanted (effective from 15 July 2022) currently to I Stay which is involved in the business of letting out the dormitory to third parties <u>Category of land use:</u> Building
Bed capacity for Dormitories	2,272 beds [#]
Approximate age of building as at the LPD	CCC has been obtained on 5 July 2022
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	45,000
Encumbrances/ Restriction in interest/ Express Conditions	(13)

Notes:

(*) The bed capacity as stipulated in the Certificate for Accommodation issued by the Department of Labour of Peninsular Malaysia to I Stay, the master lessee.

([#]) The bed capacity is an estimated number by I Stay, the master lessee, pending issuance of the Certificate for Accommodation by the Department of Labour of Peninsular Malaysia.

2. SUBJECT PROPERTIES (Cont'd)

Notes:

	Encumbrances	Restriction in interest	Express Conditions
1	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
2	1. Land charged in favour of OCBC Bank (Malaysia) Berhad 2. Land leased to Heraeus Materials Malaysia Sdn Bhd for 5 years from 8 October 2018	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
3	Nil	1. This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 9 August 2017.	1. The land is to be used for factories for light enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
4	Land charged in favour of Public Bank Berhad	Nil	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
5	Land charged in favour of Ambank Islamic Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
6	Nil	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
7	Nil	1. This land shall not be transferred in any way unless the construction of industrial building has commenced in accordance with the plan approved by the relevant local authority. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 1 October 2014.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
8	1. Land charged in favour of Affin Islamic Bank Berhad. 2. Land partially leased to Tenaga Nasional Berhad for 30 years from 9 January 2017.	1. This land shall not be transferred in any way unless the construction of industrial building has commenced in accordance with the plan approved by the relevant local authority. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 22 May 2014.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
9	Land charged in favour of Public Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
10	Nil	1. This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 22 May 2014.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
11	Land charged in favour of Affin Islamic Bank Berhad.	The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 14 December 2016.	1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
12.	Land charged in favour of Amislamic Bank Berhad	This land shall not be sold or transferred in any way to non - citizens/foreign companies without the consent of the state authorities.	1. This land shall be used for an employee hostel building constructed according to the plan approved by the local authority. 2. All impurities and pollution due to these activities must be channeled to a place that has been determined by the local authority concerned. 3. All policies and conditions that have been set and enforced from time to time by the relevant authorities are complied with.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
13	Land charged in favour of Hong Leong Islamic Bank Berhad	1. The landowner shall not auction or sell the units of the building on this land unless it is built in accordance with the plan approved by the authorities. 2. The units within the building erected on this land when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. 3. The units within the building erected on this land shall not be sold or transferred in any way to non - citizens/foreign companies without the consent of the state authorities. 4. The building to be registered as a workers' hostel shall not be further subdivided into strata titles.	1. The land is to be used for multi-storey building as a workers' hostel built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

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2. SUBJECT PROPERTIES (Cont'd)

(c) SiLC Subject Properties

Plot Name	Plot 3 SiLC	Plot 4 SiLC	Plot 6 SiLC
Vendor	AME Development	AME Development	LKL Industries
Title detail	H.S.(D) 516443, PTD 7376, Mukim Jelutong, Johor Bahru, Johor	H.S.(D) 516444, Lot PTD 7377, Mukim Jelutong, Johor Bahru, Johor	H.S.(D) 516446, Lot PTD 7379, Mukim Jelutong, Johor Bahru, Johor
Postal address	No. 6, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor	No. 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor	No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold
Description/Category of land use	2 adjoining units of 1 ½ storey semi-detached factory currently leased to Lightpack Food Industries Sdn Bhd (since 1 August 2013) for the manufacturing of biscuits and cookies and related activities and office <u>Category of land use:</u> Industrial		1½ storey semi-detached factory currently tenanted to Lightpack Food Industries Sdn Bhd (since 1 October 2014) for the manufacturing of biscuits and cookies and related activities and office <u>Category of land use:</u> Industrial
NLA (sq ft)	24,319		12,785
Approximate age of building as at the LPD	9 years, 1 month		9 years, 1 month
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	6,500		3,500
Encumbrances/ Restriction in interest/ Express Conditions	(1)	(2)	(3)

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Plot 3 District 6	Plot 4 District 6	Plot 6 District 6
Vendor	AME Development	AME Development	Twin Sunrich
Title detail	H.S.(D) 535650, PTD 7669, Mukim Jelutong, Johor Bahru, Johor	H.S.(D) 535652, PTD 7670, Mukim Jelutong, Johor Bahru, Johor	H.S.(D) 535654, PTD 7672, Mukim Jelutong, Johor Bahru, Johor
Postal address	No. 23, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor	No. 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor	No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Tenure/Expiry of lease	Freehold	Freehold	Freehold
Description/Category of land use	2 contiguous units of single storey detached factory with 3-storey office and other ancillary buildings currently leased to Westrock Coffee & Tea Malaysia Sdn Bhd (since 21 January 2021) for the manufacturing and production of coffee, tea and coffee liquid extracts and related activities <u>Category of land use:</u> Industrial		A single storey detached factory with 3-storey office and other ancillary buildings currently tenanted to Ametalin Sdn Bhd (since 1 February 2016) for the manufacturing of thermal insulation products, building wraps, specialty laminates and packaging materials and related activities <u>Category of land use:</u> Industrial
NLA (sq ft)	92,202		45,984
Approximate age of building as at the LPD	7 years	6 years, 9 months	6 years, 9 months
Appraised Value as at 7 February 2022/Purchase Consideration (RM'000)	24,000		13,000
Encumbrances/ Restriction in interest/ Express Conditions	(4)	(5)	(6)

2. SUBJECT PROPERTIES (Cont'd)

Notes:

	Encumbrances	Restriction in interest	Express Conditions
1	Land charged to Ambank Islamic Berhad	Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/ non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 20 February 2014.	1. The land is to be used as a twin industrial area for light industries and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
2	Land charged to Ambank Islamic Berhad	Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/ non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 20 February 2014.	1. The land is to be used as a twin industrial area for light industries and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
3	Land charged to Public Bank Berhad	Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/ non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 31 December 2013.	1. The land is to be used as a twin industrial area for light industries and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
4	Land leased to Westrock Coffee & Tea Malaysia Sdn Bhd for 5 years and 2 months from 21 January 2021	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
5	1. Land partially leased to Tenaga Nasional Berhad for 30 years from 11 November 2015 2. Land leased to Westrock Coffee & Tea Malaysia Sdn Bhd for 5 years and 2 months from 21 January 2021	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
6	1. Land charged to Ambank Islamic Berhad 2. Land partially leased to Tenaga Nasional Berhad for 30 years from 3 February 2017	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

3. DETAILS OF OFFERING

3.1 INTRODUCTION

The SC granted its approval for the Offering on 24 March 2022. The approval of the SC shall not be taken to indicate that the SC recommends the Offering. Investors should rely on their own evaluation to assess the merits and risks of the Offering and their investment in AME REIT. In considering the investment, if investors are in any doubt as to the action to be taken, they should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Securities' approval for the admission of all the Units to be issued to the Official List of the Main Market and for the listing of and quotation for all the said Units was obtained on 2 June 2022. All the Units will be admitted to the Official List of the Main Market and official quotation will commence after receipt of confirmation from Bursa Depository that all the Units have been credited into the respective CDS Account of the Vendors and/or their nominees (pursuant to the Acquisitions) and the successful applicants and the notices of allotment of the Units have been despatched to the said parties. Admission to the Official List of the Main Market shall not be taken as an indication of the merits of AME REIT, the Units, or the Offering.

Pursuant to Section 14(1) of the SICDA, Bursa Securities will prescribe the Units as a prescribed security. Consequently, the Units will be deposited directly with Bursa Depository. Any dealings in the Units will be carried out in accordance with the Deed, the SICDA and the Rules of Bursa Depository. Unit certificates will not be issued to successful applicants.

Pursuant to the Listing Requirements, at least 25.0% of the total number of Units in issue must be held by a minimum number of 1,000 public Unitholders holding not less than 100 Units each upon completion of the Offering and at the point of Listing or such other minimum public unitholding spread requirement at the point of Listing ("**Public Spread Requirement**"). The Manager expects to achieve the Public Spread Requirement at the point of Listing.

In the event AME REIT does not achieve the Public Spread Requirement pursuant to the Offering, AME REIT may not be allowed to proceed with the Listing. In this event, monies paid in respect of all applications will be returned in full without interest.

3.2 TOTAL UNITS TO BE ISSUED

The details of the Units to be issued are as follows:

	Minimum Scenario ⁽¹⁾		Maximum Scenario ⁽¹⁾	
	No. of Units (^{'000})	(%) ⁽²⁾	No. of Units (^{'000})	(%) ⁽²⁾
Consideration Units to be issued to the Vendors as part payment for the Acquisitions	520,000	100.0	520,000	100.0
Total Units issued upon Listing	520,000	100.0	520,000	100.0
Retail Offering	146,335	28.1	174,809	33.6
Institutional Offering	108,465	20.9	79,991	15.4

3. DETAILS OF OFFERING (Cont'd)

Notes:

- (1) *The minimum and maximum number of Units to be offered and distributed under the Offering are illustrated based on AME's outstanding securities as at LPD:*

Minimum Scenario : *Based on the number of issued AME Shares of 640,672,649, assuming no exercise of outstanding 142,371,453 Warrants 2021/2026*

Maximum Scenario : *Based on the number of issued AME Shares of 783,044,102, assuming full exercise of outstanding 142,371,453 Warrants 2021/2026*

- (2) *Based on the total issued Units of 520 million.*

There is only one class of units in AME REIT. The Units to be offered, provided that full application monies are paid in full, will rank *pari passu* in all respects with each other and will be entitled to all distributions that may be declared subsequent to the Listing.

3.3 PURPOSE OF THE OFFERING

The purpose of the Offering is as follows:

- (i) to provide the shareholders of AME an opportunity to participate in AME REIT directly through subscription of their entitlements as well as an opportunity to benefit from the potential future upside and envisaged growth of AME REIT;
- (ii) to obtain a listing of and quotation for the Units on the Main Market to enhance liquidity as compared to the illiquid nature of the underlying Subject Properties;
- (iii) to gain access to capital markets in order to raise funds for future real estate acquisitions; and
- (iv) to provide investors an opportunity to invest in a REIT which provides stable distribution of income and potential capital appreciation on investment in the Units.

3.4 DETAILS OF THE OFFERING

The Offering comprises the following:

- (i) Retail Offering of up to 174,808,820 Units, representing 33.6% of the total Units to be issued upon Listing; and
- (ii) Institutional Offering of at least 79,991,180 Units, representing 15.4% of the total Units to be issued upon Listing.

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3. DETAILS OF OFFERING (Cont'd)

The Retail Offering and the Institutional Offering will be allocated in the manner set out below (subject to provisions for Clawback and Reallocation described in Section 3.4.3):

Categories	Minimum Scenario		Maximum Scenario	
	No. of Units (‘000)	% of total Units	No. of Units (‘000)	% of total Units
Retail Offering:				
Entitled AME Shareholders	128,135	24.6	156,609	30.1
Eligible Directors and Employees	7,800	1.5	7,800	1.5
Malaysian Public via balloting				
- Bumiputera	5,200	1.0	5,200	1.0
- Non-Bumiputera	5,200	1.0	5,200	1.0
Sub-total	146,335	28.1	174,809	33.6
Institutional Offering:				
Bumiputera investors approved by MITI	65,000	12.5	65,000	12.5
Other Malaysian institutional investors and selected investors	43,465	8.4	14,991	2.9
Sub-total	108,465	20.9	79,991	15.4
Total	254,800	49.0	254,800	49.0

The offerors for the Offering are AME Development, Ipark Development and LKL Industries, subsidiaries of the Sponsor (“**Selling Subsidiaries**”).

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3. DETAILS OF OFFERING (Cont'd)

3.4.1 Retail Offering

The Retail Offering of up to 174,808,820 Offer Units, representing up to approximately 33.6% of the total Offer Units to be issued upon Listing, subject to the Clawback and Reallocation provisions, consists of the following:

- (i) Non-renounceable offer for sale of up to 156,608,820 ROFS Units to the Entitled AME Shareholders on the basis of 1 ROFS Unit for every 5 AME Shares on the Entitlement Date ("**ROFS**");
- (ii) 7,800,000 Offer Units, representing 1.5% of the total Units to be issued upon Listing to the Eligible Directors and Employees ("**Restricted Pink Form Offering**"); and
- (iii) 10,400,000 Offer Units, representing 2.0% of the total Units to be issued upon Listing, for application by the Malaysian Public of which 5,200,000 Units are reserved for application by the Bumiputera public ("**Public Offering**");

at the Retail Price of RM[●] per Offer Unit, payable in full upon application and subject to refund of the difference between the Retail Price and the Final Retail Price, in the event that the Final Retail Price is less than the Retail Price.

3.4.1.1 Allocation to the Entitled AME Shareholders under the ROFS

(i) Number and basis of allocation

Up to 156,608,820 ROFS Units are reserved for application by the Entitled AME Shareholders at the Retail Price. Each Entitled AME Shareholder will be guaranteed an allocation on the basis of 1 ROFS Unit for every 5 ordinary shares held in AME on the Entitlement Date, rounded down to the nearest unit.

The ROFS is non-renounceable and the ROFS Units provisionally offered to Entitled AME Shareholders are non-tradeable and non-transferable. The ROFS will not be underwritten.

The minimum and maximum number of Units to be offered under the ROFS are illustrated as follows:

Minimum Scenario	:	Based on the number of issued AME Shares of 640,672,649, assuming no exercise of outstanding 142,371,453 Warrants 2021/2026
Maximum Scenario	:	Based on the number of issued AME Shares of 783,044,102, assuming full exercise of outstanding 142,371,453 Warrants 2021/2026

	Minimum Scenario	Maximum Scenario
	No. of Units	No. of Units
Total no. of ROFS Units to be offered under the ROFS	128,134,529	156,608,820

Fractional entitlements arising from the ROFS will be disregarded and the aggregate of such fractions will be dealt with in such manner or on such terms as the Board and board of directors of AME may in their absolute discretion deem fit, necessary and/or expedient, fair and equitable and in the best interests of AME REIT.

Under the ROFS, Entitled AME Shareholders have the following options:

Option 1 : Full subscription

If Entitled AME Shareholders elect this option, Entitled AME Shareholders will receive their fully subscribed ROFS Units after successful payment.

Option 2 : Partial subscription

Entitled AME Shareholders elect this option will receive their partially subscribed ROFS Units after successful payment. Any unsubscribed ROFS Units ("**Excess ROFS Units**") will be made available to other Entitled AME Shareholders who have applied for excess Units ("**Excess ROFS Applications**").

Option 3 : Non-subscription

The ROFS Units of Entitled AME Shareholders who do not subscribe will be offered to other Entitled AME Shareholders as Excess ROFS Applications.

(ii) Excess ROFS Applications

Excess ROFS Units will be made available to other Entitled AME Shareholders under the Excess ROFS Applications. Each Entitled AME Shareholder is eligible to apply for the Excess ROFS Units. The Board and the board of directors of AME reserve the right to allocate any Excess ROFS Units to Entitled AME Shareholders who have made an Excess ROFS Application, in a fair and equitable basis and in such manner as it deems fit and expedient and in the best interest of AME REIT. It is the intention of the Board and the board of directors of AME to allocate the Excess ROFS Units, if any, in the following priority:

- (a) firstly, to minimise the incidence of odd lots; and
- (b) secondly, for allocation to applicants who applied for the Excess ROFS Units, on a pro-rata basis according to the Entitled AME Shareholders' respective shareholdings in AME as at the Entitlement Date which is to be rounded down to the nearest Unit.

Subject to the final basis of allocation of the remaining ROFS Units on a pro-rata basis, the Entitled AME Shareholders who apply in excess of their guaranteed entitlement may receive additional allocation on a pro-rata basis according to their respective shareholdings in AME as at the Entitlement Date.

The notice of allotment of the ROFS Units to the Entitled AME Shareholders under the ROFS will be sent by ordinary mail before the Listing. The balance of the application monies, if any, will be refunded to the Entitled AME Shareholders without interest by ordinary post to the last address maintained with Bursa Depository within 10 Market Days from the date of final ballot of the Public Offering.

Entitled AME Shareholders are not allowed to submit multiple applications for the ROFS Units offered under the ROFS and the Board and the board of directors of AME have the absolute discretion to reject such multiple applications.

Entitled AME Shareholders who are Malaysians are also eligible to apply for the Offer Units under Section 3.4.1.3 "Allocation to the Malaysian Public under Public Offering" of this Prospectus in addition to the ROFS Units allocated to them under this Section 3.4.1.1 of the Prospectus.

3. DETAILS OF OFFERING (Cont'd)

3.4.1.2 Allocation to Eligible Directors and Employees under the Restricted Pink Form Offering

(i) Number and basis of allocation

7,800,000 Offer Units, representing approximately 1.5% of the total Units to be issued upon Listing, have been reserved for the Eligible Directors and Employees, to be allocated as follows:

- (a) [•] Offer Units reserved for applications by the eligible directors as at LPD; and
- (b) [•] Offer Units reserved for applications by the eligible employees as at LPD.

A summary of the allocation of the 7,800,000 Offer Units as described above is set out below:

Eligible persons	No. of eligible persons	Aggregate no. of Offer Units allocated
Eligible directors ⁽¹⁾	[•]	[•]
Eligible employees ⁽²⁾	[•]	[•]
Total	[•]	[•]

Notes:

- (1) Lee Sai Boon, Lee Chai, Lim Yook Kim and Kang Ah Chee have voluntarily opt out of the Restricted Pink Form Offering. The allocation of Offer Units to the other eligible directors of the Manager and the Sponsor is as follows:

Name	Designation	No. of Offer Units allocated
<u>Eligible directors of the Manager</u>		
Chan Wai Leo	Chief Executive Officer / Executive Director	[•]
Lim Pei Shi	Alternate Director to Chan Wai Leo	[•]
Datin Cheryl Kaur Pola	Independent Non-Executive Director	[•]
Yau Yin Wee	Independent Non-Executive Director	[•]
Wee Beng Chuan	Independent Non-Executive Director	[•]
		[•]
<u>Eligible directors of the Sponsor</u>		
Tengku Azrina binti Raja Abdul Aziz	Independent Non-Executive Chairperson	[•]
Tan Lay Beng	Independent Non-Executive Director	[•]
Chang Tian Kwang	Independent Non-Executive Director	[•]
Wee Soon Chit	Independent Non-Executive Director	[•]
Kang Koh Wei	Alternate Director to Kang Ah Chee	[•]
Lee Ling Sien	Alternate Director to Lee Chai	[•]
		[•]
Total		[•]

The criteria for allocation to the abovementioned eligible directors are based on, amongst others, their respective roles and responsibilities in AME and its subsidiaries.

3. DETAILS OF OFFERING (Cont'd)

- (2) *The criteria for allocation to the eligible employees are based on the following factors:*
- (a) *the eligible employees must be a full-time confirmed employee and on the payroll of AME or its subsidiaries and who has not submitted his/her resignation as at the date of this Prospectus; and*
 - (b) *the number of Offer Units allocated to the eligible employee is based on, amongst others, his/her performance, seniority within AME and/or its subsidiaries as well as contributions leading up to the Listing.*

Any unsubscribed Offer Units will be offered to other Eligible Directors and Employees as excess Units applications ("**Excess Offer Units Applications**").

(ii) **Excess Offer Units Applications**

Any Offer Units not taken up under the Restricted Pink Form Offering ("**Excess Offer Units**") shall be made available for application by the Eligible Directors and Employees who have applied for Excess Offer Units on top of their pre-determined allocation. It is the intention of the Board and the board of directors of AME to allocate the Excess Offer Units, if any, in the following priority:

- (a) firstly, allocation on a pro-rata basis based on the number of Excess Offer Units applied by the Eligible Directors and Employees; and
- (b) secondly, to minimize odd lots.

The Board and the board of directors of AME reserve the right to allocate any Excess Offer Units to the Eligible Directors and Employees who have made an Excess Offer Units Application, in a fair and equitable basis and in such manner as it deems fit and expedient and in the best interest of AME REIT. The Manager and AME also reserve the right to accept any Excess Offer Units Application, in full or in part, without assigning any reason. Thereafter, any unsubscribed Offer Units unallocated to the Eligible Directors and Employees will be made available for application by the Malaysian Public under the Public Offering, subject to the Clawback and Reallocation provisions.

3.4.1.3 **Allocation to the Malaysian Public under Public Offering**

10,400,000 Offer Units shall be allocated for subscription by the Malaysian Public, of which 5,200,000 Offer Units have been set aside for application by Bumiputera individuals, companies, co-operatives, societies and institutions. Any Units not subscribed by such Bumiputera investors will be made available for application by other Malaysian Public under the Public Offering.

3.4.2 **Institutional Offering**

Institutional Offering to Malaysian institutional investors and selected investors at the Institutional Price payable in full upon allocation and determined by way of bookbuilding on the Price Determination Date will be allocated in the following manner:

- (i) 65,000,000 Offer Units to Bumiputera investors approved by MITI; and
- (ii) at least 14,991,180 Offer Units to Malaysian institutional investors and selected investors.

3. DETAILS OF OFFERING (*Cont'd*)

3.4.3 Clawback and Reallocation

The Institutional Offering and the Retail Offering shall be subject to the following Clawback and Reallocation provisions:

- (i) in the event of under-subscription by Bumiputera investors approved by the MITI, such Offer Units may be made available for subscription by other institutional investors and selected investors under the Institutional Offering and/or the persons in the Retail Offering, at the discretion of the Principal Adviser [upon consultation with the Manager and the Sponsor];
- (ii) subject to Section 3.4.3(i) above, the Offer Units may be clawed back and reallocated to the Retail Offering from the Institutional Offering in the event of an over-subscription in the Retail Offering and a corresponding under-subscription in the Institutional Offering, at the discretion of the Principal Adviser [upon consultation with the Manager and the Sponsor];
- (iii) in the event of under-subscription by the Eligible Directors and Employees (after reallocation of the Excess Offer Units), such Offer Units may be made available for subscription by the institutional investors and selected investors under the Institutional Offering and/or the Malaysian Public and/or the Bumiputera applicants under the Public Offering and/or Entitled AME Shareholders (after reallocation of the Excess ROFS Units), at the discretion of the Principal Adviser [upon consultation with the Manager and the Sponsor];
- (iv) in the event of under-subscription under the Public Offering, such Offer Units may be made available for subscription by the institutional investors and selected investors under the Institutional Offering and/or the Bumiputera Malaysian Public and/or Eligible Directors and Employees (after reallocation of the Excess Offer Units) and/or Entitled AME Shareholders (after reallocation of the Excess ROFS Units), at the discretion of the Principal Adviser [upon consultation with the Manager and the Sponsor];
- (v) in the event of under-subscription by the Bumiputera applicants under the Public Offering, such Offer Units may be made available for subscription by the institutional investors and selected investors under the Institutional Offering and/or the Malaysian Public in the Public Offering and/or Eligible Directors and Employees (after reallocation of the Excess Offer Units) and/or Entitled AME Shareholders (after reallocation of the Excess ROFS Units), at the discretion of the Principal Adviser [upon consultation with the Manager and the Sponsor];
- (vi) subject to Section 3.4.3(iii), Section 3.4.3(iv) and Section 3.4.3(v) above, if there is an under-subscription in the Restricted Pink Form Offering and/or Public Offering and an over-subscription in the Institutional Offering, the Offer Units may be clawed back from the Restricted Pink Form Offering and/or Public Offering and allocated to the Institutional Offering, at the discretion of the Principal Adviser. Thereafter, the Sole Underwriter shall subscribe and/or procure subscription for any remaining Offer Units under the Restricted Pink Form Offering and/or Public Offering, based on the terms of the Underwriting Agreement; and
- (vii) after the application of Section 3.4.3(i) to Section 3.4.3(vi) above and in the event of under-subscription of the ROFS Units made available to Entitled AME Shareholders (after reallocation of the Excess ROFS Units), such ROFS Units may be made available for subscription by the institutional investors and selected investors under the Institutional Offering and/or the Malaysian Public and/or the Bumiputera Malaysian Public and/or Eligible Directors and Employees (after reallocation of the Excess Offer Units), at the discretion of the Principal Adviser [upon consultation with the Manager and the Sponsor].

3. DETAILS OF OFFERING (Cont'd)

The above Clawback and Reallocation provisions shall not apply in the event of an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

3.4.4 Minimum Subscription

There is no minimum subscription in terms of the cash to be raised from the Offering. However, the minimum subscription will be in terms of the number of Units to be subscribed for AME REIT to have at least 25.0% of the total number of Units in issue to be held by 1,000 public Unitholders holding not less than 100 Units each upon completion of the Offering and at the point of the Listing.

If the Offering is not completed and/or the Manager decides in its absolute discretion not to proceed with the Listing, monies paid in respect of any application for the ROFS Units and Offer Units will be returned to the applicants without interest. For the risk on failure in Listing, please refer to Section 5.3.15 "Failure in the Listing will result in refund monies without interest" of this Prospectus.

3.5 IRREVOCABLE UNDERTAKINGS

Pursuant to the ROFS, the Sponsor had, on 12 April 2022 procured irrevocable written undertakings from the following substantial shareholders of the Sponsor, namely Lee Sai Boon, Lee Chai, Kang Ah Chee and Lim Yook Kim, to subscribe and/or cause to subscribe in full for their respective entitlements for the ROFS and/or each other's entitlements not subscribed for under the ROFS ("**Undertakings**"). The Undertakings are based on the number of AME Shares held as at 12 April 2022, as set out below:

Substantial shareholders	Undertakings	
	No. of ROFS Units	% of total ROFS Units ⁽¹⁾
Lee Sai Boon	7,397,400	5.8
Lee Chai	22,540,330	17.6
Kang Ah Chee	22,318,230	17.4
Lim Yook Kim	22,768,230	17.8

Note:

(1) Based on 128,134,529 ROFS Units under the Minimum Scenario.

Accordingly, Lee Sai Boon, Lee Chai, Kang Ah Chee and Lim Yook Kim have confirmed that they have sufficient financial resources to subscribe and/or cause to subscribe for their respective Undertakings.

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3. DETAILS OF OFFERING (Cont'd)

3.6 INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below:

Date and time	Event
[•]	Announcement of Entitlement Date
[•]	Entitlement Date
[•], 10.00 a.m.	Opening of the Retail Offering and Institutional Offering
[•]	Closing of the Retail Offering
[•], 5.00 p.m.	Closing of the Institutional Offering
[•]	Price Determination Date
[•]	Balloting of applications for Offer Units pursuant to the Public Offering
[•]	Allotment of Offer Units to successful applicants
[•]	Listing of AME REIT on the Main Market

The above timetable is indicative only and is subject to change. If there is any change or extension of the abovementioned dates, it will be announced by way of advertisement in a widely circulated Bahasa Malaysia and English newspapers within Malaysia.

3.7 BASIS OF DETERMINING THE PRICE OF THE OFFER UNITS

3.7.1 Retail Price

The Retail Price of RM[•] per Offer Unit was determined and agreed upon by the Manager, the Sponsor and Selling Subsidiaries in consultation with the Principal Adviser, Joint Bookrunners and the Sole Underwriter after taking into consideration the following factors:

- (i) the financial history and condition of the Subject Properties;
- (ii) the pro forma NAV per Unit upon Listing of approximately RM0.99;
- (iii) the forecast distribution yields of AME REIT;
- (iv) the future prospects of AME REIT; and
- (v) the prevailing capital and property market conditions and sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be equal to the lower of:

- (i) the Retail Price of RM[•] per Offer Unit; or
- (ii) the Institutional Price,

subject to rounding to the nearest sen.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants, without any interest. Further details on the refund mechanism are set out in Section 3.7.3 of this Prospectus.

3. DETAILS OF OFFERING (Cont'd)

The Final Retail Price will not, in any event, be higher than the Retail Price of RM[●] per Offer Unit.

The Final Retail Price and the Institutional Price are expected to be announced within 2 Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment.

Applicants should also note that the market price of the Units upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the price of the Units.

3.7.2 Institutional Price

The Institutional Price will be determined by a bookbuilding wherein prospective institutional investors and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of Offer Units that they would be prepared to acquire and the price that they would be prepared to pay for the subscription. This bookbuilding process is expected to start on [●] and will end on [●] or such other dates as the Manager and the Joint Bookrunners may decide at their absolute discretion. Upon completion of the bookbuilding process, the Institutional Price will be fixed via agreement between the Manager and the Joint Bookrunners on the Price Determination Date.

3.7.3 Refund mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to the applicant without any interest thereon. The refund will be credited into the applicant's bank account for purposes of cash dividend/distribution if the applicant has provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to his address maintained with Bursa Depository if the applicant has not provided such bank account information to Bursa Depository for applications made via Application Forms, or by crediting into his account with the Electronic Participating Financial Institutions for applications made via the Electronic Application or by crediting into his account with the Internet Participating Financial Institutions for applications made via the Internet Application, within 10 Market Days from the date of final ballot of Applications, at the applicant's own risk.

3.7.4 Expected Market Capitalisation

Based on an illustrative price of RM[●] per Offer Unit and the listing of 520,000,000 Units, the total market capitalisation of AME REIT upon Listing is estimated to be approximately RM[●] million.

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3. DETAILS OF OFFERING (Cont'd)

3.8 LISTING SCHEME

In conjunction with, and as an integral part of the Listing, the Manager undertook the listing scheme, as follows:

3.8.1 Acquisitions

On 19 July 2022, the Trustee, on behalf of AME REIT entered into the SPAs with the Vendors, for the Acquisitions for a total purchase consideration of RM557.0 million.

Vendors	Subject Properties	Appraised Value ⁽¹⁾ / Consideration (RM'000)	To be satisfied by	
			Consideration Units (RM'000) ⁽²⁾	Cash Consideration (RM'000) ⁽³⁾
Active Gold	Plot 66 Indahpura	17,000	-	17,000
Sub-total		17,000	-	17,000
AME Development	FZW SAC	38,000	38,000	-
AME Development	SAC Dorm	45,000	45,000	-
AME Development	Plot 13 Dorm Indahpura	45,000	45,000	-
AME Development	Plot 17 Dorm Indahpura	45,000	45,000	-
AME Development	Plot 7 Indahpura	14,000	14,000	-
AME Development	Plot 8 Indahpura	14,000	14,000	-
AME Development	Plot 14 Indahpura	21,000	21,000	-
AME Development	Plot 20 Indahpura	7,000	7,000	-
AME Development	Plot 21 Indahpura	7,000	7,000	-
AME Development	Plot 36 Indahpura	7,000	7,000	-
AME Development	Plot 65 Indahpura	7,000	7,000	-
AME Development	Plot 69 Indahpura	17,000	17,000	-
AME Development	Plot 120 Indahpura	7,000	7,000	-
AME Development	Plot 3 & 4 SiLC	6,500	6,500	-
AME Development	Plot 3 District 6 ⁽⁴⁾ and Plot 4 District 6 ⁽⁵⁾	24,000	24,000	-
Sub-total		304,500	304,500	-

3. DETAILS OF OFFERING (Cont'd)

Vendors	Subject Properties	Appraised Value ⁽¹⁾ / Consideration (RM'000)	To be satisfied by	
			Consideration Units (RM'000) ⁽²⁾	Cash Consideration (RM'000) ⁽³⁾
Ipark Development	Plot 5 SAC	8,000	8,000	-
Ipark Development	Plot 6 SAC	7,000	7,000	-
Ipark Development	Plot 9 SAC	8,000	8,000	-
Ipark Development	Plot 16 SAC	14,000	14,000	-
Ipark Development	Plot 17 SAC	14,000	14,000	-
Ipark Development	Plot 18 & 19 SAC	47,000	47,000	-
Ipark Development	Plot 1A1 SAC	17,000	17,000	-
Ipark Development	Plot 1B1 SAC	17,000	17,000	-
Ipark Development	Plot 1C2 SAC	23,000	23,000	-
Ipark Development	Plot 20 SAC	14,000	14,000	-
Ipark Development	Plot 21 SAC	14,000	14,000	-
Ipark Development	Plot 30 SAC	8,000	8,000	-
Ipark Development	Plot 32 SAC	21,000	21,000	-
Sub-total		212,000	212,000	
LKL Industries	Plot 18 Indahpura	7,000	-	7,000
LKL Industries	Plot 6 SiLC	3,500	3,500	-
Sub-total		10,500	3,500	7,000
Twin Sunrich	Plot 6 District 6	13,000	-	13,000
Sub-total		13,000	-	13,000
Total		557,000	520,000	37,000

Notes:

- (1) The market value of the Subject Properties was appraised by the Independent Property Valuer as at the valuation date of 2 August 2021 and subsequently updated on 7 February 2022.
- (2) The RM equivalent of the number of Consideration Units to be issued at the issue price of RM1.00 per Consideration Unit.
- (3) Cash consideration to be funded from the partial drawdown of the Financing Facilities.
- (4) AME Development is the beneficial owner of this Subject Property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 30 March 2015 between Symphony Square and AME Development.
- (5) AME Development is the beneficial owner of this property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 31 May 2016 between Twin Sunrich and AME Development.

3. DETAILS OF OFFERING (Cont'd)

The total purchase consideration for the Acquisitions of RM557.0 million was arrived at based on the independent valuation of the Subject Properties of RM557.0 million as at the valuation date of 2 August 2021 and subsequently updated on 7 February 2022.

The total purchase consideration for the Acquisitions of RM557.0 million will be satisfied through:

- (i) the issuance of 520,000,000 Consideration Units; and
- (ii) Cash Consideration to be settled through the funds received from the partial drawdown of the Financing Facilities.

AME REIT will acquire the Subject Properties in accordance with the terms of the SPAs. As at the date of this Prospectus, the Acquisitions are still pending completion. For further details of the SPAs, please refer to Section 15.3 "Salient Terms of the SPAs" of this Prospectus.

Note that if the SPAs are not completed in accordance with the terms therein contained, there will be no Acquisitions by AME REIT and the Listing will not proceed and AME REIT will be unwound. In the event Units have been allotted, the Unitholders who were allotted Units under the Offering will only receive their monies following the completion of the winding up of AME REIT in accordance with the terms of the Deed.

3.9 REIT FINANCING

The Trustee, on behalf of AME REIT, as obligor, has obtained the following Financing Facilities:

- (i) RM37.0 million in the form of an Islamic revolving credit facility to finance the acquisition of Plot 18 Indahpura from LKL Industries, Plot 66 Indahpura from Active Gold, and Plot 6 District 6 from Twin Sunrich pursuant to the Acquisitions;
- (ii) RM10.0 million in the form of an Islamic revolving credit facility for working capital requirements for maintaining, administering, and operating the Subject Properties and for the Listing expenses;
- (iii) RM20.0 million in the form of an Islamic revolving credit facility to finance future acquisition of properties after Listing; and
- (iv) RM3.0 million Islamic bank guarantee facility to be used for issuance of supplier's credit / tender / performance and guarantee in favour of Immigration Department, Customs and Excise Department, Tenaga Nasional Berhad and other public utilities providers or any other entities approved by the financial institution.

The Islamic revolving credit facilities carry profit rate of the financier's Islamic Cost of Funds + 1.25% per annum, while the Islamic bank guarantee carries a guarantee fee of 1.20% per annum.

The Financing Facilities are secured against, amongst others, the following:

- (i) Legal charge over Plot 18 & 19 SAC and SAC Dorm respectively;
- (ii) Legal assignment over rental proceeds from Plot 18 & 19 SAC and SAC Dorm; and
- (iii) Charge over the rental proceeds account⁽¹⁾.

Note:

- (1) *The Manager is allowed to operate the account, unless in an event of default, then the account shall be solely operated by the bank.*

3. DETAILS OF OFFERING (Cont'd)

3.10 UTILISATION OF PROCEEDS

As AME REIT will not be issuing any new Units under the Offering, AME REIT will not receive any cash from the Offering.

Estimated Listing expenses of approximately RM5.0 million to be incurred will be funded through internally generated funds of AME REIT from the Subject Properties and/or the Financing Facilities obtained by AME REIT. The expenses will be fully settled within 1 month from the Listing. The breakdown of the estimated expenses in relation to the Listing is as follows:

Estimated Listing expenses	(RM'000)
Professional and advisory fees	3,000
Regulatory fees	630
Printing, investor relations and other related expenses	1,370
Total	5,000

3.11 BROKERAGE, COMMISSIONS AND OTHER FEES AND CHARGES

3.11.1 Brokerage

AME REIT will bear brokerage relating to the Offer Units made available for application under the Retail Offering at the rate of 1.0% of the Retail Price in respect of successful applications which bear the stamp of HLIB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Bookrunners are entitled to charge brokerage to successful applicants under the Institutional Offering. For the avoidance of doubt, the brokerage commission under the Institutional Offering will not be payable by AME REIT.

3.11.2 Commissions

Pursuant to the Placement Agreement to be entered into by the relevant parties, the Selling Subsidiaries agree to pay the Joint Bookrunners for the Institutional Offering, a placement commission of up to [•]% of the amount equal to the gross proceeds raised under the Institutional Offering, being the number of Offer Units under the Institutional Offering at the Institutional Price.

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3. DETAILS OF OFFERING (Cont'd)

3.11.3 Fees and Charges Payable Directly by Unitholders

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the purchase, sale and holding of their investments in AME REIT or trading of the Units (so long as the Units are listed):

	Payable by Unitholders directly	Amount payable
(i)	Bursa Securities clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000.00 per transaction
(ii)	Brokerage	A percentage of the transaction value prescribed by or negotiated with the ADAs, subject to a minimum of RM40.00 per transaction save for (i) online routed retail transactions, (ii) transactions executed in less than a board lot and (iii) transactions paid with cash up front, for which the minimum brokerage fees are fully negotiable
(iii)	Stamp duty	RM1.00 for every RM1,000.00 or fractional part of the transaction value, subject to a maximum of RM200.00 per transaction

The above rates may be subject to changes by the relevant parties. Further information on the charges you may incur from the trading of Units on Bursa Securities may be found on Bursa Securities' website at www.bursamalaysia.com.

3.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Subject to the terms and conditions contained in the Underwriting Agreement, the Sole Underwriter agrees to underwrite the 18,200,000 Offer Units under the Restricted Pink Form Offering and Public Offering, subject to the Clawback and Reallocation provisions. In consideration for the Sole Underwriter acting as the underwriter to subscribe and/or procure subscribers, the Sole Underwriter will receive an underwriting commission of [•] % of the amount equal to the Retail Price multiplied by the 18,200,000 Offer Units being underwritten under the Restricted Pink Form Offering and Public Offering.

The following is an extract of the salient terms contained in the Underwriting Agreement:

3.12.1 Conditions

[•]

3.12.2 Termination

[•]

3.13 TRADING ON THE MAIN MARKET AND SETTLEMENT IN THE SECONDARY MARKET

Upon listing and quotation on the Main Market, the Units will be traded on the Main Market and transferred by book-entry settlement through CDS, which will be effected in accordance with the Rules of Depository, as amended from time to time, and the provisions of the SICDA. Bursa Depository operates the CDS.

Unitholders are required under the Rules of Depository to maintain CDS Accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as Unitholders in respect of the number of Units credited to their respective securities accounts.

Transfer of Units under the book-entry settlement will be reflected by the seller's CDS Account being debited with the number of Units sold and the buyer's CDS Account being credited with the number of Units acquired. No transfer stamp duty is currently payable for the Units that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

Dealings in units of REITs listed on the Main Market are normally transacted in "board lots" of 100 units. Investors who desire to deal in less than 100 units of a listed REIT occasionally experience delays in effecting such transaction.

It is expected that the Units offered under the Offering will commence trading on the Main Market approximately 10 Market Days after the close of the Institutional Offering. Subscribers of the Units will not be able to sell or otherwise deal in the Units prior to the commencement of trading on the Main Market. Please refer to Section 5 "Risk Factors" of this Prospectus for further details.

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4. FINANCIAL INFORMATION

4.1 UNAUDITED PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (“PRO FORMA STATEMENT OF COMPREHENSIVE INCOME”)

The objective of the Pro Forma Statement of Comprehensive Income of AME REIT is to show what the results of operations might have been had AME REIT existed at an earlier date. However, the Pro Forma Statement of Comprehensive Income of AME REIT are not necessarily indicative of the results of operation that would have been attained had AME REIT actually existed earlier.

The applicable criteria on the basis of which the Board of Directors of the Manager and the board of directors of AME have compiled the Pro Forma Statement of Comprehensive Income are specified in Chapter 12 of Part III of the CIS Prospectus Guidelines.

The Pro Forma Statement of Comprehensive Income of AME REIT for the FYE 2020, FYE 2021 and FYE 2022 have been prepared based on the information extracted from the Vendors’ audited financial statements for the FYE 2020, FYE 2021 and FYE 2022 which were prepared in accordance with the approved accounting standards in Malaysia. The Vendors’ audited financial statements for the FYE 2020, FYE 2021 and FYE 2022 were not subject to any audit qualification.

Certain numbers have been re-presented or reclassified in this pro forma to conform with the basis of presentation of the Pro Forma Statement of Comprehensive Income of AME REIT and may not be consistent with the basis of presentation in the audited financial statements of the Vendors. The Pro Forma Statement of Comprehensive Income have been prepared in accordance with approved accounting standards in Malaysia, and in a manner consistent with the format of the financial statements and the accounting policies to be adopted by AME REIT as set out in Section 4.4.4 “Significant Accounting Policies” of this Prospectus.

In arriving at the Pro Forma Statement of Comprehensive Income for FYE 2020, FYE 2021 and FYE 2022, certain key adjustments and assumptions were made:

- (i) The property management fee has been computed based on the Property Management Agreement entered into between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager for the Subject Properties, and as set out in the Section on “Property management fee” under Section 4.4.5.3 “Components of Property Operating Expenses”;
- (ii) No acquisition fee has been assumed for the financial years presented;
- (iii) Depreciation expense and support cost which are not applicable to AME REIT have been excluded;
- (iv) Profit income is assumed to be earned based on the adjusted weighted average overnight policy rate of 3.11%, 2.00% and 1.90% for the FYE 2020, FYE 2021 and FYE 2022 respectively;
- (v) The fair values of the Subject Properties for FYE 2020, FYE 2021 and FYE 2022 are based on investment method, determined based on the Manager’s estimates and valuation performed by independent qualified valuers;
- (vi) The computation of Management Fees and Trustee’s fees take into account the formula set out in the Deed and as set out in Section 4.4.5.5 “Components of Management Fees” and Section 4.4.5.6 “Trustee’s fees” of this Prospectus;

4. FINANCIAL INFORMATION (Cont'd)

- (vii) Islamic financing costs comprise profit expense on the Islamic Financing Facilities as set out in Section 3.9 "REIT Financing" of this Prospectus. It is assumed that the Islamic Financing Facilities carries an assumed floating profit rate of 3.70% per annum;
- (viii) Other trust expenses comprise annual audit fees, taxation fees, valuation fees, Shariah advisory fee, market research fees, public relation expenses and other expenses relating to the preparation and distribution of reports to Unitholders, together with other miscellaneous expenses such as postage, printing and stationery; and
- (ix) No current tax liabilities throughout the financial years presented as it is assumed that 100.0% of AME REIT's total income (as defined in the Income Tax Act) would be distributed to Unitholders within 2 months after the close of the financial year.

The pro forma financial information of AME REIT presented below should be read in conjunction with Section 4.4 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Prospectus.

	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Rental income	26,870	28,653	35,236
Quit rent and assessment	(632)	(1,110)	(1,283)
Insurance	(523)	(479)	(567)
Repair and maintenance	(1,056)	(260)	(671)
Other operating expenses	(218)	(365)	(475)
Property management fee	(336)	(336)	(336)
Property operating expenses	(2,765)	(2,550)	(3,332)
Net property income	24,105	26,103	31,904
Profit income	450	400	470
Changes in fair value of investment properties ⁽¹⁾	-	(2,000)	-
Net investment income	24,555	24,503	32,374
Management Fees	(2,450)	(2,800)	(3,150)
Trustee's fees	(110)	(136)	(146)
Islamic financing costs	(1,060)	(1,332)	(1,430)
Other trust expenses	(570)	(645)	(700)
Non-property expenses	(4,190)	(4,913)	(5,426)
Profit before taxation	20,365	19,590	26,948
Taxation	-	-	-
Total comprehensive income for the year attributable to unitholders	20,365	19,590	26,948
Non-cash items ⁽²⁾	(589)	4,658	2,109
Distributable income	19,776	24,248	29,057

Notes:

- (1) Fair value of the investment properties was determined based on investment method.
- (2) Non-cash items comprise the Management Fees payable in Units, amortisation of transaction costs on financings capitalised, changes in fair value of investment properties and net unbilled lease income receivables.

4.2 PRO FORMA STATEMENT OF FINANCIAL POSITION

As at the date of its establishment, AME REIT did not have any assets and liabilities. The following table presents the Pro Forma Statement of Financial Position of AME REIT as at the date of establishment, prepared for illustrative purposes only, to show the effects of the Acquisitions based on the assumption that such events had been effected on the date of establishment of AME REIT and are not represented as being necessarily indicative of AME REIT's view of its future financial position.

The Pro Forma Statement of Financial Position of AME REIT was prepared based on the Acquisition of the Subject Properties from the Vendors by the Trustee (on behalf of AME REIT) for a total purchase consideration of approximately RM557.0 million to be satisfied in the following manner:

- (i) the issuance of 520,000,000 Consideration Units at the issue price of RM1.00 per Consideration Unit, to be credited as fully paid-up; and
- (ii) cash consideration of RM37.0 million raised through the funds received from the drawdown of the Islamic Financing Facilities procured by the Trustee on behalf of AME REIT,

as set out in Section 2.4 "Acquisition of the Subject Properties" of this Prospectus.

The fair value of the Consideration Units is estimated at RM520.0 million (based on the issue price of RM1.00 per Unit).

The purchase consideration for the Subject Properties was arrived at based on the independent valuation of the Subject Properties as at 2 August 2021 and subsequently updated as at 7 February 2022.

As part of the Acquisitions, AME REIT will also assume certain liabilities being the tenant deposits payable and rental received in advance and the corresponding cash equivalents of these balances. For purposes of the Pro Forma Statement of Financial Position of AME REIT, these amounts are illustrated based on the carrying amounts of the tenants' deposits payable and rental received in advance as at 31 March 2022.

The Pro Forma Statement of Financial Position of AME REIT should be read in conjunction with the "Reporting Accountants' Report on the Pro Forma Statement of Financial Position" included in Appendix D of this Prospectus.

The Pro Forma Statement of Financial Position of AME REIT has been prepared for illustrative purposes in the manner consistent with the format of the financial statements and the accounting policies to be adopted by AME REIT as set out in Section 4.4.4 "Significant Accounting Policies" of this Prospectus.

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4. FINANCIAL INFORMATION (Cont'd)

Pro Forma Statement of Financial Position as at the date of establishment of AME REIT

	(Unaudited) As at the date of establishment (RM'000)
Assets	
Investment properties	557,000
Total non-current assets	557,000
Other receivables	586
Cash and bank balances	16,963
Total current assets	17,549
Total assets	574,549
Equity	
Unitholders' capital ⁽¹⁾	515,000
Total equity	515,000
Liabilities	
Other payables	12,049
Total non-current liabilities	12,049
Other payables	1,010
Islamic Financing Facilities ⁽²⁾	46,490
Total current liabilities	47,500
Total liabilities	59,549
Total equity and liabilities	574,549
NAV (RM'000) ⁽³⁾	515,000
Units in issue ('000)	520,000
NAV per Unit (RM) ⁽⁴⁾	0.99

Notes:

- (1) Unitholders' funds of RM520.0 million, net of estimated expenses in relation to the issue of Units of RM5.0 million.
- (2) The amount of the Islamic Financing Facilities expected to be drawn down as at Listing Date of RM47.0 million, net of estimated transaction costs of approximately RM0.5 million. The profit expenses on the Islamic Financing Facilities are recognised in the statement of comprehensive income in the period which they are incurred. The remaining balance of the Islamic Financing Facilities of RM20.0 million is assumed not drawn down as at Listing Date.
- (3) NAV represents the value of AME REIT's total assets less total liabilities.
- (4) NAV per Unit is computed based on NAV divided by number of Units issued by AME REIT.

4. FINANCIAL INFORMATION (Cont'd)

4.3 CAPITALISATION AND INDEBTEDNESS

Assuming full subscription under the Offering and based on the Retail Price of RM[•] per Unit, the following table sets forth the pro forma capitalisation of AME REIT as at the Listing Date. The information in the table below should be read in conjunction with Section 3.10 “Utilisation of Proceeds”, Section 4.2 “Pro Forma Statement of Financial Position” and the “Reporting Accountants’ Report on the Pro Forma Statement of Financial Position” in Appendix D of this Prospectus and the related notes in this Prospectus.

As at the Listing Date	(RM'000)
Islamic Financing Facilities ⁽¹⁾⁽²⁾	46,490
Unitholders' funds	515,000
Total Capitalisation	561,490

Notes:

- (1) All of AME REIT's indebtedness are secured and not guaranteed by any third party.
- (2) The amount of the Islamic Financing Facilities to be drawn down at the Listing Date of RM47.0 million, net of estimated transaction costs of approximately RM0.5 million, including RM37.0 million to part finance the Acquisitions and RM10.0 million to be used for working capital requirements as well as for Listing expenses.

Please refer to Section 3.9 “REIT Financing” of this Prospectus for further details on the Islamic Financing Facilities.

Based on the Pro Forma Statement of Financial Position, AME REIT is expected to have an initial indebtedness of approximately RM46.5 million representing approximately 8.1% of its estimated Total Asset Value of RM574.5 million.

4.4 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

4.4.1 General Background

AME REIT is an Islamic REIT established in Malaysia and constituted by the Deed. As AME REIT is a newly established REIT, it has no historical operating results and financial information based on which recipients of this Prospectus and prospective investors in the Units may evaluate AME REIT save for those of the Subject Properties to be acquired.

AME REIT is an Islamic real estate investment trust constituted under the Deed with the principal investment policy of investing, directly and indirectly, in a portfolio of Shariah-compliant income producing Real Estate used primarily for industrial sector and industrial-related purposes in Malaysia and overseas. Upon Listing, AME REIT will own an initial portfolio of 31 Industrial Properties and 3 Industrial-Related Properties used as workers' dormitories. All of AME REIT's 34 Subject Properties are located within Iskandar Malaysia. Out of the 31 Industrial Properties, there are 13 Industrial Properties located in i-Park @ SAC and 1 Industrial Property used as a warehouse located in Free Industrial Zone facility which is near to i-Park @ SAC, 11 Industrial Properties located in i-Park @ Indahpura, 3 Industrial Properties located in i-Park @ SiLC and 3 gated single storey detached industrial buildings with 3-storey offices and built with an individual guard house to be managed by the occupant in District 6 @ SiLC. Out of the 3 worker's dormitories, 2 dormitories are located adjacent to i-Park @ Indahpura and the remaining 1 dormitory located adjacent to i-Park @ SAC, respectively.

The Manager's key objective is to provide Unitholders with a stable and growing distribution of income and to achieve long-term growth in the Net Asset Value per Unit.

4. FINANCIAL INFORMATION (Cont'd)

For the first 5 years after the listing of AME REIT, the Manager intends to achieve the investment objectives through the implementation of the following:

- (i) **Acquisition growth strategy** – The Manager will leverage on AME Group's future property development projects as well as third party properties to source for and acquire properties within Malaysia⁽¹⁾ that fit within AME REIT's investment strategy to generate stable cash flows and potential for long-term income and capital growth;
- (ii) **Proactive asset management strategy** – The Manager will seek to optimise and maintain high occupancy rates, achieve stable rental growth and maximise investment returns; and
- (iii) **Capital and risk management strategy** – The Manager intends to optimise AME REIT's capital structure and cost of capital within the financing limits set out in the REIT Guidelines and intends to use a combination of Islamic financing and equity financing to fund future acquisitions and capital expenditure.

Note:

- (1) *The CEO is also mandated to source properties situated outside of Johor, with specific focus on the central and northern regions of Peninsular Malaysia as set out in Section 2.2.6.1.*

Please refer to Section 1.3 "Strategies" of this Prospectus for further details.

4.4.2 Presentation of Financial Information

AME REIT is a newly established REIT, and except for the Subject Properties to be acquired, AME REIT has not had any portfolio of real estate since its establishment. No historical financial information has been prepared since AME REIT's establishment. The Manager's intention is for AME REIT's first audited financial period to be the period commencing on the date of establishment of AME REIT and ending on 31 March 2023. In order to assist investors' evaluation of the factors which may affect AME REIT's future financial results, the Manager has prepared a profit forecast together with the related assumptions and information contained in Section 4.5.3 "Bases and Assumptions" of this Prospectus below which should be read together with the "Reporting Accountants' Letter on the Profit Forecast" in Appendix E.

4.4.3 Factors Affecting AME REIT's Financial Condition and Results of Operations

The performance of AME REIT's portfolio is primarily dependent on the revenue generated from the tenancies of the Subject Properties, as well as the operating expenses related to the Subject Properties. Significant factors affecting rental income include rental rates that the Subject Properties may command and the Occupancy Rates.

Rental rates

Rental rates of the Subject Properties are mainly affected by the following:

- (i) size of the Subject Properties;
- (ii) location and accessibility of the Subject Properties;
- (iii) availability of common facilities and/or amenities;
- (iv) degree of complexity for special purpose built factories;
- (v) customisation to tenants' requirement;
- (vi) proportion of office to production/warehouse space;

- (vii) availability of property management services;
- (viii) profile of tenants (which include tenant mix and credit profile of tenants);
- (ix) tenure of tenancies and adjustments of rental upon renewal, if any;
- (x) competing industrial properties within the locality;
- (xi) the age and upkeep of the Subject Properties; and
- (xii) general macroeconomic and supply/demand trends affecting the real estate market, particularly the industrial real estate market in Malaysia.

Occupancy Rates

Occupancy rates of the Subject Properties are dependent on:

- (i) supply/demand trends affecting the industrial real estate market;
- (ii) potential vacancy periods arising from tenancy expiries and/or early terminations; and
- (iii) rental rates of other competing industrial properties within the locality.

Property Operating Expenses

Property Operating Expenses are not affected to the same degree as AME REIT's Total Revenue by general economic trends affecting the real estate market in Malaysia, as a substantial part of its Property Operating Expenses are fixed in nature. As a result, to the extent that AME REIT's Total Revenue is negatively affected by the abovementioned factors, its results of operations will be similarly negatively affected because it would not be easy to reduce AME REIT's costs without compromising the conditions of the Subject Properties.

Property Operating Expenses may be affected by a number of factors including, primarily:

- (i) the age, upkeep and upgrading of the Subject Properties, mainly limited to the basic structure of the buildings as the interior fit-outs are undertaken by the tenants;
- (ii) the ability to pass on gated development charges to the tenants of the Subject Properties, as well as any maintenance and charges levied mainly limited to Subject Properties requiring major repairs to building structure, rectifications and repainting works;
- (iii) inflation and the general increase in prices for services and cost of materials;
- (iv) changes in quit rent and assessment levied by the local government and/or the State Authority where the Subject Properties are located;
- (v) premium changes on insurance coverage procured over the basic structure of the Subject Properties including fire and consequential loss of income; and
- (vi) employment conditions (which may affect labour costs of the Property Manager, which are reimbursed by AME REIT).

Please refer to Section 4.4.5.3 "Components of Property Operating Expenses" of this Prospectus.

Islamic financing costs

Islamic financing costs consist of profit expense incurred on Islamic Financing Facilities and amortisation of transaction costs on financings capitalised. Finance costs will depend on profit rates of financing incurred by AME REIT. Please refer to Section “Islamic financing costs” under Section 4.4.4 “Significant Accounting Policies” of this Prospectus below for further details.

Fair value of the Subject Properties

Independent professional valuation will be obtained at least once every financial year in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary and these valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines. Any increase or decrease in valuation will be credited or charged directly to AME REIT’s Statement of Comprehensive Income as a fair value gain or loss on investment properties. The revaluation of the Subject Properties may therefore in the future result in significant fluctuations in the financial performance of AME REIT.

Property values are affected by, among other factors, supply of and demand for comparable properties, any asset enhancement initiatives undertaken, interest rates and inflation.

General economic and property market conditions

In general, AME REIT’s business and financial condition may be affected by broader economic conditions of Malaysia and conditions of the Malaysian real estate sector.

Financial impact of COVID-19 pandemic

The manufacturing sector was also affected by COVID-19 due to the implementation of the movement control order and conditional movement control order periods (i.e. from 18 March 2020 to 9 June 2020) as well as during the nationwide lockdown from 1 June 2021 to 28 June 2021. Among the manufacturing sectors allowed to operate with limited capacity are manufacturers of personal protective equipment including rubber gloves, electrical and electronics, oil and gas including petrochemicals, chemical products, food and beverage, medical care and cleaning supplies.

During the FYE 2020 to FYE 2022, most of the tenants of the Industrial Properties were involved in the manufacturing of electrical and electronics, packaging products, industrial products, medical devices, food and beverage products and plastic products, hence were able to continue operating during the initial stages of the movement control orders. Subsequent to that, tenants have been allowed to operate, but with intermittent interruptions due to closure or scale-down of operations from outbreak of the disease among factory workers or from directive of the government during the lockdown imposed in the various phases of movement control order to contain the disease. The Industrial-Related Properties have also not been impacted during this period.

Despite the intermittent interruptions to operations of tenants of the Subject Properties since the pandemic, there has been no material impact on AME REIT’s financial conditions and results of operations as the leasing of the Subject Properties to existing tenants has continued without disruption. There were no early termination of tenancies due to the pandemic and there were no rental reduction granted.

4. FINANCIAL INFORMATION (Cont'd)

In order to ease the burden of some tenants, the deferment of payment of rentals were granted and fully settled within the agreed period as follows:

No.	No. of Subject Properties	No. of tenants	Rental Period	Deferment Period	Status as at 30 June 2022
1.	7	5	April / May 2020	3 months	Fully paid
2.	4	3	April and May 2020	2 to 6 months	Fully paid
3.	1	1	July to first half September 2021	4 months	Fully paid
4.	1	1	November and December 2021	1 to 2 months	Fully paid
5.	1	1	February to July 2022	2 to 3 months	Fully paid for February, March and April 2022 as scheduled with remaining rental for May, June and July 2022 not due yet
6.	1	1	April and May 2022	1 to 2 months	Fully paid

Apart from the above, there were no rebates granted nor any requests made for early termination of tenancies arising from the COVID-19 pandemic, and all of the tenants have continued to honour their respective rental payment obligations.

Operations of tenants of the Subject Properties were allowed to fully resume on 25 October 2021 when Johor moved into Phase 4 of the National Recovery Plan. As at the LPD, none of the existing tenants of the Subject Properties have given any notice for early termination of leases. In fact, among the Subject Properties, 9 of the tenancies (not including I Stay) were secured after March 2020 up to the LPD while 7 tenancy renewals were secured during the same period.

4.4.4 Significant Accounting Policies

The following accounting policies are adopted by AME REIT as at date of establishment.

(a) Basis of measurement

The financial statements of AME REIT will be prepared on the historical basis unless otherwise described below, and in compliance with the provisions of the Deed, MFRS and International Financial Reporting Standards.

(b) Functional and presentation currency

The financial statements of AME REIT will be presented in RM, which is the functional currency of AME REIT. All financial information is presented in RM and will be rounded to the nearest thousand, unless otherwise stated.

(c) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(d) Financial instruments

(i) Recognition and initial measurements

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, AME REIT becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless AME REIT changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impairment financial assets (see Note (h)(i)) where the effective profit rate is applied to the amortised cost.

Financial liabilities

Financial liabilities at initial recognition are categorised as amortised cost and are subsequently measured at amortised cost using the effective profit method.

Profit expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, AME REIT currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(e) Investment properties

Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised financing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by AME REIT as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, AME REIT added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(f) Leases**(i) Definition of a lease**

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, AME REIT assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, AME REIT allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which AME REIT is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement**(a) As a lessee**

AME REIT recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, AME REIT's incremental financing rate. Generally, AME REIT uses their incremental financing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

- the exercise price under a purchase option that AME REIT is reasonably certain to exercise; and
- penalties for early termination of a lease unless AME REIT is reasonably certain not to terminate early.

AME REIT excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

AME REIT has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. AME REIT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When AME REIT acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, AME REIT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, AME REIT applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When AME REIT is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which AME REIT applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in AME REIT's estimate of the amount expected to be payable under a residual value guarantee, or if AME REIT changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

AME REIT recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and Islamic deposits with banks and highly liquid Shariah-compliant investments which have an insignificant risk of changes in fair value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged Islamic deposits.

(h) Impairment

(i) Financial assets

AME REIT recognises loss allowances for expected credit losses on financial assets measured at amortised cost and tenancy contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

AME REIT measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and tenancy contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, AME REIT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on AME REIT's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which AME REIT is exposed to credit risk.

AME REIT estimates the expected credit losses on trade receivables.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, AME REIT assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when AME REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with AME REIT's procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for investment properties that are measured at fair value) are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

(i) Islamic financing costs

Islamic financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective profit method.

Islamic financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of cost of those assets.

The capitalisation of Islamic financing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, Islamic financing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of Islamic financing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific Islamic financing pending their expenditure on qualifying assets is deducted from the Islamic financing costs eligible for capitalisation.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(k) Provisions

A provision is recognised if, as a result of a past event, AME REIT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue

(i) Rental income

Rental income consists of income from the leasing of investment properties.

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives are recognised as an integral part of the total rental income, over the term of the lease.

(ii) Profit income

Profit income is recognised as it accrues using the effective profit method in profit or loss.

(m) Expenses

(i) Property expenses

Property expenses consist of property management fees, quit rent and assessment, and other property outgoings in relation to investment properties where such expenses are the responsibility of AME REIT.

Property management fees are recognised on an accrual basis.

(ii) Management Fees

Management Fees are recognised on an accrual basis using the applicable formula.

(iii) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the financial year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the financial year.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note (e), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each financial year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per unit

AME REIT's earnings per unit ("**EPU**") is presented based on basic and diluted format.

Basic EPU is calculated by dividing the profit or loss attributable to unitholders of AME REIT by the weighted average number of units outstanding during the period.

Diluted EPU is determined by adjusting the profit or loss attributable to unitholders and the weighted average number of units outstanding adjusted for the effects of all dilutive potential units.

(p) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, AME REIT uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that AME REIT can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

AME REIT recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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4. FINANCIAL INFORMATION (Cont'd)

4.4.5 Components of the unaudited Pro Forma Statement of Comprehensive Income

4.4.5.1 Total revenue

Rental income

AME REIT's total revenue represents rental income derived from the rental and leasing of the Subject Properties based on the rental charges stipulated in the respective tenancy agreements of the Subject Properties, after adjusting for increases in rentals during the later period's tenancy on a straight-line⁽¹⁾ basis over the term of the tenancy. Rental income is recognised in the statement of profit or loss on a straight-line basis over the term of the lease. As at 31 March 2022, of the 34 Subject Properties, 33 are yielding rental, while the remaining dormitory under construction has received CCC on 5 July 2022 and had commenced rental operations effective from 15 July 2022⁽²⁾.

Note:

(1) The straight-line rental income is obtained by dividing the total rental income for committed tenancies over the tenure of such rentals, i.e. the total rental amount over the life of the lease is divided and recognised equally over the relevant tenancy period. This differs from the actual rental applicable during the relevant periods, as leases may feature rental rate escalations over the tenure of the leases as well as rent-free periods.

(2) In respect of Plot 13 Dorm Indahpura, tenancy commenced on 15 July 2022.

The following tables sets out information on the Total Revenue, average Occupied NLA and average monthly rental rate for the categories of Subject Properties for the FYE 2020, FYE 2021 and FYE 2022, respectively and the WALE of the Subject Properties as at the LPD.

Total Revenue by categories of properties

Categories of properties	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Industrial Properties			
- SAC Subject Properties	10,914	12,966	17,000
- Indahpura Subject Properties	7,805	7,588	8,021
- SiLC Subject Properties	2,357	1,953	3,015
	<u>21,076</u>	<u>22,507</u>	<u>28,036</u>
Dormitories	5,794	6,146	7,200
Total Revenue	<u>26,870</u>	<u>28,653</u>	<u>35,236</u>

Average Occupied NLA ⁽¹⁾

Categories of properties	FYE 2020 ('000 sq ft)	FYE 2021 ('000 sq ft)	FYE 2022 ('000 sq ft)
Industrial Properties			
- SAC Subject Properties ⁽²⁾	576	675	893
- Indahpura Subject Properties ⁽³⁾	409	409	427
- SiLC Subject Properties ⁽⁴⁾	129	102	175
Total Average NLA	<u>1,114</u>	<u>1,186</u>	<u>1,495</u>
	No. of beds	No. of beds	No. of beds
Dormitories ⁽⁵⁾	4,004	4,118	4,118

4. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Average Occupied NLA is derived based on the monthly Occupied NLA of each of the Subject Properties.
- (2) Comprising 10 properties with average tenanted period of 11.4 months in FYE 2020, and increased to 13 properties with average tenanted period of 9.1 months in FYE 2021, and finally increased to 14 properties with average tenanted period of 11.4 months in FYE 2022.
- (3) Comprising 10 properties with average tenanted period of 12.0 months in FYE 2020 and FYE 2021 respectively, and finally increased to 11 properties upon completion of an Industrial Property in December 2021 with average tenanted period of 11.0 months in FYE 2022.
- (4) Comprising 6 properties due to completion of 2 Industrial Properties in the financial year with average tenanted period of 10.0 months in FYE 2020. Average tenanted period decreased to 8.8 months in FYE 2021 for the 6 properties, and finally the average tenanted period stabilised at 12.0 months in FYE 2022.
- (5) Average Occupied NLA is not applicable for Dormitories as the rental is not negotiated based on NLA but based on the whole dormitory on a master lease arrangements together with the available amenities and facilities on its premises.

The number of beds for the FYE 2020, 2021 and 2022 have been restated based on the approved bed capacity for SAC Dorm and Plot 17 Dorm Indahpura as at LPD which is based on their respective Certificate for Accommodation and in compliance with Act 446. The actual bed capacity prior to reconfiguration to comply with Act 446 was more than 5,000 beds.

Average monthly rental rate

Categories of properties	FYE 2020	FYE 2021	FYE 2022
	RM per sq ft	RM per sq ft	RM per sq ft
Industrial Properties ⁽¹⁾			
- SAC Subject Properties	1.58	1.60	1.59
- Indahpura Subject Properties	1.59	1.55	1.57
- SiLC Subject Properties	1.52	1.59	1.43
Total aggregated average rental rate	1.58	1.58	1.56
	RM per bed	RM per bed	RM per bed
Dormitories ⁽²⁾	121	124	146

Notes:

- (1) Average rental rate is calculated based on the Occupied NLA.
- (2) Average rental rate is calculated based on the aggregate approved bed capacity (number of beds) for SAC Dorm and Plot 17 Dorm Indahpura.

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4. FINANCIAL INFORMATION (Cont'd)

WALE

The WALE of the Industrial Properties (excluding the 3 Dormitories) by Occupied NLA and the WALE of the Subject Properties by Pro Forma Gross Rental Income (as defined in Section 2.1.3 of this Prospectus) as at the LPD is as follows:

	By Occupied NLA of properties available for tenancy	By Pro Forma Gross Rental Income
	years	years
Industrial Properties		
- SAC Subject Properties	4.6	4.9
- Indahpura Subject Properties	2.5	2.5
- SiLC Subject Properties	2.4	2.1
Dormitories	N/A	2.5
Portfolio WALE	3.7	3.5

The remaining tenancy terms range from less than a year and up to approximately 11 years.

4.4.5.2 Occupancy trends

The following table sets out the average Occupancy Rate of the categories of the Subject Properties for the FYE 2020, FYE 2021 and FYE 2022.

Components	FYE 2020 (%)	FYE 2021 (%)	FYE 2022 (%)
Industrial Properties			
- SAC Subject Properties	99.6	⁽¹⁾ 93.5	95.0
- Indahpura Subject Properties	100.0	100.0	⁽²⁾ 99.7
- SiLC Subject Properties ⁽³⁾	⁽⁴⁾ 73.7	⁽⁵⁾ 58.4	⁽⁶⁾ 100.0
Total average Occupancy Rate	95.8	90.8	96.9
Dormitories	100.0	100.0	100.0

Notes:

- (1) The Occupancy Rate at SAC Subject Properties of 93.5% in FYE 2021 was due to:
- (i) Plot A of FZW SAC being vacant for 9 months; and
- (ii) Plot B of FZW SAC being vacant for 4.5 months,
- since building completion of FZW SAC in July 2020. Plot C was tenanted in July 2020 immediately after building completion of FZW SAC.
- (2) The Occupancy Rate at Indahpura Subject Properties of 99.7% was due to 13 days of vacant period of 1 Industrial Property during the transition period pending commencement of new tenancy.
- (3) All 3 Subject Properties located in i-Park @ SiLC was 100% occupied from FYE 2020 to FYE 2022.
- (4) The overall Occupancy Rate at SiLC Subject Properties of 73.7% was due to a temporary tenancy on the 2 vacant properties at District 6 @ SiLC Subject Properties for a period of 6 months in FYE 2020.

4. FINANCIAL INFORMATION (Cont'd)

- (5) The overall Occupancy Rate at SiLC Subject Properties of 58.4% in FYE 2021 was due to the commencement of tenancy for the 2 vacant properties at District 6 @ SiLC Subject Properties in the 4th quarter of FYE 2021.
- (6) The full Occupancy Rate achieved was due to District 6 @ SiLC Subject Properties being 100% occupied in FYE 2022.

Despite the COVID-19 outbreak, overall occupancy has been maintained at above 90% for the past 3 financial years, whilst NPI has overall seen moderate growth between FYE 2020 to FYE 2022 mainly due to the increase in properties available for tenancy and tenanted in AME's portfolio from 28 to 33. The overall Occupancy Rates of above 90% were due to high Occupancy Rates of Indahpura Subject Properties of 100% from FYE 2020 to FYE 2021 before reducing slightly to 99.7% in FYE 2022, and SAC Subject Properties of between 93.5% to 99.6% in FYE 2020 to FYE 2022, which were offset by the lower occupancy rates of SiLC Subject Properties of between 58.4% to 73.7% in FYE 2020 to FYE 2021 until 100% occupancy was achieved in FYE 2022. These fluctuations in SiLC Subject Properties were not COVID-19 related.

For a further description of the occupancy profile and Occupancy Rate of the Subject Properties, please refer to Section 2.1.7 "Occupancy Profile" and Section 2.1.8 "Tenancy Expiry Profile" of this Prospectus.

4.4.5.3 Components of Property Operating Expenses

The Property Operating Expenses include quit rent and assessment, insurance, repair and maintenance and other property operating expenses such as property management fees, reimbursement costs, gated development service charges and security services.

Quit rent and assessment

Components	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Industrial Properties	535	1,002	1,177
Dormitories	97	108	106
	<u>632</u>	<u>1,110</u>	<u>1,283</u>

Quit rent is an amount prescribed by and payable to the State Authority. Assessment are calculated based on a rate as prescribed by the local authorities, on the annual value of the Subject Properties as assessed by the relevant local authorities. The actual amounts of quit rent and assessment paid with respect to the Subject Properties are included in the Pro Forma Statement of Comprehensive Income.

Insurance

Components	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Industrial Properties	477	447	533
Dormitories	46	32	34
	<u>523</u>	<u>479</u>	<u>567</u>

Insurance expenses relate to insurance premium expenses incurred and payable for coverage of the Subject Properties. These include fire and consequential loss of income.

4. FINANCIAL INFORMATION (Cont'd)

Repair and maintenance

Components	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Industrial Properties	600	258	405
Dormitories	456	2	266
	<u>1,056</u>	<u>260</u>	<u>671</u>

Repair and maintenance expenses comprises the cost for contractual maintenance as well as general repair and cost of upkeep of the Subject Properties such as repair and maintenance of concrete and steel structure, roof and gutters leakage, external wall of building, including repainting, and fencing wall of the properties incurred for the respective years under review.

Other operating expenses

Components	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Industrial Properties	187	359	235
Dormitories	31	6	240
	<u>218</u>	<u>365</u>	<u>475</u>

Other operating expenses mainly consists of gated development charges for 3 Indahpura Subject Properties, 2 SiLC Subject Properties and 1 SAC Subject Property. The monthly maintenance charges, landscape maintenance services, security outsourcing services, waste disposal services and pest control services were incurred only for FZW SAC.

Property management fee

Components	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Property management fee	240	240	240
Reimbursement costs	96	96	96
	<u>336</u>	<u>336</u>	<u>336</u>

Property management fee was based on the fixed rate of RM20,000 per month and estimated reimbursement costs of RM8,000 per month agreed between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager in respect of service provided for the management of the Subject Properties.

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4. FINANCIAL INFORMATION (Cont'd)

4.4.5.4 NPI trends

The following table sets out information on the NPI of the Subject Properties for the FYE 2020, FYE 2021 and FYE 2022, respectively.

Components	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Industrial Properties			
- SAC Subject Properties	10,486	11,934	15,807
- Indahpura Subject Properties	7,191	6,969	7,318
- SiLC Subject Properties	1,600	1,538	2,561
	19,277	20,441	25,686
Dormitories	5,164	5,998	6,554
NPI before property management fee	24,441	26,439	32,240
Less: Property management fee	(336)	(336)	(336)
NPI	24,105	26,103	31,904

4.4.5.5 Components of Management Fees

Pursuant to the Deed, the Manager is entitled to receive the following fees from AME REIT, in the form of cash, new Units or a combination of cash and Units (as it may decide in its sole discretion):

- (i) an annual base fee of up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts);
- (ii) an annual performance fee of up to 5.0% per annum of AME REIT's NPI in the relevant financial year;
- (iii) an acquisition fee of 1.0% of the acquisition price of the following as is applicable (subject to there being no double-counting), including but not limited to the acquisition of AME Group's properties:
 - (aa) in relation to an acquisition (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate purchased by AME REIT or its SPV (pro-rated if applicable to the proportion of AME REIT's interest); or
 - (bb) in relation to an acquisition (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest); and
- (iv) a disposal fee of 0.5% of the disposal price of the following as is applicable (subject to there being no double-counting):
 - (aa) in relation to a disposal (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate disposed by AME REIT or its SPV (pro-rated if applicable to the proportion of AME REIT's interest); or

- (bb) in relation to a disposal (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest);

as set out in Section 6.6 "Management Fees" of this Prospectus.

In arriving at the Pro Forma Statement of Comprehensive Income for FYE 2020, FYE 2021 and FYE 2022, it is assumed that the Manager charged a base fee of approximately 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) and annual performance fee of approximately 5% per annum.

4.4.5.6 Trustee's fees

Pursuant to the Deed, the annual Trustee's fee is calculated based on 0.03% of the NAV of AME REIT for the financial years presented, as set out in Section 8.5 "Trustee's Fee" of this Prospectus.

4.4.6 Results of operations for FYE 2021 compared to FYE 2020

Total Revenue

Total Revenue increased by RM1.8 million or 6.7% to RM28.7 million in FYE 2021 from RM26.9 million in FYE 2020, primarily due to the following factors:

- (i) SAC Subject Properties recorded an increase in rental income of RM2.1 million mainly due to:
 - (a) full 12 months rental for 10 existing properties as compared to 11.4 average tenanted months for the 10 existing properties in FYE 2020;
 - (b) the commencement of rental operations for 2 tenancies which account for 63.7% of the total NLA at FZW SAC in July 2020 and November 2020 respectively; and
 - (c) the commencement of new tenancy for 2 new properties in January 2021 and in March 2021 respectively, and
- (ii) Dormitories component recorded an increase in rental income of RM0.3 million mainly due to step-up in rental rate upon renewal of its tenancy in FYE 2021.

The increase in Total Revenue was offset by the following:

- (i) SiLC Subject Properties recorded a decrease in rental income of RM0.4 million as Plot 3 District 6 and Plot 4 District 6 were unoccupied for most of FYE 2021 until commencement of new tenancy during the remaining 2.5 months in FYE 2021, as compared to a temporary tenancy for a period of 6 months on Plot 3 District 6 and Plot 4 District 6 in FYE 2020; and
- (ii) Indahpura Subject Properties recorded a decrease in rental income of RM0.2 million mainly due to the adjustment in rental recognition made in FYE 2020 for 3 properties of approximately RM0.2 million relating to FYE 2018 and FYE 2019 not previously recognised.

Property Operating Expenses

Property Operating Expenses decreased by RM0.2 million or 7.1% to RM2.6 million in FYE 2021 from RM2.8 million in FYE 2020, mainly due to a RM0.9 million decrease in repair and maintenance arising from a decrease of RM0.5 million due to one-off repainting works and installation of window grilles at Plot 17 Dorm Indahpura in FYE 2020, and arising from a decrease of RM0.4 million due to one-off repair and preparatory works for new tenancy of 2 SiLC Subject Properties in FYE 2020.

The decrease in Property Operating Expenses was offset by a RM0.5 million increase in quit rent and assessment primarily due to the increase of RM0.3 million at SAC Subject Properties arising from the annual value of the assessment based on full 12 months for 10 existing properties and the commencement of rental operations for 3 new properties in FYE 2021, as compared to assessment based on only 11.4 months average tenanted period for the 10 properties in FYE 2020.

NPI

As a result of the factors discussed above, AME REIT recorded NPI of RM26.1 million in FYE 2021, which represented an increase of RM2.0 million or 8.3% from NPI of RM24.1 million in FYE 2020.

Management Fees

Management Fees increased by RM0.3 million or 12.0% to RM2.8 million in FYE 2021 from RM2.5 million in FYE 2020. This is primarily due to higher NPI attained in FYE 2021 and the higher Total Asset Value in FYE 2021 mainly resulting from the increase of 3 investment properties in AME REIT's portfolio.

Trustee's fee

Trustee's fees remained stable from FYE 2020 and FYE 2021 at RM0.1 million.

Other trust expenses

Other trust expenses remained stable from FYE 2020 and FYE 2021 at RM0.6 million.

Islamic financing costs

Finance costs increased by RM0.2 million or 18.2% to RM1.3 million in FYE 2021 from RM1.1 million in FYE 2020, due to drawdown of Islamic Financing Facilities in relation to the additional investment properties and for working capital purposes during the year.

Changes in fair value of investment properties

The changes in fair value of RM2.0 million for FYE 2021 resulting from 2 long term leases secured for a new tenant for leasing 2 SiLC Subject Properties, with lower rental for the initial periods.

Profit before taxation

As a result of the factors discussed above, AME REIT recorded a profit before taxation of RM19.6 million in FYE 2021 as compared to a profit before taxation of RM20.4 million in FYE 2020.

Distributable income

After adjusting for the non-cash items, AME REIT recorded a Distributable Income of RM24.2 million in FYE 2021, which represented a 22.2% increase from Distributable Income of RM19.8 million in FYE 2020.

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4.4.7 Results of operations for FYE 2022 compared to FYE 2021

Total Revenue

Total Revenue increased by RM6.5 million or 22.6% to RM35.2 million in FYE 2022 from RM28.7 million in FYE 2021, primarily due to the following factors:

- (i) SAC Subject Properties recorded an increase in rental income of RM4.0 million mainly due to:
 - (a) 11.3 average tenanted months rental operations for 13 existing properties as compared to 9.1 average tenanted months for the 13 existing properties in FYE 2021; and
 - (b) commencement of rental operation for 1 new tenancy in April 2021;
- (ii) SiLC Subject Properties recorded an increase in rental income of RM1.1 million mainly due to full 12 months rental operations for 6 existing properties as compared to 8.8 months average tenanted months for the 6 existing properties in FYE 2021;
- (iii) Dormitories component recorded an increase in rental income of RM1.0 million mainly due to the full 12 months effect arising from the step-up in rental rate upon renewal of SAC Dorm's tenancy during FYE 2021; and
- (iv) Indahpura Subject Properties recorded an increase in rental income of RM0.4 million mainly due to the commencement of 1 new tenancy in January 2022 and full 12 months effect arising from the step-up in rental rate upon renewal of 1 existing tenancy during FYE 2021.

Property Operating Expenses

Property Operating Expenses increased by RM0.7 million or 26.9% to RM3.3 million in FYE 2022 from RM2.6 million in FYE 2021, mainly due to:

- (i) a RM0.5 million increase at Plot 17 Dorm Indahpura arising from repair and maintenance of RM0.3 million for additional electrical works and heat detectors, as well as RM0.2 million for other property operating expenses incurred to comply with Act 446 as discussed in Section 2.2.4.1 of this Prospectus;
- (ii) a RM0.1 million increase in quit rent and assessment expenses for SAC Subject Properties; and
- (iii) an increase of RM0.1 million for repair and maintenance expenses for Indahpura Subject Properties.

NPI

As a result of the factors discussed above, AME REIT recorded NPI of RM31.9 million in FYE 2022 which represented an increase of RM5.8 million or 22.2% from NPI of RM26.1 million in FYE 2021.

Management Fees

Management Fees increased by RM0.4 million or 14.3% to RM3.2 million in FYE 2022 from RM2.8 million in FYE 2021. This is primarily due to higher NPI attained in FYE 2022 and the higher Total Asset Value in FYE 2022 mainly resulting from the increase of 2 investment properties in AME REIT's portfolio.

Trustee's fee

Trustee's fees remained stable from FYE 2021 to FYE 2022 at RM0.1 million.

Other trust expenses

Other trust expenses remained stable from FYE 2021 to FYE 2022 at approximately RM0.7 million.

Islamic financing costs

Islamic financing costs increased by RM0.1 million or 7.7% to RM1.4 million in FYE 2022 from RM1.3 million in FYE 2021, due to drawdown of Islamic Financing Facilities in relation to the additional investment properties and for working capital purposes during the year.

Changes in fair value of investment properties

There were no changes in fair value for FYE 2022. The changes in fair value for FYE 2021 resulted from 2 long term leases secured for a new tenant for leasing 2 SiLC Subject Properties, with lower rental for the initial periods.

Profit before taxation

As a result of the factors discussed above, AME REIT recorded a profit before taxation of RM27.0 million in FYE 2022 as compared to a profit before taxation of RM19.6 million in FYE 2021.

Distributable income

After adjusting for the non-cash items, AME REIT recorded a Distributable Income of RM29.1 million in FYE 2022, which represented a 20.2% increase from Distributable Income of RM24.2 million in FYE 2021.

4.4.8 Liquidity and Capital Resources

The Manager is of the opinion that AME REIT's working capital would be sufficient for its present requirements as rental income is received on a monthly basis and generally, tenants are required to provide a security deposit of between 2 to 6 months of their monthly rental. The Manager anticipates that AME REIT's primary uses of cash would be to fund day-to-day operations, trust expenses, Management Fees, servicing of debt, distributions (to the extent there is Distributable Income), repair and maintenance, assets enhancement initiatives and future property acquisitions.

Funding of the foregoing would come from a combination of cash from operations and Islamic Financing Facilities. AME REIT's expected gearing over Total Asset Value upon Listing will be approximately 8.1% while the regulated maximum under the REIT Guidelines is 50.0% of its Total Asset Value at the time the Islamic Financing Facilities are incurred.

4.4.9 Capital Expenditures

The Manager does not envisage any major capital expenditure to be incurred during the Forecast Year 2023.

4.4.10 Asset Enhancement Initiatives

The Manager plans to continue carrying out assets enhancement initiatives in order to preserve the value of the AME REIT's portfolio and to maintain high tenant satisfaction rates.

The initiatives may incorporate ESG considerations, such as the installation of resource-efficient fittings and equipment, which are aimed at offering additional complementary services to the tenants, to assist them in managing their energy and carbon footprint.

These efforts are expected to ensure that the Subject Properties are up-to-date and competitive, which increases the likelihood of tenancy renewals as well as space expansion.

4.4.11 Changes in Accounting Policies

There were no changes to the accounting policies of the Vendors. AME REIT's Pro Forma Statement of Comprehensive Income have been compiled based on the Vendors' audited financial statements for the FYE 2020 and FYE 2021 and the unaudited management accounts for the FYE 2022. The Pro Forma Statement of Comprehensive Income have been prepared in a manner consistent with the format and the accounting policies to be adopted by AME REIT as set out in Section 4.4.4 "Significant Accounting Policies" of this Prospectus.

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4.5 PROFIT FORECAST

Statement contained in this “Profit Forecast” section that are not historical facts may be forward-looking statements. Such statement is based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction by any of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter, or any other person that the underlying assumptions will materialise, or that these results will be achieved or are likely to be achieved. See the Section on “Forward-looking Statements” and Section 5 “Risk Factors” of this Prospectus for further details. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter guarantees the performance of AME REIT, the payment of capital or the payment of any distributions, or any particular return on the Units. The forecast yields stated in the following table are calculated based on:

- ***the Retail Price of RM[•] per Unit; and***
- ***the assumption that the Listing Date is 1 April 2022.***

Such yields will vary accordingly based on the actual Listing Date, or for investors who purchase Units at a price that differs from the Retail Price.

Investors are cautioned that rental yield on the Subject Properties to be held by AME REIT is not equivalent to the yield of the Units. Investors are cautioned that they will not get the full amount of the distribution per Unit as illustrated in the Profit Forecast. Current rental receipts and yields may not be sustained. The values of the Subject Properties may rise as well as fall.

The following table shows AME REIT’s Profit Forecast for the Forecast Year 2023. The financial year end of AME REIT is 31 March. The Forecast Year 2023 has been prepared assuming that the first financial year is for the 12-month period ending 31 March 2023, and the date of establishment of AME REIT on 1 April 2022 (instead of the actual establishment on 23 May 2022) and that the Acquisitions had been completed on 1 April 2022. The actual net property income for the financial year ending 31 March 2023 and the resultant distribution yield would be dependent on the rentals of the Subject Properties accruing to AME REIT effective from the Listing Date. The Profit Forecast are based on the assumptions set out below and have been examined by the Reporting Accountants and should be read together with the “Reporting Accountants’ Letter on the Profit Forecast” set out in Appendix E, as well as the assumptions set out in this section of the Prospectus.

4. FINANCIAL INFORMATION (Cont'd)

Profit Forecast

	Forecast Year 2023
	(RM'000)
Rental income	40,995
Total revenue	40,995
Quit rent and assessment	(1,803)
Insurance	(705)
Repair and maintenance	(346)
Other operating expenses	(228)
Property management fees	(336)
Property operating expenses	(3,418)
Net property income	37,577
Profit income	452
Net investment income	38,029
Management Fees	(3,573)
Trustee's fee	(175)
Islamic financing costs	(2,481)
Other trust expenses	(837)
Non-property expenses	(7,066)
Profit before taxation	30,963
Taxation	-
Net income for the year and total comprehensive income for the year attributable to Unitholders	30,963
Add: Non-cash items ⁽¹⁾	3,083
Distributable income	34,046
Number of Units in issue (in '000) ⁽²⁾	[•]
Assumed distribution rate (%)	100.0
Distribution cover (times)	1.00
Distribution per Unit (sen)	[•]
Retail Price (RM/Unit)	[•]
Distribution yield on Retail Price (%) ⁽³⁾	[•]

Notes:

- (1) Non-cash items comprise the Management Fees payable in Units, amortisation of transaction costs on financings capitalised and net of unbilled lease income receivables.
- (2) The total number of units in issue includes the assumed units issued to the Manager as payment for the Management Fees for the Forecast Year 2023 at an assumed issue price of RM[•] per Unit.
- (3) Distribution yield is calculated based on the assumption that the Listing Date is on 1 April 2022. The distribution yield will vary accordingly based on the actual Listing Date, or if the Final Retail Price is below RM[•].

4. FINANCIAL INFORMATION (Cont'd)

4.5.1 Projected Income

The following sets out the forecast Total Revenue and NPI for each of the Subject Properties for the Forecast Year 2023.

Components	Forecast Year 2023	
	Total Revenue (RM'000)	NPI (RM'000)
Industrial Properties		
- SAC Subject Properties	18,247	16,542
- Indahpura Subject Properties	9,590	8,616
- SiLC Subject Properties	3,104	2,778
	30,941	27,936
Dormitories	10,054	9,641
Total	40,995	37,577

4.5.2 Directors' Analysis and Commentary

The Directors confirm that the Profit Forecast of the AME REIT and the underlying bases and assumptions stated herein have been reviewed by the Directors. After due and careful inquiries, with the Directors taking into account the future prospects of the industry, the future plans and strategies of AME REIT (as set out in Section 1.3 "Strategies" of this Prospectus) and its level of gearing, liquidity and working capital requirements, the Directors are of the opinion that the Profit Forecast of AME REIT is achievable and the assumptions made are reasonable at the time of issue of this Prospectus, barring unforeseen circumstances.

Nevertheless, the bases and assumptions are inherently subject to significant business, economic and competitive uncertainties and contingencies, which are beyond the Manager's control. Therefore, future events, regionally and globally, may have a material impact on the actual results of AME REIT during the Forecast Year 2023.

4.5.3 Bases and Assumptions

The Profit Forecast has been prepared for illustrative purposes, on the bases and accounting principles consistent with those to be adopted in the preparation of the financial statements of AME REIT. The financial year end of AME REIT is 31 March. The Profit Forecast has been prepared on the assumption that the Acquisitions had been completed on 1 April 2022 and that AME REIT is established and had commenced operation 1 April 2022. The actual establishment date of AME REIT is on 23 May 2022, of which the financial statements will be prepared for a period of less than 11 months for the financial year ending 31 March 2023. The actual revenue to be recorded by AME REIT shall commence on the Listing Date. The Manager has prepared the Profit Forecast on the following bases and assumptions. The Manager considers these bases and assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these bases and assumptions as well as the Profit Forecast and make their own assessment of the future performance of the AME REIT.

4. FINANCIAL INFORMATION (Cont'd)

4.5.3.1 Total Revenue

For the Forecast Year 2023, the forecasted rental income is approximately RM41.0 million. The breakdown of rental income derived from Industrial Properties and Dormitories are as follows:

	Forecast Year 2023 (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	18,247
- Indahpura Subject Properties	9,590
- SiLC Subject Properties	3,104
	30,941
 Dormitories	 10,054
 Total	 40,995

The Manager has assumed the following in arriving at the rental income of the Subject Properties for the Forecast Year 2023:

Industrial Properties

- (i) rental income derived from Industrial Properties is forecasted based on the agreed rental rates for committed tenancies for the Forecast Year 2023, after adjusting for increases in rentals during the later periods tenancy on a straight-line basis over the term of the tenancy⁽¹⁾; and
- (ii) there are 4 tenancies that expired and expiring (without renewal) during the Forecast Year 2023, the assumptions for these Subject Properties are:
 - (a) Rental revenue has been assumed for 1 Subject Property for which a new replacement tenancy was secured and the tenancy agreement was duly signed.
 - (b) For the other 3 tenancies that are expiring during the Forecast Year 2023, the Manager has engaged with all of them (2 tenants of 3 Subject Properties). Both tenants have expressed their intention not to renew their tenancies. The status are as follows:
 - (aa) For 1 Subject Property, a new lease proposal at a higher rate has been accepted. The rental has been included in the rental income for Forecast Year 2023.
 - (bb) Remaining 2 Subject Properties are assumed to be vacant and no rentals have been assumed upon the lapse of their tenancies.

Dormitories

Rental income derived from Dormitories is forecasted based on the agreed rental rates for committed tenancies for the Forecast Year 2023, after adjusting for increases in rentals during the later periods tenancy on a straight-line basis over the term of the tenancy⁽¹⁾. Rental for Plot 13 Dorm Indahpura has been assumed to commence on 15 July 2022, after receiving the CCC on 5 July 2022.

4. FINANCIAL INFORMATION (Cont'd)

Note:

- (1) *The straight-line rental income is obtained by dividing the total rental expected to be received for committed tenancies over the tenure of such rentals, i.e. the total rental amount over the life of the lease is divided and recognised equally over the relevant tenancy period. This differs from the actual rental applicable during the relevant periods, as leases may feature rental rate escalations over the tenure of the leases as well as rent-free periods.*

4.5.3.2 Property Operating Expenses

For the Forecast Year 2023, the Manager forecasts the Property Operating Expenses to be approximately RM3.4 million, the breakdown of which is as follows:

Forecast Year 2023	Industrial Properties (RM'000)	Dormitories (RM'000)	Total (RM'000)
Quit rent and assessment	1,552	251	1,803
Insurance	655	50	705
Repair and maintenance	318	28	346
Property management fees	248	88	336
Other operating expenses	228	-	228
Total	3,001	417	3,418

Quit rent and assessment

	Forecast Year 2023 (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	1,009
- Indahpura Subject Properties	426
- SiLC Subject Properties	117
	<u>1,552</u>
Dormitories	251
Total	<u>1,803</u>

Quit rent and assessment rates is an amount prescribed by and payable to the state government and local council respectively on the Subject Properties. Assessment is computed based on the rent prescribed by the local council on the annual value of the Subject Properties.

Those expenses are forecasted to be approximately RM1.8 million for the Forecast Year 2023.

4. FINANCIAL INFORMATION (Cont'd)

Insurance

	Forecast Year 2023 (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	306
- Indahpura Subject Properties	271
- SiLC Subject Properties	78
	655
Dormitories	50
Total	705

Insurance relates to insurance premium expenses incurred and payable for coverage of the Subject Properties. These include fire and consequential loss of income.

The forecast insurance expenses are estimated to be approximately RM0.7 million for the Forecast Year 2023. The insurance expenses are assumed based on the historical experience, and after considering the use of the properties, type and coverage value of the Subject Properties.

Repair and maintenance

	Forecast Year 2023 (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	144
- Indahpura Subject Properties	113
- SiLC Subject Properties	61
	318
Dormitories	28
Total	346

Repair and maintenance expenses refers to the cost for contractual maintenance as well as general repair and cost of upkeep of the Subject Properties such as repair and maintenance of concrete and steel structure, roof and gutters leakage, external wall of the building, including repainting and fencing wall of the properties.

For the Forecast Year 2023, the repair and maintenance expenses to be incurred on the Subject Properties are expected to be approximately RM0.3 million. The repair and maintenance expenses are assumed based on the age and condition of the Subject Properties. The Manager assumed that there will be no significant repair and maintenance works to be carried out for the Subject Properties in the Forecast Year 2023 which are not in the ordinary course of business.

4. FINANCIAL INFORMATION (Cont'd)

Property management fees

Forecast Year 2023	Total (RM'000)
Property management fees	240
Reimbursement cost	96
Total	336

Pursuant to the Property Management Agreement entered into between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager, the property management fee is based on the fixed rate of RM20,000 per month and estimated reimbursement of expenses.

The property management fees is forecasted to be approximately RM0.3 million for the Forecast Year 2023.

Other operating expenses

	Forecast Year 2023 (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	97
- Indahpura Subject Properties	86
- SiLC Subject Properties	45
	228
Dormitories	-
Total	228

Other operating expenses mainly consists of gated development charges for 3 Indahpura Subject Properties, 2 SiLC Subject Properties and 1 SAC Subject Property. The monthly maintenance charges, landscape maintenance services, security outsourcing services, waste disposal services and pest control services were incurred only for FZW SAC. Other operating expenses is estimated to be approximately RM0.2 million for the Forecast Year 2023. The other operating expenses for the Subject Properties are assumed based on the historical experience and information, on the basis that there will be no significant deviation in charges by service providers from previous years.

4.5.3.3 Profit income

Profit income is assumed to be earned at a profit rate of 2.0% per annum applied to cash held in Islamic accounts / Islamic fixed deposit accounts with licensed financial institutions.

4.5.3.4 Management Fees

The Management Fees comprise both the base fee and the performance fee. Pursuant to the Trust Deed, the Management Fees are computed based on the following:

- (i) an annual base fee of up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts); and

4. FINANCIAL INFORMATION (Cont'd)

- (ii) an annual performance fee of up to 5.0% per annum of the NPI of the Subject Properties for the Forecast Year 2023.

For the Forecast Year 2023, the Manager intends to charge an annual base fee of 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) and the annual performance fee of 5.0% per annum of the NPI of AME REIT, and this has been assumed for purposes of the Profit Forecast.

For the Forecast Year 2023, the total Management Fees is estimated to be approximately RM3.6 million which has been assumed to be paid wholly in Units.

4.5.3.5 Trustee's fee

Pursuant to the Trust Deed, the annual Trustee's fee is computed based on 0.03% of the NAV of AME REIT. One-off set up fee of the Trustee of RM15,000 for the first year is included in the Forecast Year 2023.

4.5.3.6 Islamic financing costs

Islamic financing costs comprise profit expenses on the Islamic Financing Facilities. To part finance the Acquisitions, the Manager has assumed a drawdown of a revolving credit facility of RM37.0 million upon establishment on 1 April 2022 and RM10.0 million to be used for working capital requirements and Listing expenses. The Islamic Financing Facilities carries an assumed floating profit rate of 4.2% per annum.

4.5.3.7 Other trust expenses

Other trust expenses comprise annual audit fees, taxation fees, valuation fees, Shariah advisory fee, market research fees, public relations expenses and other expenses relating to the preparation and distribution of reports to Unitholders, together with other miscellaneous expenses such as postage, printing and stationery.

4.5.3.8 Taxation

It is assumed that AME REIT will distribute 90.0% or more of its total income (as defined under the Income Tax Act) to its Unitholders within 2 months from the close of each financial year which forms the basis period for the year of assessment of AME REIT and accordingly, AME REIT will be exempted from income tax.

The first distribution will be in respect of the period from the Listing Date to 31 December 2022, being the first full financial quarter after Listing, and will be paid by the Manager within 2 months from 31 December 2022. Please refer to Section 1.6 "Distribution Policy" of this Prospectus for further details.

No current tax liabilities have been forecasted during the Forecast Year 2023 as it is assumed that 100% of AME REIT's total income (as defined under the Income Tax Act) will be distributed within 2 months after the close of the financial year.

4.5.3.9 Investment properties and valuation

For the purposes of the Profit Forecast, the Manager has assumed that there will be no fluctuation on the fair value of the Subject Properties from the acquisition date until 31 March 2023. The total fair value of the Subject Properties is assumed to remain at RM557.0 million as at 31 March 2023. Accordingly, no fair value gains or losses are included in the Profit Forecast.

4.5.3.10 Distribution of income

The Manager has assumed that AME REIT will distribute 100.0% of its Distributable Income for the Forecast Year 2023.

4.5.3.11 General assumptions

- (i) All Consideration Units to be issued at RM1.00 per Unit;
- (ii) Credit risk within AME REIT is low, as significantly all revenue receivable by AME REIT, such as rental proceeds, will be received within the credit term for such activities;
- (iii) There will be no significant changes in the prevailing economic, political or property market conditions which will materially affect the activities or performance of AME REIT;
- (iv) There will be no material changes in present legislation and government regulations, including taxation and guidelines of regulatory authorities which will affect AME REIT's activities or the market in which AME REIT operates;
- (v) No material changes are expected for inflation rate;
- (vi) Existing financing facilities will remain available and the level of financing costs will not change materially from those presently prevailing;
- (vii) There will be no major industrial disputes, both domestic and overseas, which will adversely affect AME REIT's operations;
- (viii) There will be no significant changes in the principal activities, management structure and accounting policies adopted by AME REIT;
- (ix) All tenancies are enforceable and will be performed in accordance with terms with no premature termination of tenancies;
- (x) There will be no changes to the portfolio of the Subject Properties;
- (xi) There will be no compulsory acquisition by the Malaysian Government pursuant to the provision of Land Acquisition Act 1960;
- (xii) There will be no material contingent liabilities arising during the Forecast Year 2023, which may adversely affect the Profit Forecast. AME REIT will not be engaged in any material litigation and there will be no legal proceedings which will affect AME REIT's activities or performance or give rise to additional contingent liabilities which may materially affect the results of AME REIT;

4. FINANCIAL INFORMATION (Cont'd)

- (xiii) It has been assumed that there is no significant impact on the Profit Forecast arising from the adoption of Malaysian Financial Reporting Standards and amendments effective for annual financial period beginning 1 April 2022 based on the announcement by the Malaysian Accounting Standards Board up to the LPD;
- (xiv) There is sufficient insurance coverage on all the Subject Properties against fire and consequential loss on income;
- (xv) There will be no major disruption in the operations and there will be no other events and abnormal factors including war, terrorism attacks, epidemic outbreak such as recurrence of COVID-19 or natural disaster, which will adversely affect the operations of AME REIT; and
- (xvi) There will be no significant changes in the terms and conditions of material contracts and agreements; including but not limited to, the tenancy agreements, the SPAs, the Deed, the financing agreements and the Property Management Agreement.

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5. RISK FACTORS

An investment in the Units involves risks. Prospective investors should rely on their own evaluation and carefully consider the following risk factors in addition to other information contained elsewhere in this Prospectus, before investing in the Units.

This Prospectus contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results of AME REIT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Prospectus. If any of the risks described herein actually occur, AME REIT's business, prospects, financial condition, results of operations and ability to make distributions could be negatively affected, the trading price of the Units could decline and investors may lose all or part of their investment.

Unless specified or quantified in the relevant risk factors set out herein, the Manager is not in a position to quantify the financial or other implication of any of the risks described in this section. In addition, the following risk factors may not be exhaustive and additional risks and uncertainties not presently known to AME REIT or the Manager, or which are currently deemed to be immaterial may become material in the future, would have a material adverse effect on AME REIT or the trading price of the Units.

As an investment in a REIT is meant to produce stable income distributions, investors should not expect to realise a significant proportion of their returns in AME REIT in the form of capital gains.

Investors should be aware that the trading price of the Units may fluctuate. Investors should also note that they may not get back their original investment.

5.1 RISKS RELATING TO THE SUBJECT PROPERTIES

5.1.1 The Subject Properties have tenancy cycles in which a substantial number of the tenancies expire in certain years

The tenancy cycle for the Subject Properties as depicted in the table below indicates a substantial number of the tenancies are for terms of 6 years and less:

Tenancy cycle (Based on the tenancy or lease agreements)	Number of tenancies	By number of tenancies (including Dormitories)	Pro Forma Gross Rental Income	By Pro Forma Gross Rental Income
		%	(RM'000)	%
0 – 3 years	15	42.9	1,822	52.9
More than 3 – 6 years	14	40.0	921	26.8
More than 6 – 9 years	--	--	--	--
More than 9 – 12 years	6	17.1	698	20.3
Total	35	100.0	3,441	100.0

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5. RISK FACTORS (Cont'd)

The number of expiring tenancies since LPD in FYE 2023 are as follows:

	Number of tenancies
SAC Subject Properties (excluding Dormitory)	2
Indahpura Subject Properties (excluding Dormitories)	1
SiLC Subject Properties	--
Dormitories	--

The Subject Properties have tenancy cycles in which a substantial number of tenancies expire in certain years as disclosed below:

Components	Tenancies by Pro Forma Gross Rental Income ⁽¹⁾ expiring in						Total
	FYE 2023	FYE 2024	FYE 2025	FYE 2026 to FYE 2028	FYE 2029 to FYE 2031	FYE 2032 to FYE 2034	
	%	%	%	%	%	%	%
Industrial Properties							
- SAC Subject Properties	5.1	5.4	--	12.3	19.0	1.3	43.1
- Indahpura Subject Properties	1.2	10.6	3.2	7.6	--	--	22.6
- SiLC Subject Properties	--	4.1	--	2.9	--	--	7.0
	6.3	20.1	3.2	22.8	19.0	1.3	72.7
Dormitories	--	8.7	--	18.6	--	--	27.3
Total	6.3	28.8	3.2	41.4	19.0	1.3	100.0

Note:

(1) Based on the assumption that there is no early termination of any of the tenancies of the Subject Properties.

In particular, 3 tenancies of Industrial Properties, occupying in aggregate approximately 0.1 million sq ft NLA, accounting for approximately RM0.2 million of the Pro Forma Gross Rental Income, will expire since LPD in the FYE 2023. For FYE 2024, 11 tenancies of Industrial Properties, occupying in aggregate approximately 0.4 million sq ft NLA, together with SAC Dorm which is tenanted to I Stay, will expire. They account for approximately RM1.0 million of the Pro Forma Gross Rental Income.

The concentration of tenancy expiries exposes AME REIT to the typical risks associated with tenancy expiries, including the risk of vacancies following non-renewal, non-replacement of tenancies, reduced Occupancy Rates which may translate to lower rental income.

5. RISK FACTORS (Cont'd)

There can be no assurance that major tenants or a significant number of tenants will decide to renew their tenancies, nor can it be guaranteed that new tenants will be secured at all, or on favourable terms. Such factors may have an adverse effect on the income of AME REIT and its distributions to Unitholders.

5.1.2 **There is no assurance that the Subject Properties will be able to maintain rental rates at prevailing market rates**

The rental rates of the Subject Properties will depend upon various factors, including but not limited to prevailing supply and demand conditions as well as the quality, design and customisation of the Subject Properties. There is no assurance that the Manager will be able to procure new tenancies or renew existing tenancies at or above prevailing rental rates.

The income from the Subject Properties will be dependent on the ability of the Subject Properties to compete against other industrial properties for tenants. If, in the future, competing industrial parks are able to offer lower rental rates to attract the existing tenants of the Subject Properties, the income from the Subject Properties could be reduced, thereby adversely affecting AME REIT's cash flow and amount of funds available for distribution to Unitholders.

5.1.3 **The loss of third-party key tenants, a downturn in the business of Subject Properties' key tenants or any breach by the tenants of their obligations under their tenancy agreements may have a material adverse effect on the financial condition and results of operations of AME REIT**

As at the LPD, the contribution of the top 10 largest tenants of the Industrial Properties, all of whom are third parties, based on their Occupied NLA to the Pro Forma Gross Rental Income across the Subject Properties is approximately 41.5%.

Accordingly, AME REIT's business, financial condition, results of operations and ability to make distributions may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of these tenants, as well as the decision by one or more of these tenants not to renew its tenancy. There can be no assurance that new tenants will be found on the same terms (or not less favourable terms) in time or at all.

A downturn in the businesses, bankruptcy or insolvency of the key tenants of the Subject Properties or any breach by the key tenants of their obligations under their respective tenancy agreements may have a material adverse effect on the financial conditions and results of operations of AME REIT.

The tenants' ability to make rental payments to AME REIT may be affected by factors including, but not limited to, an economic downturn, performance of tenants' other businesses, operating results of tenants' businesses and tenants' ability to compete with their competitors. The inability of any major tenants of the Subject Properties to meet their tenancy obligations under the respective tenancy agreements may have a material adverse effect on AME REIT's business, financial condition, results of operations and ability to make distributions to Unitholders.

Please refer to Section 2.1.4 of this Prospectus for detailed information of the top 10 largest tenants.

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5. RISK FACTORS (Cont'd)

5.1.4 The Subject Properties may face increased competition from other properties

The Subject Properties are exposed to competition from other industrial properties in the immediate vicinity or within Iskandar Malaysia. The quality, appeal and attractiveness of the Subject Properties and the surrounding infrastructure may diminish in the future and as such, the Subject Properties may lose out to newly developed or similar properties that have undergone refurbishment. If the Subject Properties are unable to keep pace with comparable industrial properties in the area and this results in AME REIT's failure to retain major tenants and/or attract new tenants, the income from and the market value of the Subject Properties may significantly decrease.

In addition, there can be no assurance that the Manager will be able to seek new tenants for the Subject Properties in the future if any existing tenants decide not to renew their tenancy. The loss of tenants and the inability to attract new ones may result in the income from the Subject Properties being reduced and thereby adversely affecting AME REIT's cash flow and ability to make distributions to Unitholders.

AME REIT may face increased competition from other comparable industrial properties and other such comparable industrial properties may be newer, in a better location, comprise more attractive features to tenants. The increased competition of the Subject Properties within the vicinity may affect the market value and income generated from the Subject Properties. In the event the comparable industrial properties within the vicinity are more successful in attracting and retaining tenants, the distribution to Unitholders may be affected.

For further details of the competitive overview of AME REIT, please refer to Section 5.1 of the Independent Market Research Report in Appendix B of this Prospectus.

5.1.5 The Appraised Values of the Subject Properties are based on various assumptions which may not materialise and the price at which AME REIT is able to sell the Subject Properties in the future may be lower than their acquisition value

As in the case of property valuations in general, the Appraised Values of the Subject Properties may have involved the use of assumptions, estimates, subjective parameters and/or close proxies. Additionally, the Independent Property Valuer may have included a subjective determination of certain factors relating to the Subject Properties such as their relative market positions, competitive strengths and physical condition. The Independent Property Valuer may also have taken into account external factors such as the demand and supply of the property market and general economic condition at the time of valuation. These factors and assumptions of which the Appraised Value of the Subject Properties were derived from may not accurately reflect the market at the time of their potential disposal in the future.

AME REIT is exposed to the risk of selling any of the Subject Properties at a price lower than the Appraised Value as the values of the Subject Properties may change subject to market conditions. In any event, the Appraised Value of any of the Subject Properties does not guarantee that the future sale price of the Subject Properties will be favourable or will not fall below a minimum amount. If the sale price of any of the Subject Properties is significantly less than its acquisition price, AME REIT's financial condition may be materially and adversely affected.

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5.1.6 Majority of the Subject Properties are dependent on managed services provided by the subsidiaries of the Sponsor or their representatives in order to actualise the i-Park brand and concept

Majority of the Subject Properties (27 Industrial Properties and 3 Dormitories out of 34 properties) are in or adjacent to AME Group's award-winning i-Park branded industrial parks which are managed by the subsidiaries of the Sponsor or their representatives. DMCs which set out the responsibilities of AME Group in providing the required gated development services which include provision of security services, visitor management, maintenance of the landscaping and facilities in the recreational area within the parks and monitoring of the environment to promote a green, healthy, and comfortable environment for occupants. In return, owners of the managed industrial parks are required to pay gated development service charges.

There is no certainty that the subsidiaries of the Sponsor or their appointed managers would continuously receive prompt and sufficient collections from all the owners of the managed industrial parks or that they will continue to provide the required level of services to maintain and execute the ESG aspects involving management of the industrial parks which is an important aspect towards the value enhancement for the parks and properties within them including the Subject Properties.

In addition, provision of safe, comfortable and liveable conditions for workers is an important aspect of the i-Park brand. The AME Group via I Stay, is managing the Dormitories which are adjacent to i-Park @ SAC and i-Park @ Indahpura, which are key to supporting the accommodation needs for the workers of the i-Park clientele, offering a safe and comfortable environment with a host of managed services that support workers' welfare and quality of life. There is no certainty that I Stay will continue to manage these Dormitories which are rented on master lease arrangements from AME REIT in a manner that meets the requirements of their tenants.

Any failure in providing an acceptable level of services as a whole by the subsidiaries of the Sponsor or their appointed managers due to reasons such as but not limited to a material change in the management of the Sponsor and/or its subsidiaries may adversely affect the attractiveness of the i-Park managed industrial parks, which may cause negative perception to the i-Park brand, and consequently may lead to a deterioration in property value and/or rental rates and/or tenancy renewal and/or new tenancies of the i-Park managed industrial parks.

5.1.7 The operations of the FZW SAC, one of the Subject Properties, is highly dependent on adequate management and maintenance from the Manager and the Property Manager

The FZW SAC, one of the Subject Properties, requires adequate management and maintenance from the Manager and the Property Manager to attract new tenants, retain existing tenants, sustain rental rates and remain competitive. The lack of adequate management and maintenance may lead to a reduction in the value of the Subject Properties and this may result in the loss of tenants or lower rental rates, which will adversely affect the financial condition of AME REIT and its ability to make distributions to Unitholders. Failure to provide adequate management and maintenance to the Subject Properties may also lead to a decrease in tenancy rates, with tenants being attracted to the competitors of the Subject Properties. This will affect the financial performance of AME REIT.

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5. RISK FACTORS (Cont'd)

5.1.8 The Subject Properties may require significant capital expenditure beyond the Manager's current estimate and AME REIT may not be able to secure funding

To respond to competitive pressure in the future, the Subject Properties may require refurbishments, renovations and improvements. Such capital expenditure may be significantly beyond the Manager's current estimate and AME REIT may not be able to fund capital improvements solely from funds derived from its operating activities or future funding via equity or debt financing may be expensive. AME REIT may also require additional equity and debt financing to fund future expansion, operational needs and financing payments. The inability to secure required funding for capital expenditure may adversely affect rental negotiations and rental rates, and/or limit AME REIT's ability to carry out its operations and expansion plans, which in turn may have a material adverse effect on AME REIT's financial condition.

5.1.9 Failure to procure the subsequent purchaser(s) of the Subject Properties to execute and deliver the DMC and other land covenants

27 out of the 34 Subject Properties are located in managed industrial parks, where such facilities are presently provided and managed by the developers of the respective industrial parks who are subsidiaries of the Sponsor. The duties and powers of the developers of respective industrial parks in relation to the provision of gated development services are governed by the DMC. In the event that AME REIT, through the Trustee, decide to divest any of the Subject Properties from its investment portfolio, AME REIT shall be required to procure the subsequent purchaser(s) of the Subject Properties to execute the DMC and consent to be bound by the DMC. This may affect the marketability of the Subject Properties if the execution of the DMC forms part of the acquisition of the Subject Properties by the subsequent purchaser(s) as the subsequent purchaser(s) may not wish to be bound by the DMC.

In addition, pursuant to the sale and purchase agreement in relation to the acquisition of the land where i-Park @ SAC is located ("**Land**") by Ipark Development from the master developer, Ipark Development covenants and undertakes that any area of the Land within a 500 metre radius from the boundary of the Land occupied by Hershey Malaysia Sdn Bhd ("**Hershey**") will not be sold, disposed, leased or rented to persons who intend to use the Land for any non-complementary purposes that generate either excessive dusts or noxious or strong odours or smoke which may cause any material or adverse effects to or in respect of the use of Hershey's facility for its manufacturing operations or products ("**Hershey Covenant**").

As for SiLC Subject Properties, they are currently bound by land covenants imposed by the master developer of SiLC, UEM Land Berhad. Under the said land covenants, the master developer is granted with certain power such as power to erect barriers for security measures without affecting the operation of business on the land and the right of entry by master developer in event when there is a reasonable suspicion relating to pollution ("**SiLC Land Covenants**").

As such, AME REIT, through the Trustee, would also be bound by the Hershey Covenant in respect of the 5 Subject Properties in i-Park @ SAC which are located within 500 metre radius from the land boundary of Hershey, and be bound by the SiLC Land Covenant in respect of all the SiLC Subject Properties. In the event that AME REIT, through the Trustee, decides to divest any of such Subject Properties from its investment portfolio, AME REIT shall be required to procure the subsequent purchaser(s) of the Subject Properties to consent to be bound by the Hershey Covenant or the SiLC Land Covenants. This may eventually affect the marketability of the Subject Properties if the inclusion of the Hershey Covenant or the SiLC Land Covenants forms part of the sale and purchase agreements in relation to the acquisition of the Subject Properties by the subsequent purchaser(s) as the subsequent purchaser(s) may not wish to be bound by the Hershey Covenant or the SiLC Land Covenants.

AME REIT's portfolio of industrial real estates are mostly located in i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC respectively, which are managed industrial parks under the purview of the developer until such time that the developer decides to relinquish its role. An owners' committee will then be required to be formed to assume the role of managing the industrial parks. There is no guarantee that the owners' committee will be formed and/or be managed in an acceptable level of service in the future, in which case the value of the Subject Properties located in the managed industrial parks may diminish.

Even if the developer continues to manage the park via external party or an owners' committee association has been set up, the value and the marketability of the said Subject Properties may be adversely affected if the industrial parks are not managed well by the respective parties over time.

5.1.10 Renovations, redevelopment works or physical damage to the Subject Properties may disrupt the operations of the Subject Properties and collection of rental income

The Subject Properties may need to undergo renovation or redevelopment works from time to time as the physical condition and functionality of the Subject Properties have a correlation with the attractiveness and the rental rates of the Subject Properties. The Subject Properties may also require unforeseen ad hoc maintenance or repairs in respect of defects that may arise over time and such costs may become more substantial as the Subject Properties age.

In addition, it is possible that the Subject Properties may be required to undergo modification or rectification works to comply with new planning laws or regulations. As a result of such renovation or redevelopment works, the operations of the Subject Properties may suffer disruptions. This may result in AME REIT not being able to collect rental income in full, or at all, with regard to any part of the premises affected by such renovation or redevelopment works. Further, there can be no assurance that AME REIT will be able to collect the same amount of rental income even after such renovation or development works. Any inconvenience or disruption to the operations of the Subject Properties may also result in the loss of major tenants and/or a decrease in rental demand for the Subject Properties.

5.1.11 AME REIT's insurance policies and terms of coverage may not be adequate

While the Manager seeks to ensure that all reasonable risks associated with industrial properties such as the risk of physical damage caused by fire are insured, the Subject Properties are still exposed to certain types of risks (such as war risk and loss of rental caused by the outbreak of contagious diseases, contamination or other damages caused by breaches of environmental law) that may be uninsurable or where the cost of insurance may be prohibitive when compared to the risk.

Should any insured losses occur, there can be no assurance that such losses will not exceed the insured amount under their existing insurance policies. In the event of any uninsured loss or a loss in excess of insured amounts, AME REIT could be required to bear such loss and/or lose capital invested in the affected Subject Property as well as the future income from that Subject Property as it is not possible to rent or sell that Subject Property. Any uninsured loss or loss in excess of insured amounts may adversely affect AME REIT's operating results and financial condition.

In addition, AME REIT's insurance policies and terms of coverage will be subject to renewal and negotiations on a periodic basis in the future. There is no assurance that AME REIT will be able to renew such insurance policies to the same or desired extent of coverage on commercially favourable terms in the future. Any material increase in the cost of insurance or decrease in available coverage in the future will adversely affect AME REIT's business, results of operations and financial condition.

Furthermore, physical damage to the Subject Properties resulting from fire or other unforeseen circumstances may result in major repair costs of the Subject Properties and may impose unbudgeted costs on AME REIT if not covered by insurance and result in an adverse impact on the business, financial condition, results of operations of AME REIT and its ability to make distributions.

Please refer to Section 2.8 of this Prospectus for further details on our level of insurance coverage.

5.1.12 The Subject Properties or any part of them may be acquired compulsorily

Under Section 3 of the Land Acquisition Act 1960, the State Authority has the power to acquire any land, whether in whole or in part, which is needed:

- (i) for any public purpose;
- (ii) by any person or corporation for any purpose which, in the opinion of the State Authority, is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public; or
- (iii) for the purpose of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act, 1960 and other relevant laws. The market value of any of the Subject Properties, if so acquired, as determined by the State Authority may be lower than the market value as determined by any independent property valuer appointed by AME REIT. Moreover, if any of the Subject Properties were compulsorily acquired by the State Authority after completion of the Acquisitions, and at a point in time when the market value of the Subject Properties has decreased, the level of compensation paid to AME REIT may be less than the price which AME REIT paid for the Subject Properties. This may have an adverse effect on the trading price of the Units and AME REIT's business, financial condition, results of operations and prospects.

In the event any of the Subject Properties are subject to compulsory acquisition by the State Authority before the completion of the Acquisitions, the Trustee has an option to terminate the relevant SPA or to proceed with the purchase of the relevant Subject Property under the terms of the SPA. In the event the Trustee elects to terminate the relevant SPA, the Vendor will refund to AME REIT the purchase consideration (free of interest) paid for the relevant Subject Property, and in exchange of the Vendor's refund, the Trustee will return all documents delivered by the Vendor. In the event the Trustee elects to proceed with the purchase of the relevant Subject Property, the Vendor will notify the State Authority of the interest of the Trustee in the relevant Subject Property and the terms of the relevant SPA, and the Vendor will pursue the best compensation available from the State Authority to be remitted to the Trustee, subject to full payment of the purchase consideration by the Trustee to the Vendor.

5.1.13 Certain utility services in the Subject Properties are dependent on third party providers

Certain utility services such as water, electricity, waste disposal and sewerage treatment are provided by third party providers. There is no assurance that the third parties or other parties contracted by the third parties will fulfil their obligations under any contracts of service. Any interruption to such services (where AME REIT has no control over) may cause disruption to the operations of the tenants on the Subject Properties and causing untold losses, which could damage our relationship with these tenants and may, as a result, lead to our tenants departing to competing industrial parks with more reliable third party services. Any loss of tenants and rental income continuity could have a material adverse effect on AME REIT's business, financial condition, results of operations and prospects.

5.1.14 The due diligence exercise on the Subject Properties may not have identified all material defects, breaches of laws and regulations and other deficiencies

Although the Manager has taken steps to cause reasonable due diligence to be conducted on the title and legal matters affecting the Subject Properties prior to their acquisitions, there can be no assurance that all material defects, breaches of laws and regulations or other deficiencies affecting the Subject Properties, including to their titles, have been discovered or disclosed pursuant to such due diligence exercise.

As no technical due diligence was undertaken by the Manager on the Subject Properties, there can be no assurance that the Subject Properties will not have design or construction defects or deficiencies that may require special repair or additional maintenance expenditure. Such repairs and maintenance may require significant capital expenditure other than those disclosed in this Prospectus and may have a material adverse effect on AME REIT's business, financial condition and results of operations.

Although a certain extent of such risks is mitigated by the representation, warranties and indemnities made in favour of AME REIT by the Vendors in the SPAs, these representations, warranties and indemnities are subject to limitations as to their scope and the amount and timing of claims which can be made. Hence, there is no assurance that AME REIT will be sufficiently indemnified for the costs and liabilities that may arise from any defect, breach of laws and regulations or deficiency.

5.2 RISKS RELATING TO AME REIT'S OPERATIONS

5.2.1 AME REIT is exposed to economic conditions, the success and economic viability of its tenants and political risks in Malaysia

Although the Subject Properties are located in Iskandar Malaysia, AME REIT's results of operations would depend, to a large extent, on the performance of the Malaysian and global economy and industrial-related activities such as manufacturing, production, processing and storage of goods and products. A decline in the Malaysian and global economy and industrial-related activities could adversely affect the results of operations and future growth of the tenants on the Subject Properties. Historically, the Malaysian industrial property values, rents and occupancy rates have been affected by, among other factors, the rate of economic development in Malaysia, infrastructure development projects as well as local and foreign direct investments.

The performance of AME REIT may also be affected by the industrial property market conditions, such as the competitiveness of competing industrial parks or the supply and demand of industrial properties. There can be no assurance that the Malaysian and global economy will continue to improve, that industrial property values, rents and occupancy rates will not decline, or that local and foreign direct investments will not fall in the future. An economic decline in Malaysia, a decline in the industrial property market conditions in Malaysia or other developments outside the control of AME REIT and the Manager, may affect AME REIT's business, financial condition and results of operations.

The Malaysian economy is mainly affected by both global and domestic economic conditions. The performance of AME REIT may be adversely affected by disruptions to economic and production activities including, but not limited to:

- (i) an economic downturn in Malaysia or globally, affecting property values, rents, and occupancy rate;
- (ii) a negative impact to the financial position of tenants of the Subject Properties resulting in delays in the receipt of rental payments, defaults in rental payments or early termination of tenancies;
- (iii) reduced tenants in the Subject Properties;

- (iv) tenants becoming insolvent or otherwise unable to meet their obligations; and/or
- (v) an increase in counterparty risk involving parties such as tenants, insurers, lenders as well as contractors and suppliers.

AME REIT's business, prospects, financial condition and results of operations may be adversely affected by political, economic and social developments in Malaysia. Further, AME REIT may be affected by disruption arising from, amongst others, changes in Government policies as a result of change of government administration, and the political sentiments in Malaysia may change. Any change in Government policy arising from economic and social conditions, or arising from changes to senior positions within the Government and Parliament, or any political instability in Malaysia that may arise from these changes may have a material adverse effect on AME REIT.

5.2.2 COVID-19's impact to AME REIT's business, financial condition and results of operations

On 16 March 2020, the Prime Minister of Malaysia announced the Movement Control Order (MCO) that prohibited mass movements and gatherings across the country, travel abroad and returning to Malaysia, and closure of government and private business offices except for those in the provision of essential services to curb the widespread of COVID-19 in Malaysia. The Prime Minister further announced a nationwide "total lockdown" on 28 May 2021 that was imposed on all social and economic sectors in Malaysia effective from 1 June 2021 and then further extended indefinitely until average daily cases fall below 4,000. Under this lockdown, only essential economic and social services listed by the National Security Council will be allowed to operate. Subsequently, on 15 June 2021, the Prime Minister announced a 4-phase National Recovery Plan (NRP) with the number of average daily COVID-19 cases used to indicate whether a state was ready to move up progressively to Phases 2, 3 or 4 to enjoy fewer restrictions with the reopening of more economic and social activities.

On 24 July 2021, the construction sector was allowed to operate under strict compliance to the standard operating procedures. Furthermore, Johor and Terengganu had been moved to Phase 4 of the NRP beginning from 25 October 2021. With the improving COVID-19 situation in the country, the Prime Minister of Malaysia announced the country's transition to the endemic phase. The Health Minister explained that endemic phase meant that the COVID-19 virus still exists but is in a well-controlled situation. The relaxed COVID-19 rules and standard operating procedures from 1 April 2022 include, amongst others, the borders of Malaysia being reopened to international travellers, and premise owners can implement their own hours in accordance with their premise licence.

The COVID-19 global outbreak had disrupted global economic activity, and impacted companies across various industries in the Malaysian economy. The outbreak may continue to have a negative impact on the global economy and business activities in the near future. This could adversely impact the business and operations of the tenants of the Subject Properties, the majority of whom are multinational companies, which in turn may adversely impact the revenues and results of AME REIT. This could also impact AME REIT's ability to secure new foreign tenants if the global movement restrictions continue to remain in place, thereby limiting the potential for new foreign tenants to commence operations in Iskandar Malaysia. In the event of an outbreak of a similar nature in the future or an escalation of the current COVID-19 pandemic, there is no assurance that measures and steps taken by the relevant authorities will be adequate to contain such outbreak, and this could have a similar impact to the business and operations of the tenants of the Subject Properties, and in turn, the revenues and results of AME REIT, as in the COVID-19 outbreak.

These factors could materially and adversely affect the business, financial conditions and the results of operations of AME REIT. For details on the impact of COVID-19 pandemic to the operations of the Subject Properties and tenants of the Subject Properties, please refer to Section 2.3 "Impact of COVID-19" of this Prospectus.

5.2.3 AME REIT is subject to risks inherent in being concentrated in a single region

The Subject Properties are all located in Iskandar Malaysia. As such, AME REIT will be subject to additional risks compared to other REITs and companies with portfolios consisting of property investments over a wider geographical area. These risks include potential changes in economic conditions, political environment, or governmental regulations and policies which are unfavourable to industrial properties in Iskandar Malaysia and such other factors that may affect the demand for industrial properties in that region. Further, the Subject Properties are all located within or adjacent or near to i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC. There is no assurance that there will be no adverse changes in the infrastructure in their vicinities or decline in the attractiveness of these industrial parks. Also, competitors may develop comparable industrial properties in those localities and offer more favourable terms to potential tenants. Such factors could affect the valuation of the Subject Properties, their rental income or the ability to attract or retain tenants. These factors could have a material adverse effect on the distributions to Unitholders, results of operations and financial conditions of AME REIT.

5.2.4 AME REIT's rental income and the value of the Subject Properties may be adversely affected by a number of factors

The rental income of AME REIT and the value of the Subject Properties may be adversely affected by a number of factors, including, but not limited to:

- (i) the ability to collect rent from tenants on a timely basis;
- (ii) the amount and extent to which AME REIT may grant rent free period or rebates to tenants in certain circumstances;
- (iii) defects affecting the Subject Properties which could affect the operations of tenants resulting in the inability of such tenants to make timely payments of rent or at all;
- (iv) the rental rates and the terms of the renewed leases being less favourable than the current leases;
- (v) the tenants seeking for protection under the insolvency laws which could result in delays in the receipt of rental payments, inability to collect rental income at all, or delays in termination of leases prior to expiry, which could hinder or delay the re-letting of the property in question or the sale of the relevant property;
- (vi) the tenants that breach the terms and conditions of the leases resulting in termination of leases or non-payment of rental;
- (vii) the general macroeconomic and supply and demand trends affecting the global and Malaysian economic conditions and conditions in the industrial real estate market sector in Malaysia;
- (viii) reduced Occupancy Rates due to change in tenants' business strategy and/or relocation of business operation, the length of potential vacancy periods arising from tenancy expiries and early terminations, and the rental rates at other competing industrial parks;
- (ix) the Manager's ability to provide adequate management and maintenance or to purchase or to put in place adequate insurance;
- (x) changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Rights related to the properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- (xi) acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases, natural disasters and other events beyond the control of the Manager.

5. RISK FACTORS (Cont'd)

5.2.5 AME REIT is exposed to the risks inherent to the property industry and may be adversely affected by increases in operating and other expenses

AME REIT's ability to maintain a certain level of distribution to the Unitholders could be affected if its operating and other expenses increase without a corresponding increase in revenue or tenant reimbursement of operating and other costs.

Factors which could increase operating and other costs of the Subject Properties include, but are not limited to, the following:

- (i) increase in third party service provider costs;
- (ii) increase in quit rent and assessment (property and related taxes) and other statutory charges;
- (iii) increase in repair and maintenance costs;
- (iv) increase in insurance premiums;
- (v) increase in administrative expenses;
- (vi) increase in property management cost and management fees;
- (vii) adverse changes in the cost of existing and future financing for operating and/or capital requirements; and
- (viii) changes in statutory laws, regulations or governmental policies which result in the increase in the cost of compliance with such laws, regulations or policies.

In addition, AME REIT is also exposed to capital expenditures and other expenses, the timing of which may be irregular since on-going repairs and maintenance involves significant and potentially unpredictable expenditures. The amount and timing of such expenditures may affect AME REIT's ability to generate sufficient revenue to meet obligations such as operating expenses and financing obligations. AME REIT's income and ability to generate substantial cash flow directly impacts its ability to maintain a certain level of distribution to the Unitholders.

5.2.6 AME REIT is dependent on the key personnel of the Manager and the loss of any key personnel may adversely affect its operations

The performance of AME REIT depends, in part, on the experience, industry knowledge and abilities of the key personnel of the Manager. They are actively involved in AME REIT's day-to-day operations and also responsible for formulating and implementing AME REIT's business plans and investment strategies. The key personnel of the Manager also plays a key role in maintaining good relationships with AME REIT's tenants, bankers, service providers and key investors. Should these key personnel leave the employment of the Manager, time will be required to search for a replacement and the duties and functions which such key personnel are responsible for may be affected. The loss of any of the key personnel of the Manager may have a material and adverse effect on AME REIT's financial condition and results of operations.

5.2.7 The real estate investments of AME REIT may be illiquid and lack alternative uses

AME REIT's focus on industrial real estate properties translates to a higher level of risk as compared to a portfolio which is more diverse. As the Subject Properties are located in industrial parks, they may not be easily converted to be used for residential, retail, office or hospitality. In any event, the condition stated in most of their land titles are for industrial use. As such, any interest in acquiring the Subject Properties will be from prospective purchasers looking out for industrial-related properties.

5. RISK FACTORS (Cont'd)

Industrial properties are relatively more illiquid as the demand for such properties are less compared to residential and office units and also more expensive due to their size. In addition, occupiers of industrial properties may require such properties to be constructed specifically to cater for their use and operations. Although the Sponsor has the capability to provide customisation, this would require time and incur additional costs for the potential buyers or tenants, there is no certainty that the additional cost incurred for the customisation can be charged back to the tenants as additional rental.

These factors may hinder AME REIT's ability to promptly lease out or sell any of the Subject Properties or vary its property investment portfolio in response to changing economic, financial and investment conditions. This in turn, may result in AME REIT not being able to lease or sell its properties on favourable terms.

A concentrated investment portfolio exposes AME REIT to a greater risk that comes with a downturn in the real estate market, including a decline in occupancy rate for its Subject Properties. This will negatively impact AME REIT's rental income and/or a decline in capital value of its Subject Properties. These factors could have an adverse effect on AME REIT's financial condition and results of operations, which could consequently affect AME REIT's ability to deliver expected distributions to Unitholders.

5.2.8 Possible change of investment strategies may adversely affect Unitholders' investments in AME REIT

AME REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Manager. The Manager has wide discretion in determining the investment strategies of AME REIT including investments and acquisitions. The Manager may from time to time decide to change its investment allocation pursuant to the Deed and the Relevant Laws and Requirements. Any possible change in AME REIT's investment strategies may adversely affect Unitholders' investment returns in AME REIT.

5.2.9 The Manager may not be able to successfully implement its investment strategy

The planning and implementation of AME REIT's investment strategy lies with the Manager. Unitholders will have no right to participate in the management of AME REIT or to direct or otherwise influence the Manager in its decision-making with regard to its investment strategies. The Manager's ability to successfully implement its investment strategies or expand AME REIT's portfolio will depend on, amongst other factors, its ability to identify suitable investment opportunities that meet its investment criteria and to obtain the necessary funding on favourable terms. There can be no assurance that the Manager will be able to successfully implement its investment strategies on terms favourable to AME REIT and/or within the intended time frame.

AME REIT may also face intense competition for investment opportunities identified by the Manager from other property investors, including other REITs and property investment companies. There is no assurance that AME REIT will be able to compete successfully against such entities. Even if AME REIT were able to acquire such properties, there is no assurance that AME REIT will achieve the desired return on such acquisitions or investments. The Manager's failure to effectively implement its strategy or as planned, due to any of these factors, may have a material adverse effect on AME REIT's business, financial condition, results of operations and ability to make distributions to Unitholders.

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5.2.10 AME REIT is newly established and has no track record

AME REIT was established on 23 May 2022 and as such, has no operating history. The Pro Forma Statement of Comprehensive Income and Pro Forma Statement of Financial Position have been prepared for illustrative purposes and set out in Section 4 of this Prospectus. Please refer to Section 5.3.3 of this Prospectus for the risks that the Pro Forma Statement of Comprehensive Income and Pro Forma Statement of Financial Position may not reflect actual results and actual financial position of AME REIT. In addition, there can be no assurance that AME REIT will be able to generate sufficient income from its operations to make distributions or that such distributions will be in accordance with the expectations of investors or those set out in Section 4.5 "Profit Forecast" of this Prospectus.

5.2.11 Potential conflict of interest between AME REIT, the Manager and the Sponsor

The Manager is wholly-owned by the Sponsor. The Manager is also the management company of AME REIT. The Sponsor will be the single largest Unitholder of AME REIT via its subsidiary following the completion of the Offering.

The subsidiaries of the Sponsor are engaged in the development, investment and management of industrial properties. As such, the Sponsor via its subsidiaries may develop and sell industrial properties to third party purchasers or may themselves hold and manage such properties under their investment portfolio. As the Sponsor via its subsidiaries is a developer of industrial parks, such investment properties that they hold or sell to third parties will most likely be in the immediate vicinity of the Subject Properties. In both cases, these properties may directly compete with the Subject Properties for tenants and cause downward pressure on the demand for Subject Properties and their rental rates. The subsidiaries of the Sponsor are also responsible for the management of i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC, either by themselves or via third parties who act under their instructions.

Certain directors of the Manager (Lee Chai and Lee Sai Boon and their alternates) sit on the board of directors of the Sponsor. Lee Chai and Lee Sai Boon are executive directors of both the Manager and the Sponsor. As a result, the strategies and activities of AME REIT may be influenced by the overall interests of the Sponsor. There can be no assurance that conflicts of interest may not arise among AME REIT, the Manager and the Sponsor in the future in respect of the Directors' involvements in the operations, policies and other business affairs of both AME REIT and the Sponsor. Further, although Lee Chai and Lee Sai Boon will not receive any salary in respect of their executive functions in the Manager (as their executive roles in the Manager are merely an extension and incidental to their roles in the Sponsor Group), and while this reflects a strong alignment of interest of the Sponsor Group in AME REIT, there is a risk of loss of such support in the interaction and business continuity with tenants if there is a substantial reduction of the Sponsor's interest in AME REIT or similarly a substantial reduction in these directors' direct holdings in AME REIT subsequent to the ROFS, in the future.

5.2.12 Potential conflicts of interest relating to the acquisition of properties from the Sponsor and rental of properties to the Sponsor

Pursuant to the ROFR, the Manager may in the future recommend that AME REIT acquire additional properties from the Sponsor and/or its subsidiaries. In such cases, the Manager is required to obtain valuations from independent property valuers and comply with all other applicable requirements applicable to such transactions pursuant to the REIT Guidelines. There can be no assurance that the negotiations with respect to such properties related to the sale and purchase of such properties (in particular, the representations, warranties and/or indemnities agreed) will not be adverse to AME REIT.

I Stay, the 70% owned subsidiary of the Sponsor, is the dormitory management arm of the Sponsor. The rental income contribution by I Stay for the Dormitories is approximately 20.4% of Total Revenue for the FYE 2022. This represents a significant portion of AME REIT's Total Revenue before taking into account the commencement of rental for Plot 13 Dorm Indahpura with effect from 15 July 2022. Based on the Pro Forma Gross Rental Income, the Dormitories contributed 27.3% of the total rental income of the Subject Properties.

Any potential conflict of interest between AME REIT and the Sponsor may have a negative effect on AME REIT's financial condition. However, the REIT Guidelines provide that any related party transaction must be made on terms which are the best available for a REIT and which are no less favourable to that REIT than an arm's length transaction between independent parties.

The Sponsor has granted a ROFR which will be effective for a period of 5 years from the date of Listing. The ROFR may be renewed for another 5 years subject to mutual agreement and provided that the Manager remains as the management company of AME REIT; the Sponsor holds direct and/or indirect interest of 50% or more in the Manager; the Sponsor holds direct and/or indirect interest of 20% or more in AME REIT; and AME REIT remains listed on Bursa Securities.

Upon the expiry of the initial period of 5 years, the ROFR granted by the Sponsor may not necessarily be renewed. Furthermore, the ROFR may be terminated in the event the aforementioned conditions are not met. The non-renewal or termination may result in a reduced pool of ready assets available for AME REIT's consideration for acquisition of properties.

Further details on the ways the Manager mitigate potential conflict of interest can be found in Section 12.4.2 of this Prospectus.

5.2.13 Failure to reduce the Shariah non-compliant rental to the permitted threshold

The computed Shariah non-compliant rental from the Subject Properties is 0.01% of the total rental income based on the FYE 2022 and less than 0.01% of the total rental income based on the Pro Forma Gross Rental Income. As the Manager does not have control over the tenants' business composition of the Subject Properties, there is no certainty that the Shariah non-compliant rental will be below the permitted threshold of 5% of AME REIT's total turnover by the end of the 10th financial year after the Listing. The Manager may mitigate this risk by scrutinising the principal business of AME REIT's future tenants to ensure that they are Shariah compliant prior to entering into an agreement and seek certain warranties from their tenants as to the nature of their activities, however, there is no certainty that the tenants will not knowingly or inadvertently diverge into Shariah non-compliant business activities in the future.

If the Shariah non-compliant rental after the 10th financial year after Listing exceeds the permitted threshold of 5% at any given time, the Manager will be required to channel the rental revenue obtained from such tenants in excess of the permitted 5% to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser, and the Shariah non-compliant rental cannot be distributed to the Unitholders.

5.2.14 AME REIT is subject to litigation risk from tenants and other third parties which may result in significant liabilities and damage to AME REIT's reputation

AME REIT may fail to meet its obligations under an agreement in which it is a party including under the tenancy agreements or other contracts entered into with service providers, contractors or other third parties. Failure or delay in rectifying physical defects to any part of the Subject Properties pursuant to the terms of the tenancy agreements may result in the tenants' inability to use the Subject Properties. Disputes may arise with contractors in relation to the refurbishment of the Subject Properties.

Sale and purchase agreements in respect of proposed acquisitions or disposals of properties by AME REIT may be breached, aborted or otherwise terminated resulting in contractual disputes with the vendors or purchasers in such transactions. The cost of such litigation or claims may be significant and may have a material adverse effect on AME REIT's business, financial condition, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.2.15 While the Subject Properties are located in Malaysia, AME REIT's future acquisitions may be located outside Malaysia, which would expose AME REIT to risks in other countries

The principal investment policy of AME REIT is to invest, directly or indirectly, in a Shariah-compliant portfolio of income-producing Real Estate used primarily for industrial and industrial-related purposes in Malaysia and overseas. AME REIT may therefore acquire properties outside Malaysia in the future, which would expose AME REIT to risks relating to foreign conditions in such countries, including:

- (i) a decline in general economic conditions or foreign real estate market conditions affecting the attractiveness of the properties or reducing demand for such a property;
- (ii) exchange rate fluctuations between the RM and the foreign currency, and government regulations in relation to foreign exchange;
- (iii) foreign laws and policies, such as government controls over property investments or laws concerning foreign ownership of property, and the limitations of AME REIT to seek recourse;
- (iv) differing levels of income tax, withholding tax, capital gains tax, or any other taxes that may be imposed in other countries or in Malaysia, and potential increases thereto; and
- (v) uncertainty as to whether AME REIT will be able to repatriate to Malaysia the income and gains derived from investment in the properties on a timely and regular basis.

Any inability to navigate the above risks, to the extent they materialise, will affect AME REIT's ability to make distributions to Unitholders from income and gains derived from properties outside of Malaysia.

5.2.16 AME REIT may not meet the requirements to enjoy tax exemptions under Section 61A of the Income Tax Act by virtue of (among other things) tax adjustments which could affect the requirement of 90.0% distribution of taxable income or changes in tax laws

Pursuant to Section 61A of the Income Tax Act, a listed REIT is exempted from income tax for the relevant year of assessment provided that it distributes at least 90.0% of its total income (as defined under Income Tax Act) to its Unitholders in the basis period of the REIT for the relevant year of assessment. The Malaysian Inland Revenue Board has given a concession for such distribution to be made within 2 months after the close of the financial year which forms the basis period for the tax assessment of the REIT.

So long as this condition pursuant to Section 61A of the Income Tax Act is met, AME REIT will be exempted from Malaysian income tax. However, AME REIT will be required to withhold tax on such taxable income distributed to certain Unitholders. Please refer to Appendix C "Tax Consultant's Letter on Taxation of AME REIT and Unitholders" of this Prospectus for the Malaysian withholding tax implications on distributions to investors from a Malaysian REIT which meets the requirement of Section 61A of the Income Tax Act.

There is no assurance that AME REIT will be able to comply with the requirement to enjoy tax exemptions under Section 61A of the Income Tax Act. In the event of a tax audit, it is possible that an upward adjustment is made to the total income of AME REIT, which may result in AME REIT no longer satisfying the 90.0% threshold requirement of Section 61A of the Income Tax Act. Moreover, if AME REIT was not originally exempted under Section 61A of the Income Tax Act, an upward adjustment to total income would result in AME REIT being subject to more tax.

The Malaysian tax laws may change from time to time. For example, the pre-requisites for tax exemption may become more difficult to meet, such that AME REIT would be more likely to be subject to income tax or the tax exemption for Malaysian REITs may be removed altogether. Any other tax exemptions or reliefs, such as stamp duty, which Malaysian REITs currently enjoy, may also be removed in the future. Such changes may be unfavourable to AME REIT and could potentially reduce the distributions to Unitholders.

5.2.17 AME REIT will depend on external Islamic financing and therefore may face risks associated with debt financing and be affected by existing and future financing facilities and financing covenants

Upon listing, AME REIT is expected to have total indebtedness of approximately RM46.5 million representing approximately 8.1% of its estimated Total Asset Value of RM574.5 million based on the AME REIT's Pro Forma Statement of Financial Position. AME REIT is subject to risks associated with existing and future financing, including the risk that its cash flow will be insufficient to meet the required payments of principal and profit under such financing, and therefore be unable to make distributions to Unitholders as envisaged. Please refer to Section 3.9 "REIT Financing" of this Prospectus for further details on the financing of AME REIT.

The Manager intends to distribute at least 90.0% of AME REIT's Distributable Income. For the period from the Listing Date to 31 March 2023, AME REIT will distribute 100.0% of its Distributable Income. As a result of this distribution policy, AME REIT may not have sufficient funds to be able to meet all of its payment obligations under its financing if there is disruption in its cash flow from rentals. AME REIT may be required to pay maturing financing with funds from additional Islamic financing or equity financing or both and there is no assurance that such financing will be available on acceptable terms or at all.

If principal amounts due for payment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity, AME REIT will not be able to pay all maturing financing. In such cases, if AME REIT defaults under such financing facilities, the financier may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided. Further, if AME REIT's properties are charged, such properties could be foreclosed by the financier or the financier could require a forced sale of the properties with a consequent loss of income and asset value to AME REIT. This would in turn affect the distributions to be paid to Unitholders.

Even if AME REIT is successful in securing new Islamic financing, AME REIT may be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the existing financing sought to be refinanced (including issuances of sukuk). AME REIT may also be subject to certain covenants that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders. Such covenants may also restrict AME REIT's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or payment of security deposits or require AME REIT to maintain certain financial ratios (such as loan to value ratios). The triggering of any such covenants may have an adverse impact on AME REIT's financial condition. There can be no assurance that the Manager will be successful in negotiating and obtaining terms which are not adverse to AME REIT from its financiers.

Notwithstanding the above, fluctuations of the financing rates could also significantly affect AME REIT's financial condition and results of operations. The financing rates of the banking facilities may change from time to time as it is based on the cost of funds of the respective financiers. Any material increase in the rates for AME REIT's existing or future financing would increase its funding costs and may adversely impact its results of operations, planned capital expenditure and cash flows.

5. RISK FACTORS (Cont'd)

5.2.18 The amount of financing which AME REIT may obtain is limited, which may affect the operations and expansion of AME REIT

Under the REIT Guidelines, AME REIT is only permitted to incur financing up to 50.0% of its Total Asset Value at the time the financing incurred. AME REIT may, from time to time, require further financing to achieve its investment strategies. If further funding is incurred, it would result in increased financing payment obligations and may also result in additional operating and financing covenants, or liens on the Subject Properties, that may restrict its operations.

Should AME REIT fail to obtain adequate financing, AME REIT may fail to implement its investment strategies and these may result in an inability to fund:

- (i) capital expenditure requirements in relation to AME REIT's existing asset portfolio; and
- (ii) potential acquisitions to expand AME REIT's portfolio.

Therefore, the attractiveness and marketability of the Subject Properties may be affected.

5.2.19 Risks relating to natural disasters and other acts of God could adversely affect AME REIT's revenue

AME REIT is subject to risks such as natural disasters or other acts of God in the locations where the Subject Properties are situated as well as areas where its tenants conduct their businesses. If the impact of such disasters in the areas where the Subject Properties are located are substantial, there may be a decline in the demand for the Subject Properties as tenants may for the time being seek other locations. If the tenants' businesses are affected by such disasters, their financial position may be adversely impacted as a consequence, and this would in turn affect their ability to meet their rental obligations to AME REIT. Such events could also cause serious damage to the Subject Properties, which may not be covered by insurance. In addition, such damage may require repairs and, in the meantime, the damaged properties may not be in a tenantable condition, resulting in loss of rental for AME REIT. Events beyond the control of AME REIT and the Manager may reduce the overall demand for AME REIT's Subject Properties and have a material adverse effect on its results of operations and financial condition.

5.2.20 AME REIT may be exposed to liability arising from environmental laws and regulations

An owner of a property may be subject to environmental laws imposed from time to time including ensuring that there are no hazardous substances on the premises or that there are no release of such hazardous substances into the environment. As the Subject Properties are occupied by the tenants, AME REIT may not be aware of or have control over any acts which may constitute such non-compliance. The presence of hazardous substances on or the release of such substances from any of the Subject Properties may negatively impact AME REIT's ability to sell or rent its Subject Properties. There can be no assurance that the cost of removing any hazardous substances and the adverse effects of hazardous substances on the value of the Subject Properties will not negatively impact AME REIT's financial conditions and its ability to make distributions to Unitholders.

5.2.21 AME REIT is exposed to risks associated to political, economic and social developments in Malaysia

AME REIT may be adversely affected by political, economic and social developments in Malaysia. There can be no assurance that AME REIT's business, financial condition, results of operations and prospects will not be significantly affected by political, economic and social events, circumstances, threats or uncertainties such as war, acts of terrorism, civil unrest, riots and changes in interest rates, foreign exchange rates and taxation. Political changes including but not limited to changes in governmental regulations and policies, changes to senior positions within the federal or state governments, or any political instability in Malaysia or other countries may also have a material adverse effect on AME REIT.

5.3 RISKS RELATING TO AN INVESTMENT IN THE UNITS

5.3.1 The actual performance of AME REIT and the Subject Properties could differ materially from the forward-looking statements in this Prospectus

This Prospectus contains forward-looking statements regarding, amongst others, forecast distribution/yield levels for the Forecast Year 2023. These forward-looking statements are based on a number of assumptions which are deemed to be reasonable as at the date of this Prospectus and subject to uncertainties and contingencies which are outside of the Manager's control. As the actual results may differ materially from the forecasts, investors are advised to read and understand the assumptions, uncertainties and contingencies underlying the profit forecast as set out in Section 4.5.3 "Bases and Assumptions" of this Prospectus for further details. AME REIT's ability to achieve the abovementioned forecast distributions/yields is subject to events and circumstances assumed which may not occur as expected, or events and circumstances not anticipated which may arise.

No assurance is given that the assumptions will be realised and the actual distributions/yields will be as forecasted.

In addition, certain forward-looking statements regarding AME REIT are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results expressed or implied in such forward-looking statements. The inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation of warranty by the advisers or the Manager, that the plans and objectives of AME REIT will be achieved.

5.3.2 There has been no prior market for the Units, the listing of the Units on the Main Market may not result in an active or liquid market for the Units

On 2 June 2022, approval was obtained from Bursa Securities for the admission of 520.0 million Units of AME REIT to the Official List of the Main Market and for the permission to deal in and the listing of, and quotation for, all the issued Units. The Units comprise new securities for which there is currently no public market. There is no guarantee that the listing and quotation for the Units will develop a trading market or if a market does develop, the liquidity of that market for the Units. Prospective Unitholders must be prepared to hold their Units for an indefinite length of time if the trading price of the Units does not meet Unitholders' expectations due to illiquidity, as there is no assurance that the trading price of the Units will reflect AME REIT's financial conditions, operations and growth prospects.

5.3.3 AME REIT's Pro Forma Statement of Financial Position and Pro Forma Statement of Comprehensive Income included herein may not reflect actual financial position and results

AME REIT's Pro Forma Statement of Financial Position has been prepared to show the effects of the Acquisitions and the Offering, based on the assumption that the events have been effected on the date of establishment of AME REIT. As AME REIT's Pro Forma Statement of Financial Position is prepared for illustrative purposes only, such information, because of its nature, does not provide a true representation of the effects of the formation of AME REIT on the financial position of AME REIT had the events occurred on the date of establishment of AME REIT. Further, such information does not purport to predict AME REIT's future financial position.

AME REIT's Pro Forma Statement of Comprehensive Income included in this Prospectus has been prepared on an aggregate basis as if the Subject Properties have been operated under AME REIT throughout (or commencing from the date when the Subject Property is physically ready for tenancy, whichever is later) and as at the periods and dates presented. The Pro Forma Statement of Comprehensive Income is also not necessarily indicative of the results of operations that would have been attained had AME REIT actually existed earlier.

5. RISK FACTORS (Cont'd)

Please refer to Section 4.1 and 4.2 of this Prospectus for more details on AME REIT's Pro Forma Statement of Financial Position and Pro Forma Statement of Comprehensive Income.

5.3.4 The sale of a substantial number of Units by the Sponsor could adversely affect the price of the Units

Upon Listing, AME REIT will have 520.0 million issued Units, of which at least 265.2 million Units will be held by the Sponsor (via AME Development). If the Sponsor sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected.

5.3.5 Unitholders who do not or are not able to participate in future equity financing by AME REIT will experience a dilution in their interest in AME REIT

If Unitholders do not or are not able to participate in any future equity fund raising, such as rights issues or private placements, their proportionate interest in AME REIT will be reduced. Any consideration received by such Unitholders in exchange for any rights under future equity fund raisings may not be sufficient to compensate for the dilution of their unitholding as a result of the equity fund raising.

5.3.6 The price of the Units may decline after the Listing

The Final Retail Price and the Institutional Price may not be indicative of the market price for the Units upon completion of the Listing.

The trading price of the Units will depend on many factors, including, but not limited to:

- (i) the perceived prospects of AME REIT's business and investments and the Malaysian real estate market;
- (ii) differences between AME REIT's actual financial and operating results and those expected by investors and analysts;
- (iii) changes in analysts' recommendations or projections, if any;
- (iv) changes in general economic or market conditions;
- (v) the market value of AME REIT's assets;
- (vi) the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- (vii) the balance of buyers and sellers of the Units;
- (viii) the size and liquidity of the Malaysian REIT market;
- (ix) any changes to the regulatory system, including the accounting standards and tax system, both generally and specifically in relation to Malaysian REITs;
- (x) any ability on the Manager's part to implement successfully its investment and growth strategies; and
- (xi) broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

5. RISK FACTORS (Cont'd)

For these reasons, amongst others, Units may trade at prices that are higher or lower than the NAV per Unit. To the extent that AME REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of AME REIT's Total Asset Value and NAV, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash contributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. The Units are not capital-protected/guaranteed products. There is no guarantee that Unitholders can regain the amount invested. If AME REIT is terminated or liquidated, investors may lose a part or all of their investment in the Units.

5.3.7 There is no assurance that AME REIT will be able to make distribution to Unitholders or maintain any given level of distribution

Distributable Income is dependent on:

- (i) the NPI earned from real estate investments which depends on, among other factors the amount of Gross Rental Income and other property income received and the level of property expenses incurred; and
- (ii) the trust level expenses of AME REIT, such as Management Fees and financing costs.

If the Subject Properties from time to time do not generate sufficient Distributable Income and cash flows, AME REIT's ability to make distributions to Unitholders could be adversely affected.

No assurance can be given as to AME REIT's ability to pay or maintain distributions. Neither is there any assurance that the level of distributions will increase over time, that there will be contractual increases in rental under the tenancies of the Subject Properties or that the receipt of Gross Rental Income in connection with expansion of the properties or acquisitions of properties will increase AME REIT's cash flow available for distribution to Unitholders.

5.3.8 The Manager is not obliged to redeem Units

Unitholders have no right to request the Manager to redeem their Units. Therefore, there can be no assurance that a Unitholder will be able to dispose of his/her Units at the price at which they purchased the Units or at any price, or at all. Accordingly, Unitholders may only be able to liquidate or dispose of their Units by selling their Units through trading on the Main Market.

5.3.9 The NAV per Unit may be diluted if new Units are issued and priced below the current NAV per Unit

The Deed contemplates new issues of Units, the offering price for which may be above, at or below the then current NAV per Unit. The NAV per Unit may be diluted if new Units are issued and the proceeds from such issue of these Units generates insufficient cashflow to compensate for the dilution. Where new Units, including Units which may be issued to the Manager in payment of the Management Fees, are issued at less than the NAV per Unit, the then current NAV per Unit may be diluted.

5.3.10 Cyclical market and economic conditions may affect the price and demand for the Units

Cyclical movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units provides investors a lower return compared to other investments.

There can be no assurance that the performance of the Malaysian securities markets will continue to improve. The Malaysian securities markets are smaller than certain other international securities markets. Malaysian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

5.3.11 The laws, regulations and accounting standards in Malaysia may change, including the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs

AME REIT may be affected by the introduction of new or revised legislation, regulations or accounting standards. Accounting standards in Malaysia are subject to change as they are further aligned with international accounting standards. The financial statements of AME REIT may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are unknown and subject to confirmation by the relevant authorities.

There is no assurance that these changes will not:

- (i) have a significant impact on the presentation of AME REIT's financial statements;
- (ii) have a significant impact on AME REIT's results of operations;
- (iii) have an adverse effect on the ability of AME REIT to make distributions to Unitholders;
- (iv) have an adverse effect on the ability of the Manager to carry out AME REIT's investment strategies; or
- (v) have an adverse effect on the operations and financial condition of AME REIT.

AME REIT may also be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or AME REIT specifically, consequently having a corresponding adverse effect on Unitholders.

5.3.12 The Malaysian Ringgit may be subject to exchange controls

From 1988 to 2005, Bank Negara Malaysia maintained a fixed exchange rate of RM3.80 to USD1.00. In 2005, Bank Negara Malaysia removed the peg and allowed the Malaysian Ringgit to operate in a managed float, with the value of the currency being determined by various economic factors.

There can be no assurance that Bank Negara Malaysia will, or would be able to, intervene or maintain this managed float system in the future or that any such intervention or managed float system would be effective. In addition, there can be no assurance that the exchange rate will not deviate significantly from the previous fixed exchange rate.

Furthermore, there can be no assurance that the Government will not impose more restrictive or other exchange controls. Any further imposition, variation or removal of exchange controls may adversely affect the value of the Units or the ability of investors to repatriate the proceeds of any distributions or from the sale of any Units out of Malaysia.

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5.3.13 Foreign investment in Malaysian assets may be subject to further controls

Foreign investment in Malaysian assets is regulated and monitored by the Economic Planning Unit of the Prime Minister's Department. Currently there is no restriction imposed on foreign investment in REITs which have invested in Malaysian assets. However, there can be no assurance that the Economic Planning Unit of the Prime Minister's Department and/or the Government will not impose any restrictive or other controls relating to foreign investment in Malaysian assets. Any imposition or variation of such controls may affect Unitholders' ability to sell the Units to foreign parties and may affect the liquidity of the Units. Such conditions may also limit AME REIT's access to future sources of equity capital.

5.3.14 Unitholders may be unable to recover claims brought against the Manager as the Manager is not an entity with significant assets

Unitholders may in future have claims against the Manager in connection with the carrying on of its duties as manager of AME REIT (including in relation to the Offering and this Prospectus).

Under the terms of the Deed, the Manager is indemnified from the assets of AME REIT against any actions, costs, claims, damages, expenses or demands to which it may be put as manager of AME REIT unless occasioned by fraud, gross negligence, wilful default or breach of the Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the assets of AME REIT would be available to satisfy a claim.

5.3.15 Failure in the Listing will result in refund monies without interest

The Listing is exposed to the risk that it may be delayed or may fail should any one or more of the following events occur:

- (i) AME REIT is unable to meet the public spread requirement of a minimum of 1,000 public Unitholders holding not less than 100 Units each at the point of Listing or such other minimum public unitholding spread as may be approved by Bursa Securities;
- (ii) AME REIT is unable to meet the public unitholding spread of at least 25.0% at the point of Listing as a condition of the approval by Bursa Securities;
- (iii) the Financing Facilities being withdrawn, terminated or not being drawn down for any reason whatsoever; and
- (iv) the authorities revoke approvals for Listing.

If the Offering is not competed and/or the Manager decides in its absolute discretion not to proceed with the Listing, any monies paid in respect of all applications under the Offering will be refunded without interest.

5.3.16 There is no assurance that the Units will remain listed on Bursa Securities and/or not be suspended from trading

Although it is intended that the Units will remain listed on Bursa Securities, there is no guarantee of the continued listing of the Units. Among other factors, AME REIT may not continue to satisfy the public spread requirements under the Listing Requirements. Accordingly, Unitholders will not be able to sell their Units through trading on Bursa Securities if the Units are no longer listed on Bursa Securities and/or are suspended from trading for an indefinite period.

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6. THE MANAGER

6.1 CORPORATE INFORMATION

The Manager, I REIT Managers Sdn Bhd (Registration No. 202101014501 (1414801-X)) was incorporated in Malaysia under CA 2016 on 19 April 2021. As at the date of this Prospectus, it has an issued share capital of RM2,000,000.00 comprising 2,000,000 ordinary shares.

A summary of the Manager's audited financial performance for the period from the incorporation date of the Manager up to 31 March 2022 ("**FPE 2022**") and financial position as at 31 March 2022, is set out in the table below:

	FPE 2022
	(RM)
Paid-up share capital	100 ⁽¹⁾
Accumulated losses	478,518
Revenue	--
Loss before tax	478,618
Loss after tax	478,618

Note:

(1) The paid-up share capital was subsequently increased to RM2.0 million on 12 April 2022.

The principal activity of the Manager is to manage and administer AME REIT. The Manager is a wholly-owned subsidiary of the Sponsor. The Manager is a Capital Markets Services Licence holder, authorised to carry out fund management activities in relation to asset management restricted to REITs. As at the date of this Prospectus, the Manager only manages AME REIT.

6.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager shall, subject to the provisions of the Deed and the Relevant Laws and Requirements and as advised by the Shariah Adviser, carry out all activities as it may deem necessary for the management of AME REIT. The Manager's main responsibility is to manage activities in relation to AME REIT.

The Manager shall, in managing AME REIT, undertake primary management activities in relation to AME REIT, including but not limited to overall strategy, risk management strategy, acquisition and disposal strategy, property development activities, marketing and communications, individual asset performance and business planning, market performance analysis and other activities as provided under the Deed.

The Manager's functions, duties and responsibilities shall include the following:

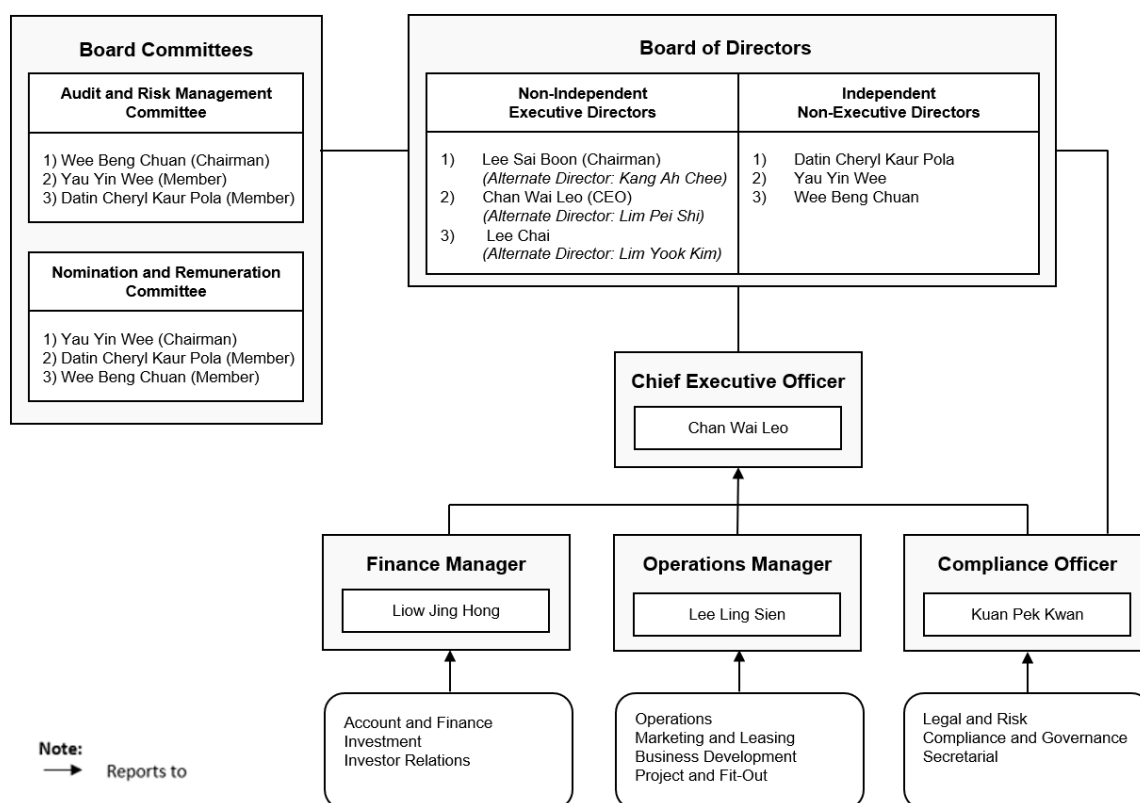
- (i) to carry on and conduct its business in a proper, diligent and efficient manner and ensure that AME REIT is managed and administered in a proper, diligent and efficient manner and in accordance with acceptable and efficacious business practices in the real estate investment industry;
- (ii) to act with due care, skill and diligence in managing AME REIT and effectively employ the resources and procedures necessary for the proper performance of AME REIT;
- (iii) to observe high standards of integrity and fair dealing in managing AME REIT to the best and exclusive interest of the Unitholders;
- (iv) not to take on, lease or otherwise acquire, any immovable property or any interest, except for the purposes of operating AME REIT and those entered into in the ordinary course of business;

- (v) not to make improper use of its position in, or information acquired through, managing AME REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of Unitholders and to ensure that its officers and delegates comply with the same;
- (vi) to submit or make available any information relating to AME REIT, its business and any other information as may be required by the Trustee from time to time;
- (vii) to the same extent as if the Trustee was a director of the Manager:
 - (a) to make available to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee ("**Auditor**"), for inspection, the whole of the books and records of the Manager in relation to AME REIT wherever kept;
 - (b) to make available to the Trustee or an authorised officer or employee of the Trustee or the Auditor, for inspection, all financial and other records of AME REIT wherever kept; and
 - (c) to give to the Trustee or an authorised officer or employee of the Trustee or the Auditor such oral or written information, explanation or other assistance that they may require with respect to all matters relating to AME REIT or any assets of AME REIT (whether acquired before or after the date of the Deed) or otherwise relating to the affairs of AME REIT;
- (viii) to ensure that AME REIT has, at all times, an appointed trustee and a Shariah adviser, for so long as AME REIT subsists as an Islamic REIT;
- (ix) unless otherwise permitted by the SC and the provisions of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981, to appoint an individual as a designated person responsible for the Real Estate management of AME REIT, who must possess the necessary experience and expertise in real estate investment or a property management company which has been approved by the Trustee to manage Real Estate held by AME REIT and which possesses adequate human resources with the necessary qualifications, expertise and experience in real estate management;
- (x) to ensure that AME REIT has, at all times, an appointed person responsible for compliance (who has basic knowledge of Shariah laws and principles, for so long as AME REIT subsists as an Islamic REIT) who shall directly report to the directors of the Manager to ensure AME REIT's compliance with the Deed and the Relevant Laws and Requirements;
- (xi) to ensure that all Real Estate held by AME REIT is kept in good repair, that all valid notices from and requirements of proper authorities in relation thereto are observed and complied with and that they are let and otherwise dealt with to the best advantage;
- (xii) to furnish the Trustee with a copy of all announcements that the Manager makes to Bursa Securities as soon as practicable after the announcement is made to Bursa Securities;
- (xiii) to ensure that its officers and delegates comply with any of its duties and obligations prescribed under the Relevant Laws and Requirements;
- (xiv) to take all necessary steps to ensure that the assets of AME REIT are clearly identified as AME REIT's assets and held separately from the assets of the Manager and any other REIT managed by the Manager;
- (xv) to insure and keep covered or insured in the name of the Trustee for their full replacement value or such amounts as may be recommended by a qualified independent valuer against fire, explosion, storm, tempest, flood, lightning and other usual risks including loss of rent where applicable on all Real Estate comprised in the assets of AME REIT and on request by the Trustee, produce for the inspection of the Trustee all takaful certificates or insurance policies effected;

- (xvi) to account to the Trustee for any loss suffered by the fund as a result of the Manager's failure to exercise the degree of care and diligence required in operating and managing AME REIT;
- (xvii) to take all reasonable steps and exercise due diligence to ensure that the assets of AME REIT are correctly valued in accordance with provisions of the Deed and the Relevant Laws and Requirements;
- (xviii) to establish and maintain risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in relation to AME REIT;
- (xix) to conduct all transactions for AME REIT on arm's length basis;
- (xx) where AME REIT's investment strategy includes investments in Non-Real Estate Assets, to ensure that a designated person responsible for such investments is appointed, whether the function is undertaken internally within the Manager or externally. The Manager shall ensure that the appointment of such designated person, whether internally or externally, complies with the qualification criteria stipulated in the REIT Guidelines;
- (xxi) where the fund management function is undertaken by an external party, the Manager must ensure that the external party appoints a designated person for AME REIT;
- (xxii) for the purpose of valuing assets of AME REIT, to refrain from doing or omit anything that would or might confer on itself a benefit or advantage at the expense of Unitholders or investors;
- (xxiii) to take reasonable steps to ensure that its employees provide such assistance as the Shariah Adviser reasonably requires to discharge its duties;
- (xxiv) to pay the Trustee any money payable by it to the Trustee under the Deed;
- (xxv) where investments involve Real Estate located outside Malaysia:
 - (a) the Manager shall ensure that:
 - (aa) the Manager has the necessary experience, capability, resources and competence to deal with the legal and other regulatory requirements of Real Estate located outside Malaysia;
 - (bb) such an investment is in the best interest of the REIT and the Unitholders;
 - (cc) the Relevant Laws and Requirements are complied with; and
 - (dd) approvals or authorisations from the relevant authorities (foreign or domestic) have been obtained prior to the acquisition;
 - (b) the Manager shall demonstrate that it has the requisite competence, experience and resources to:
 - (aa) analyse the issues and risks associated with foreign investments;
 - (bb) develop, implement and keep up-to-date a set of effective internal controls and risk management systems to deal with existing and foreseeable risks associated with foreign investments; and
 - (cc) inform investors in a clear, concise and timely manner of the investment profile and risk to AME REIT; and
 - (c) the Manager shall have a contingency plan that enables it to proactively respond to any urgent need that may arise in the course of its investment and management of Real Estate located outside Malaysia and its divestment of such Real Estate (if any).

6. THE MANAGER (Cont'd)

6.3 MANAGEMENT REPORTING STRUCTURE OF THE MANAGER



6.4 DIRECTORS OF THE MANAGER

The Board is entrusted with the responsibility for the overall management of the Manager. The following table sets forth certain information regarding the directors of the Manager:

Name	Nationality	Position
Lee Sai Boon	Malaysian	Chairman / Executive Director
Chan Wai Leo	Malaysian	CEO / Executive Director
Lee Chai	Malaysian	Executive Director
Datin Cheryl Kaur Pola	Malaysian	Independent Non-Executive Director
Yau Yin Wee	Malaysian	Independent Non-Executive Director
Wee Beng Chuan	Malaysian	Independent Non-Executive Director
Lim Yook Kim	Malaysian	Alternate Director to Lee Chai
Kang Ah Chee	Malaysian	Alternate Director to Lee Sai Boon
Lim Pei Shi	Malaysian	Alternate Director to Chan Wai Leo

6.4.1 Experience and Expertise of the Board

Information on the business and working experience of the Directors of the Manager is set out below:

- (i) **Lee Sai Boon**, a Malaysian aged 57, is the Chairman/ Executive Director. He was appointed to the Board on 19 April 2021. Mr Lee has around 28 years of experience in construction and around 11 years in property development, and property investment and management.

Mr Lee graduated from Universiti Teknologi Malaysia with a Bachelor of Mechanical Engineering in September 1988. In June 1993, he obtained his Master of Business Administration from University of Dubuque, Iowa, US.

Mr Lee is currently the Executive Director of AME. He is responsible for the overall operations and performance of the mechanical and electrical (“**M&E**”) services division. In addition, as the Executive Director in charge of the finance and IT departments, he makes recommendations to the board of AME on the AME Group’s financial budgets, assisted by the group financial controller and decisions on the AME Group’s IT investments and improvements.

Mr Lee began his career as a Trainee Engineer at Oriental Assemblers Sdn Bhd, in June 1988, where he was responsible for the daily operation and meeting of output targets of a motor vehicle line production. He left Oriental Assemblers Sdn Bhd in September 1988 and subsequently joined Western Digital Malaysia Sdn Bhd in October 1988 as an Assembly Engineer, where he provided assembly engineering support for manufacturing operations. In November 1988, Mr Lee worked as a Process Engineer in PCI Printed Circuits International Pte Ltd, Singapore, where he was in charge of the wave soldering machines as well as the Surface-Mount Technology lines. His role was to ensure that the output targets were met and to minimise defects in the Surface-Mount Technology lines. Mr Lee left PCI Printed Circuits International Pte Ltd in January 1990. In the same month, Mr Lee was employed in Hewlett Packard (“**HP**”) Pte Ltd, Singapore as a Process Engineer in the Inject Components Operation fabrication section. In March 1990, he was sent for training in the HP facility in Oregon, US, as part of the transfer of the Inject Component Division’s Thermal Inkjet Silicon Wafer Manufacturing Technology to the Singapore branch of HP. In January 1992, he was assigned to the HP plant in San Diego, US, where he was involved in the transfer of the Bobcat and Squirt Pen Head Saw processes to HP, Singapore. In July 1994, Mr Lee left HP and in the same month, he joined Tru-Tech Electronics (M) Sdn Bhd, as a Production Manager where he was responsible for the daily production output of the audio and video production line. Mr Lee left Tru-Tech Electronics (M) Sdn Bhd in November 1994.

In December 1994, Mr Lee together with Lee Chai, Lim Yook Kim and Kang Ah Chee, were instrumental in incorporating Asiamost Sdn Bhd, a company that provides fire protection system and mechanical and electrical engineering services for building and construction projects. He was appointed as a Director of Asiamost Sdn Bhd in December 1994 and Director of AME Construction Sdn Bhd in March 1996.

In September 2008, he co-founded AME Engineering Industries Sdn Bhd, a company principally involved as a contractor for fabrication of building structures and its related business.

Mr Lee is instrumental in providing M&E engineering solutions. With his strong technical expertise in engineering, Mr Lee is the key decision maker for the M&E engineering operations involving the design, supply, and installation of M&E engineering systems in industrial, residential, and commercial buildings. Alongside Mr Lee Chai, Mr Lee is also actively involved in the construction operation activities where he oversees the design and construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises.

Following the establishment of AME Group's development division, Mr Lee has gained years of industrial property development experience through his involvement in the development of various industrial parks including i-Park @ SiLC, i-Park @ Indahpura (including the joint venture between AME Industrial Park Sdn Bhd and Axis IE Sdn Bhd for Phase 3 of the development of i-Park @ Indahpura), i-Park @ SAC and a newly developed industrial park, i-TechValley in SiLC (measuring 169.8 acres). Mr Lee oversees all stages of the development including the feasibility study, sourcing of land bank and conceptual planning.

Mr Lee has vast experience in the workers' dormitories business, sourcing of prospective tenants and the formulation of leasing strategies including the tenant mix strategies, fixing of rental rates, tenancy management and facility management.

As at the LPD, Mr Lee is an Executive Director of the Sponsor and holds directorships in other private limited companies.

- (ii) **Chan Wai Leo**, a Malaysian aged 48, is the CEO / Executive Director. He was appointed to the Board on 1 April 2022. He has approximately 25 years of experience in audit, financial reporting, property investment, REIT management and property development.

Mr Chan obtained his Association of Chartered Certified Accountants ("ACCA") qualification in August 1996 and was subsequently admitted as a member in 2000. He became a member of the Malaysian Institute of Accountants in November 2001 and was made a fellow member of The Association of Chartered Certified Accountants (UK) in May 2005.

He began his career with Arthur Andersen & Co., Malaysia as an Audit Staff Assistant in the Assurance Division in December 1996 and was made an Assistant Manager in September 2001. He was subsequently promoted to Manager in June 2002. During his tenure in the Assurance Division, he handled various portfolios ranging from statutory audits, special audits such as profit forecasts, business advisory services, corporate debt restructuring engagements, performance of diagnostic reviews of companies seeking financing and share valuation exercises. In December 2002, he left the firm, which was known as Ernst & Young Malaysia (following the merger with Arthur Andersen & Co.) and joined Pacific Star Group (Singapore) (formerly known as Greenwich Group (Asia) Sdn Bhd) as Group Accountant in January 2003. He oversaw the group's accounting and financial reporting functions. In February 2006, Mr Chan left Pacific Star Group and joined Citibank Berhad as Assistant Vice-President, Financial Control, Global Consumer Banking in April 2006 where he managed monthly expense closing for the various business units within the consumer banking division.

In September 2006, Mr Chan joined AXIS Development Sdn Bhd as Senior Finance Manager where he oversaw the finance and operations of AXIS Development Sdn Bhd and shareholder-controlled private companies ("**AXIS Development Group of Companies**"). This included coordinating the acquisition, sourcing of financing and disposal of the investment properties in the Axis Development Group of Companies. In August 2008, he was transferred to Axis REIT Managers Berhad as the Head of Business Development & Investor Relations. Axis REIT Managers Berhad is the manager for Axis-REIT, a listed real estate investment trust investing in industrial and office properties. In 2011, he was redesignated as Head of Originations and Investments. During his tenure with Axis REIT Managers Berhad, he was involved in the business development and strategy for property investment including evaluation and acquisition of investment properties, equity fund-raising exercises, developing strategic tie-ups and developing asset pipeline for Axis REIT and investor relations.

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In December 2015, he left Axis REIT Managers Berhad and joined AREA Management Sdn Bhd as Chief Operating Officer in January 2016. He oversaw the development and completion of AREA Logistics, 3-storey ramp up warehouse facility located in Ulu Klang. Upon completion of AREA Logistics, he was promoted to CEO in October 2020 and was tasked to oversee Compass IP Sdn Bhd. AREA Management Sdn Bhd is currently the Investment Manager for Compass IP Sdn Bhd, a joint venture between the shareholders of AREA Management Sdn Bhd, entities of Permodalan Nasional Berhad and KWEST Sdn Bhd (a wholly-owned subsidiary of Kumpulan Wang Persaraan (Diperbadankan)) to develop a 220-acre industrial estate in Kota Seri Langat, Banting. His responsibilities include identifying and negotiating potential purposed built facilities for clients, delivering property development projects from concept and development stage to completion and operations. He also oversaw the capital management of the project companies, leasing of the investment properties and investor relations.

In 2016, Mr Chan together with shareholders of AREA Management Sdn Bhd, co-founded Alpha REIT Managers Sdn Bhd which manages Alpha REIT. Alpha REIT is a Shariah compliant unlisted REIT focusing on education and education-related assets. He was appointed as a Director in Alpha REIT Managers Sdn Bhd, the manager for Alpha REIT in October 2016 until 13 December 2021.

He was also a director in AREA EduReit Sdn Bhd (holding company of Alpha REIT Managers Sdn Bhd) from May 2017 to 13 December 2021.

- (iii) **Lee Chai**, a Malaysian aged 59, is the Executive Director. He was appointed to the Board on 19 April 2021. Mr Lee has around 38 years of experience in the construction industry and around 10 years of experience in property development, and property investment and management.

Mr Lee obtained his Sijil Tinggi Persekolahan Malaysia certificate after completing his studies in Sekolah Menengah Kebangsaan Sultan Ismail, Johor in 1983.

Mr Lee is currently the group managing director of AME Group. He is responsible for the business growth and direction, strategic corporate planning as well as the overall operations and management of AME Group.

Mr Lee began his career in Syarikat Asia Mechanical Engineering in 1984 as a Contract Executive. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Lee was appointed as a Director in December 1985. In October 1993, he founded AME Construction Sdn Bhd and was instrumental in expanding AME Group's business from a construction company to a group of companies which conduct various businesses including property development, provision of engineering services and provision of property investment and management services. In December 1994, Mr Lee, together with Lim Yook Kim, Kang Ah Chee and Lee Sai Boon, established Asiamost Sdn Bhd, a company that provides fire protection system and mechanical and electrical engineering services for building and construction projects. Subsequently, Mr Lee, together with Lim Yook Kim and Kang Ah Chee, established Amsun Capital Sdn Bhd in February 1997 and was appointed as a Director in March 1997 for the provision of heavy construction equipment and machinery hiring services. In September 2008, he co-founded AME Engineering Industries Sdn Bhd, where his role involved the management of overall business activities such as strategic planning and business development activities.

Throughout his tenure in AME Group, Mr Lee plays a major role in the design and construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. His years of active involvement in the construction operation activities allowed him to gain an extensive expertise and technical knowledge in a wide range of construction services from planning and scoping, design, construction, and management to post construction maintenance.

Mr Lee has also led various industrial development projects. Mr Lee oversees all stages of the development including the feasibility study, sourcing of land bank and conceptual planning. His involvement in property development began with the launch of i-Park @ SiLC in 2011 by AME Development, an integrated industrial park developer in Malaysia. He is also instrumental in the development of other industrial parks undertaken by AME Group namely i-Park @ Indahpura (including the joint venture between AME Industrial Park Sdn Bhd and Axis IE Sdn Bhd for Phase 3 of i-Park @ Indahpura), i-Park @ SAC and a newly developed industrial park, i-TechValley in SiLC (measuring 169.8 acres).

In addition to his role in construction and industrial property development, Mr Lee has considerable experience in overseeing of property investment including the successful leasing and tenanting of industrial properties, as well as the rental and management of workers' dormitories. He played a pivotal role in building a well-diversified portfolio of leasing properties comprising tenants from various sectors such as electrical and electronic, logistic services/ e-commerce and consumer products (home appliances and furniture) manufacturing.

As at the LPD, Mr Lee is the Group Managing Director of the Sponsor and holds directorships in other private limited companies.

- (iv) **Datin Cheryl Kaur Pola**, a Malaysian aged 43, is the Independent Non-Executive Director. She is also a member of both the Audit and Risk Management Committee and Nomination and Remuneration Committee.

Datin Cheryl was appointed to the Board on 1 April 2022. Datin Cheryl has 20 years of experience in research and fund management. Her last position was the Deputy Head of Equities at Affin Hwang Asset Management Berhad, a leading fund management company, where she was responsible for investing more than RM1.5 billion in assets. She also assisted in managing a team of 7 fund managers and analysts.

Datin Cheryl graduated with a Bachelor of Commerce (Accounting and Finance) from Monash University, Clayton, Australia in May 2000. She has been a Chartered Financial Analyst Charterholder since September 2004.

Datin Cheryl commenced her career as an Audit Assistant at KPMG Malaysia in February 2000. She left in December 2000 to join a pioneer online research start-up. After her time there, she joined Amanah SSCM Asset Management Berhad in May 2001 until August 2004 as an Equity Analyst. In September 2004, she joined Prudential Assurance Berhad as the Deputy Manager, Equity, where she was part of a team responsible for managing in-house insurance funds.

In August 2006, she joined Affin Hwang Asset Management Berhad as a portfolio manager, where she was subsequently promoted to Senior Portfolio Manager and later, Deputy Head of Equities, until her departure in May 2020.

- (v) **Yau Yin Wee**, a Malaysian aged 64, is the Independent Non-Executive Director. He is also the Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Management Committee.

Mr Yau was appointed to the Board on 1 April 2022. Yau Yin Wee has more than 30 years of experience in Marketing and Credit Management. Prior to his retirement in March 2021, he was the Senior Regional Head (Southern Region) in Hong Leong Bank Berhad, a position he has held since November 2015.

Mr Yau graduated with a Bachelor of Science in Business Administration majoring in Finance from the University of South Alabama, United States of America in June 1984.

Upon returning to Malaysia, he joined Hong Leong Finance Berhad in October 1983 as a Marketing and Credit Executive, where he was responsible for the marketing of business and retail loans. He was promoted to the position of Branch Manager in June 1987, where his responsibility expanded to overseeing the business operations of the branch.

In August 1991, he was re-designated to the position of Hire Purchase Centre Manager to spearhead the bank's automobile business in Perak by initiating new business concept, as well as setting up a dedicated team of Marketing and Credit Managers and Officers. He was subsequently promoted to the position of Corporate and Commercial Manager (Senior Manager) in February 1996. In September 2005, Mr Yau joined AmBank Group as Senior Manager and was subsequently promoted to Associate Director of the Corporate and Institutional Banking in May 2010 where he was involved in business marketing and development for corporate advisory and business loans, as well as assisted clients with their initial public offering processes on both Malaysia's and Singapore's stock exchanges until November 2014.

In January 2015, he joined Hong Leong Bank Berhad as the Head of Retail Community Business whereby he facilitated the management of the Retail Community Business division in efforts to increase business efficiency, prior to the transfer as the Senior Regional Head (Southern Region) in November 2015.

Mr Yau served as a Committee Member of the Institute of Bankers Malaysia (now known as Asian Institute of Chartered Bankers) from 2001 to 2014 and Chairman of the Association of Finance Companies Malaysia (Johor Regional Committee) from 2000 to 2006.

As at the LPD, Mr Yau holds directorships in Cape EMS Berhad (formerly known as Cape EMS Manufacturing (M) Berhad), a non-listed public company and a private limited company.

- (vi) **Wee Beng Chuan**, a Malaysian aged 59, is the Independent Non-Executive Director. He is also the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

Mr Wee was appointed to the Board on 1 April 2022. Mr Wee has more than 30 years of experience in accounting and audit services.

He obtained his ACCA qualification in December 1988 and he was admitted as a Fellow of the ACCA in March 1997. He is a registered chartered accountant with the Malaysian Institute of Accountants since October 1994.

In March 1989, he commenced his professional training in an audit firm, Weston Kay in London, England. Upon his return to Malaysia, he joined KPMG Malaysia, a financial and audit services firm, as Audit Senior in March 1993. In October 2003, he was admitted as a partner of KPMG Malaysia and was responsible for the audit of a wide range of companies which included public listed companies and multinationals in various industries until his retirement from the firm on 31 December 2017.

He is also an experienced reporting accountant who has worked on numerous initial public offerings and various fund-raising exercises in the capital market. In August 2018, he joined Pembinaan Tuju Setia Sdn Bhd as a Financial Advisor overseeing the accounting and financial management matters. In August 2020, he was appointed as the Executive Director of Tuju Setia Berhad ("**Tuju Setia**") and is responsible for the accounting, financial management and advisory of Tuju Setia group of companies' financial matters.

As at the LPD, Mr Wee is an Executive Director of Tuju Setia and an Independent Non-Executive Director of QL Resources Berhad, both of which are public listed companies on the Main Market of Bursa Securities. He also holds a directorship in a private limited company.

- (vii) **Lim Yook Kim**, a Malaysian aged 68, is the Alternate Director to Lee Chai.

Mr Lim was appointed to the Board on 1 April 2022. Mr Lim has around 48 years of experience in the construction industry and around 11 years in property development, and property investment and management. Mr Lim plays a major role in the construction operations activities of AME, where he is involved in the construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. As an Executive Director of AME Group, Mr Lim is also actively involved in overseeing AME Group's property development activities, property investment and management services and engineering services.

He attended Sekolah Jenis Kebangsaan (C) Labis, Johor for his primary education from 1961 to 1964.

Mr Lim began his career as a general construction worker in a construction company in Singapore in 1974. Mr Lim left Singapore and returned to Malaysia in 1977. In 1977, he became a joint proprietor of Syarikat Asia Mechanical Engineering which ran the business of steel fabrication. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Lim was appointed as a director in December 1985.

Mr Lim was appointed as a director of AME Construction Sdn Bhd ("**AME Construction**") in October 1993. His role in the company involved overseeing construction operation activities. He was also actively involved in the steel fabrication division of AME Construction, particularly in the sourcing of new equipment, the recruitment of skilled welders and capacity expansion plans. In December 1994, Mr Lim, together with Lee Chai, Kang Ah Chee and Lee Sai Boon established Asiamost Sdn Bhd, a company that provides fire protection system and mechanical and electrical engineering services for building and construction projects. Subsequently, Mr Lim, together with Lee Chai and Kang Ah Chee established Amsun Capital Sdn Bhd in February 1997 and was appointed as a director in March 1997 for the provision of heavy construction equipment and machinery hiring services. In September 2008, he co-founded AME Engineering Industries Sdn Bhd, where he took an active role in its management and business activities. During his tenure as the director of AME Construction, Mr Lim was involved in setting up the fabrication plant of AME Engineering Industries Sdn Bhd.

In August 2018, Mr Lim was appointed as the Executive Director of AME, and is responsible for the on-site operations and activities carried out by the construction and engineering division.

As at the LPD, Mr Lim is an Executive Director of the Sponsor and holds directorships in other private limited companies.

- (viii) **Kang Ah Chee**, a Malaysian aged 67, is the Alternate Director to Lee Sai Boon.

Mr Kang was appointed to the Board on 1 April 2022. Mr Kang has around 50 years of experience in the construction industry and around 11 years in property development, property investment and management. Mr Kang plays a major role in the construction operations activities of AME, where he is involved in the construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. As an Executive Director of AME Group, Mr Kang is also actively involved in overseeing AME's property development activities, property investment and management services and engineering services.

He attended Sekolah Menengah Kebangsaan Pekan Nenas, Johor for his secondary education until 1971.

Mr Kang began his career as a mechanical welder in a steel fabrication company in 1972. In 1981, Mr Kang became a joint proprietor of Syarikat Asia Mechanical Engineering, which ran the business of steel fabrication. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Kang was appointed as a director in December 1985.

He was appointed as a director of AME Construction in October 1993 where he was primarily involved in construction machinery management as well as site operation activities. In December 1994, Mr Kang, together with Lee Chai, Lim Yook Kim and Lee Sai Boon, established Asiamost Sdn Bhd, a company that provides fire protection system and mechanical and electrical engineering services for building and construction projects. Subsequently, Mr Kang, together with Lee Chai and Lim Yook Kim, established Amsun Capital Sdn Bhd in February 1997 and was appointed as a director in July 1999 for the provision of heavy construction equipment and machinery hiring services. In September 2008, he co-founded AME Engineering Industries Sdn Bhd, a company principally involved as a contractor for fabrication of building structures and its related business.

In August 2018, Mr Kang was appointed as the Executive Director of the Sponsor, and is responsible for the on-site operations and activities carried out by the construction and engineering division.

As at the LPD, Mr Kang is an Executive Director of the Sponsor and holds directorships in other private limited companies.

(ix) **Lim Pei Shi**, a Malaysian aged 34, is the Alternate Director to Chan Wai Leo.

Ms Lim was appointed to the Board on 1 April 2022. Ms Lim has around 10 years of experience in the sales and marketing, and the leasing and management of industrial properties. She is instrumental in the sales and marketing of AME's industrial properties namely i-Park @ SiLC, i-Park @ Indahpura, i-Park @ SAC and a newly developed industrial park, i-TechValley in SiLC to buyers and potential tenants.

Ms Lim graduated with a Bachelor of Education (Montessori Early Childhood Teaching) from the Auckland University of Technology, New Zealand in December 2009.

In 2010, Ms Lim was employed as a full-time teacher at the Lollipops Albany Childcare Centre, New Zealand. She also participated in programme planning and management with the teaching team. Ms Lim resigned from the centre in 2011.

Ms Lim joined AME Development as a Marketing Administration Executive in August 2011 and was promoted to the position of Assistant Marketing Manager in March 2012. Ms Lim was appointed as the Marketing Director of AME Development in February 2013. Her primary role includes sales and marketing strategic planning, conducting presentations, planning and organising events in relation to marketing and publicity launches, organising site tours and exhibitions, and submitting the necessary information for various awards and accolades for the property development division. Ms Lim is also involved in the negotiation of commercial terms including pricing and technical specifications and liaising with the project management on the completion and delivery of properties. In October 2018, Ms Lim was appointed as the Alternate Director to Lim Yook Kim in AME. She was promoted to the position of Property Development Director in July 2019, a position she still holds currently.

Ms Lim is responsible for the property development operations including oversee of all stages of industrial park development, starting from feasibility study, land banking, conceptual planning, sales and marketing to management and operation of the industrial park. She is also involved in the leasing and management of industrial properties of the Sponsor. Upon listing, she will no longer oversee the 34 Subject Properties to be transferred into AME REIT.

As at the LPD, Ms Lim is an Alternate Director to Lim Yook Kim on the board of the Sponsor and holds directorships in other private limited companies.

6.4.2 Directorships of Directors of the Manager in other Management Companies

As at the LPD, none of the Directors of the Manager hold directorships in any other management companies.

6.4.3 Role of the Board

The key roles of the Board are to:

- (i) establish business and organisational goals and provide guidance in respect of the corporate strategy and directions of the Manager;
- (ii) optimise the financial operations of the Manager (including budgeting approval and all other financial matters);
- (iii) provide leadership to all staff;
- (iv) enhance stakeholder value and returns by motivating business development and operating efficiency;
- (v) recommend and establish the distribution policy of AME REIT;
- (vi) set directions and strategies to procure and retain tenants;
- (vii) evaluate and approve the acquisitions and divestments of Real Estate of AME REIT;
- (viii) provide direction on organic growth strategies to enhance the performance of AME REIT;
- (ix) promote good corporate governance culture within the Manager which reinforces ethical, prudent and professional behaviour;
- (x) ensure there is a sound framework for risk management and internal control; and
- (xi) maintain positive relationships with internal and external stakeholders.

Each director of the Manager has been appointed on the basis of their professional experience and ability to provide the proper guidance to AME REIT.

The Board will have in place a set of internal controls which set out certain approval limits to facilitate operational efficiency as well as arrangements in relation to cheque signatories. To further facilitate operational efficiency, sub-limits are also delegated to various management levels.

The Audit and Risk Management Committee closely monitors any changes made to regulations and accounting standards. In order to keep pace with regulatory changes which have an important bearing on the Manager's or its Directors' disclosure obligations, briefing will be provided to the Directors either during Board meetings or at specially convened sessions involving relevant professionals.

Complete and adequate information is also provided by the management to the Board in a timely manner through regular updates on financial results, market trends and business developments.

There are 3 Directors who are non-executive and independent. This allows the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board to facilitate the making of informed and critical decisions. Lee Chai and Lee Sai Boon as the executive directors representing the Sponsor will also be carrying out the following functions for the Manager, which are limited and incidental to their executive roles in the Sponsor Group:

- (i) liaising with potential and new tenants in respect of properties in the industrial parks developed by the Sponsor Group;
- (ii) relationship management of existing and new tenants in respect of properties in the industrial parks developed by the Sponsor Group; and
- (iii) liaising with, understanding and meeting the requirements in relation to the technical specifications requested by tenants (including renovations and refurbishments) for properties in the industrial parks developed by the Sponsor Group.

Lee Chai and Lee Sai Boon will not receive any salary from the Manager in respect of their executive functions.

The above would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shaping the strategic process. This, together with clear identifiable roles of the Chairman of the Board and the CEO of the Manager, provides a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate on business activities of the Manager.

The positions of Chairman of the Board and CEO of the Manager are separately held by 2 persons in order to maintain an effective oversight and clear segregation of duties. The Chairman of the Board is Lee Sai Boon, while the CEO of the Manager is Chan Wai Leo.

The Chairman assumes responsibility for the management of the Board and ensures that members of the Board and the management work together in a constructive and respectful manner, and that the Board communicates effectively with the management by engaging in constructive debate on strategies, business operations, enterprise risk and other plans.

The CEO is responsible for proposing and working with the Board to determine the overall business, investment and operational strategies or policies for AME REIT, overseeing the day to day operational management of AME REIT, and implementing business policies, strategies and decisions in accordance with the objectives of AME REIT.

The Board has direct access to the advice and services of senior management and the company secretary. The Board may seek independent professional advice on any matter connected with the discharge of its responsibilities as it may deem necessary and appropriate.

Audit and Risk Management Committee

The Audit and Risk Management Committee was established to assist the Board in assessing the risks and control environment, overseeing financial reporting, evaluating the internal and external audit process as well as reviewing situations caused by conflicts of interest and related party transactions of AME REIT.

The Audit and Risk Management Committee comprises Wee Beng Chuan, Datin Cheryl Kaur Pola and Yau Yin Wee. Wee Beng Chuan will assume the position of Chairman of the Audit and Risk Management Committee.

The key duties and responsibilities of the Audit and Risk Management Committee are:

(i) Risk Management and Internal Control

- (a) review the adequacy and effectiveness of the risk management, internal control system and management information system of AME REIT;
- (b) review the extent of compliance with established internal policies, standard plan, procedures, law and regulations and observance of a proper code of conduct; and

- (c) advise the Board on risk policy matters including but not limited to oversight of compliance with AME REIT's risk management policy, review and/or recommend changes to risk policies for Board approval.

(ii) Financial Reporting Review

Oversee the financial reporting of AME REIT to ensure that it presents a true and fair view of the financial position and performance of AME REIT, and comply with applicable MFRS and regulatory requirements.

(iii) External Audit

- (a) review and recommend audit fee, assess the performance and effectiveness of the external auditors and to consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of AME REIT's external auditors;
- (b) review the audit plan and audit reports of the external auditors;
- (c) review and monitor the external auditors' independence, objectivity and the effectiveness of the audit process and their services, including non-audit services; and
- (d) review external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Manager, the Property Manager and/ or other service providers in order to be satisfied that appropriate action is being taken.

(iv) Internal Audit

- (a) review the adequacy of the scope, functions, independence, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (b) review internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
- (c) evaluate the adequacy, efficiency and effectiveness of the internal controls and the appropriateness of the accounting policies adopted by AME REIT; and
- (d) review internal audit programmes and findings arising from audits and the performance of the internal audit function and report to the Board when necessary.

(v) Conflict of Interest Situations and Related Party Transactions

- (a) review any related party transaction and conflict of interest situation that may arise within the Manager and/or AME REIT including any transaction, procedure or course of conduct that raises questions of management integrity to ensure compliance with the provision of the Listing Requirements. For the avoidance of conflict of interest situations, the Audit and Risk Management Committee members shall abstain from participating in discussions and decisions on any matters involving him or her; and
- (b) ensure that the Manager has clear lines drawn with respect to the use of the assets of the Manager and AME REIT and related party transactions.

(vi) Others

- (a) reviewing and recommending for the Board's approval, the extent of AME REIT's compliance with the requirements of the Listing Requirements on the appropriate materials and disclosures to be included in the Audit Committee report of AME REIT's annual report;
- (b) undertaking special investigations requested by the Board, reviewing any significant transactions which are not within the normal course of business of AME REIT; and
- (c) reporting breaches and non-compliance of the Listing Requirements to Bursa Securities if such matters are not satisfactorily resolved by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established to assist the Board in assessing and recommending to the Board suitable candidates to act as directors of the Manager, as well as to establish a formal and transparent remuneration policy or framework for directors, senior and key management personnel.

The Nomination and Remuneration Committee comprises Wee Beng Chuan, Datin Cheryl Kaur Pola and Yau Yin Wee. Yau Yin Wee will assume the position as Chairman of the Nomination and Remuneration Committee.

The key duties and responsibilities of the Nomination and Remuneration Committee are as follows:

- (i) to carry out annual performance assessment on the Board as a whole including the performance and contribution of each director and to ensure that the Board has the optimal mix of qualification, skills, experience and other qualities;
- (ii) to review the succession plans for directors and other key management personnel to ensure that an appropriate balance of skills and experience for AME REIT's business to be maintained;
- (iii) to assess the independence of the independent Directors, especially in case of retaining an independent director who continues to serve on the Board as an independent director after a cumulative term of 9 years and more and to make the recommendation to the Board on the retention of independent director, if required;
- (iv) to review and recommend suitable training programmes for the Board members including board induction and training for new directors;
- (v) to recommend the remuneration framework for directors as well as the remuneration packages of the CEO, executive directors and senior and key management personnel;
- (vi) to review the performance of and recommend to the Board for approving the annual total remuneration packages of individual executive directors and key management personnel;
- (vii) to review and recommend the remuneration of non-executive directors to the Board;
- (viii) to formulate and review the said remuneration packages with the aim of attracting, retaining and motivating individuals of the highest calibre which are required to manage the business of AME REIT and uphold Unitholders' interest; and
- (ix) to review and make recommendations on any other matters related to remuneration referred by the Board from time to time.

6.5 MANAGEMENT TEAM OF THE MANAGER

The key management personnel of the Manager are entrusted with the responsibility for the daily operations of the Manager. The following table sets forth information regarding the key management personnel of the Manager:

Name	Nationality	Position
Chan Wai Leo	Malaysian	CEO / Executive Director
Lee Ling Sien	Malaysian	Operations Manager
Liow Jing Hong	Malaysian	Finance Manager
Kuan Pek Kwan	Malaysian	Compliance Officer

6.5.1 Expertise and Experience of Key Management Personnel

Save for the information of Chan Wai Leo, the CEO, which is set out in Section 6.4.1(ii) of this Prospectus, the information on the working experience of the other key management personnel of the Manager is set out as below:

- (i) **Lee Ling Sien**, a Malaysian aged 32, is the Operations Manager.

Ms Lee was appointed on 1 May 2022, and will assist the CEO in overseeing the Manager's and AME REIT's overall operations, including to formulate business plans in relation to the properties of AME REIT to maximise the rental income of AME REIT and to implement AME REIT's strategies. Ms Lee has around 9 years of experience in the sales and marketing of properties. She was instrumental in the sales and marketing of AME's industrial properties namely i-Park @ Indahpura and i-Park @ SAC to buyers and potential tenants.

Ms Lee graduated with a Bachelor of Business (Marketing and Management) from the Monash University in Australia in September 2012. In November 2018, she obtained a Professional Diploma in Digital Strategy and Planning from the Digital Marketing Institute.

Ms Lee started her career as a Marketing Trainee with Axis REIT Managers Berhad ("**Axis REIT**") in October 2012 and subsequently as a Marketing Executive in January 2013. Her role in Axis REIT involved newsletter publication, annual report preparation and other marketing related activities. She left Axis REIT in February 2013 to join AME Development as a Marketing and Planning Executive. Her responsibilities included marketing-related activities such as preparing marketing collateral, company website management, event planning, preparing property award submissions as well as customer relationship management.

Ms Lee was promoted in July 2015 as a Business Development Executive for which she was responsible for property business development as well as property projects and budget management. In January 2018, Ms Lee was promoted to the position of Marketing Manager before being transferred to the Manager in May 2022. She was primarily responsible for providing direct assistance and reports to the Marketing Director pertaining to the sales and marketing functions as well as branding and promotional activities of the property development division of AME Group. She was actively involved in the customer relationship management including the handling of feedbacks from purchasers and tenants (including that of the Subject Properties), lease renewal and expansion plans and tenant management for the tenanted properties of AME Group.

In May 2020, Ms Lee was appointed as an Alternate Director to Lee Chai on the board of the Sponsor, a position she still holds currently.

(ii) Liow Jing Hong, a Malaysian aged 32, is the Finance Manager.

Mr Liow was appointed on 1 May 2022 and is responsible for overseeing the Manager's and AME REIT's overall accounting and financial matters including financial planning and reporting, taxation, treasury management, investment analysis, corporate affairs and internal controls. He will also be responsible for investments as well as investor relations for AME REIT.

Mr Liow has been qualified as a member of the ACCA since September 2016 and admitted as a Chartered Accountant of the Malaysian Institute of Accountants since December 2016. He has been registered as an ASEAN Chartered Professional Accountant since January 2020. Mr Liow has further been admitted as a Fellow member of the ACCA since September 2021.

He commenced his career as an Account Assistant with Marcus Ching & Associates in July 2011 and he was then promoted to an Audit Semi Senior in January 2013, where he was responsible for carrying out accounting and audit assignments. Mr Liow left the firm to join KPMG Malaysia as an Audit Associate in July 2013 after completion of his ACCA professional examinations in February 2013, where he was involved in various audit assignments. He progressed smoothly from an Audit Associate to Audit Senior Associate, Audit Assistant Manager and Audit Manager in January 2015, January 2016 and January 2018 respectively, before he left KPMG Malaysia in January 2019. During his tenure with KPMG Malaysia, he undertook various responsibilities including leading the audit teams to conduct audit and special assignments of multinational corporations and Malaysian public listed companies, involving in initial public offering assignments and due diligence exercises, as well as conducting trainings for the office. He had obtained extensive audit experience spanning various industries such as construction, property development, manufacturing, plantation, palm oil refinery and education.

In March 2019, Mr Liow joined AME Construction Sdn Bhd (presently a major subsidiary of AME) as a Corporate Accountant. He was promoted to Finance Manager in January 2021. He was involved in the initial public offering and due diligence exercises of AME and he was responsible for various roles and group matters including the group accounts and consolidation, financial planning and reporting, corporate finance and governance, compliance and risk management, as well as investor relations.

(iii) Kuan Pek Kwan, a Malaysian aged 33, is the Compliance Officer.

Ms Kuan was appointed on 18 April 2022. She has approximately 9 years of corporate secretarial experience in property, retail and services industries, for both public and private companies. She is responsible for ensuring the Manager's compliance with securities law, regulations and guidelines governing the regulated activities that are being carried out by the Manager.

Ms Kuan, having studied at Advance Tertiary College, Kuala Lumpur, graduated with a Bachelor of Laws (University of London International Programme) in August 2013 and subsequently completed her Master of Business Administration (Corporate Governance) at Putra Business School in March 2022. She is also expected to obtain her Graduateship status awarded by the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) in [August 2022].

Ms Kuan began her career as an Assistant Company Secretary in ASI Secretarial Services Sdn Bhd from August 2013 to December 2014. During her time there, she provided company secretarial services to approximately 100 private limited companies where her responsibility includes providing consultation to directors and shareholders on compliance with the Act and other relevant laws and regulations such as in relation to trademark application, expatriates working permit applications and other license applications with the Malaysian government departments/agencies, as well as monitoring regulatory changes to ensure the company's ongoing compliance.

In January 2015, she left to join Lion Group Management Services Sdn Bhd as a Secretarial Executive where she assisted in providing in-house secretarial services to Parkson Holdings Berhad Group and Lion Industries Corporation Berhad Group. She left in July 2017 and joined Hap Seng Management Services Sdn Bhd as a Secretarial Executive until January 2020. During her tenure there, she provided the full spectrum of company secretarial services to Hap Seng Consolidated Berhad and Hap Seng Plantations Holdings Berhad with focus on the Credit Financing and Property Divisions.

From February 2020 to May 2020, she took a short term career break to focus on her on-going education and to manage certain family obligations as a result of the outbreak of the COVID-19 pandemic in Malaysia. During her career break, she completed a short stint as Secretary Advisor for KCC Mgt Sdn Bhd from February 2020 to March 2020 on a contract basis, where she performed due diligence on the Secretarial Division comprising approximately 120 private companies to ensure their compliance with the Act.

Ms Kuan subsequently joined Tricor Corporate Services Sdn Bhd in June 2020 as a Senior Associate. As Senior Associate, in addition to providing company secretarial services to public and private companies in Malaysia to ensure their on-going compliance with the Act, Listing Requirements, MCGG and other relevant legislations. She also assumed responsibility to provide guidance to approximately 12 junior colleagues on company secretarial matters.

6.5.2 Roles of the Key Management Personnel of the Manager

The **CEO** leads the team of the Manager and oversees the day-to-day operational management of AME REIT which includes preparing proposals and working with the Board to determine the overall business, investment and operational strategies or policies for AME REIT as well as to ensure that the business, investment and operational strategies of AME REIT are implemented in accordance with the Manager's stated investment strategy and also in accordance with the Deed constituting AME REIT, guidelines issued by SC and Listing Requirements.

The **Operations Manager** will assist the CEO to work with the Property Manager to ensure that the business and operational strategies of AME REIT are implemented in accordance with the Manager's stated investment strategy. The Operations Manager will work with the Property Manager and the Finance team to oversee the management and operations of AME REIT's Real Estate to engage with tenants, maximise rental income and manage the expenses of the Real Estate of AME REIT without compromising its marketability.

The **Finance Manager** will assist the CEO and the other team members of the Manager to formulate strategic plans for AME REIT in accordance with the Manager's stated investment strategy. The Finance Manager will be responsible for applying the appropriate investment and capital management strategies, including tax and treasury matters, as well as finance and accounting matters, overseeing implementation of AME REIT's short and medium-term business plans, and investor relations. The Finance Manager will also be responsible for the preparation of all relevant financial reporting (including interim reporting) required under relevant regulatory requirements, including but not limited to the Relevant Laws and Requirements apart from assessing, and evaluating potential acquisitions and related investments with a view to enhance and optimise the value of AME REIT's portfolio and ensuring that investments are in line with AME REIT's investment policy, objective and strategies.

The **Compliance Officer** will advise and monitor the Manager to ensure its compliance with the Relevant Laws and Requirements including advising and monitoring the internal corporate governance policies of the Manager and to ensure that there are no breaches of the covenants of the Deed and any other contracts/agreements entered into by the Manager and Trustee (on behalf of AME REIT) with third parties. The Compliance Officer will report to the Board on compliance matters.

6.6 MANAGEMENT FEES

The Manager may elect to receive the Management Fees in cash or new Units or a combination of cash and new Units (as it may in its sole discretion determine). The Manager is entitled under the Deed to the following Management Fees (exclusive of service tax, if any):

6.6.1 Base Fee and Performance Fee

(i) The Manager is entitled under the Deed to the following fees:-

(a) Base Fee

up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) in the relevant financial year. The Manager intends to charge a base fee of 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) for the Forecast Year 2023.

For avoidance of doubt, where an investment is held through one or more SPV, the Total Asset Value shall include the value of all the assets of the relevant SPV, prorated, if applicable, to the proportion of AME REIT's interest in the said SPV.

(b) Performance Fee⁽¹⁾

up to 5.0% per annum of the NPI.

Note:

(1) *Performance fees have been included in the fees chargeable by managers of 7 out of 8 REITs listed in Malaysia since 2010. The 3 REITs quoted by the Independent Market Researcher as set out in Appendix B, namely Axis REIT, Atrium REIT and Al-Salam REIT, which have investment in industrial properties of more than 10% of their respective total investment portfolio, do not charge any performance fee. It should be noted that Axis REIT and Atrium REIT were listed before 2010.*

6.6.2 Acquisition Fee and Divestment Fee

The Manager is also entitled under the Deed to the following fees:

(a) Acquisition Fee

1.0% of the acquisition price of each of the following as is applicable (subject to there being no double-counting):

- (aa) in relation to an acquisition (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate purchased by AME REIT or its SPV (pro-rated, if applicable, to the proportion of AME REIT's interest); or
- (bb) in relation to an acquisition (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest);

For the avoidance of doubt, no Acquisition Fee is payable with respect to the acquisition of the Subject Properties in connection with the Listing but Acquisition Fee is payable with respect to all other transactions (including related party transactions and non-related party transactions and acquisitions from AME Group).

(b) **Divestment Fee**

0.5% of the disposal price of each of the following as is applicable (subject to there being no double-counting):

- (aa) in relation to a disposal (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate disposed by AME REIT or its SPV (pro-rated, if applicable, to the proportion of AME REIT's interest); or
- (bb) in relation to a disposal (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest).

For the avoidance of doubt, the Divestment Fee is payable with respect to all other transactions (including related party transactions and non-related party transactions and divestments to AME Group), as well as for compulsory acquisitions.

In making the payment of the Management Fees mentioned above, AME REIT shall also bear all applicable sales and services taxes or such other duties and levies whatsoever imposed on the Management Fees by the relevant authorities in Malaysia or elsewhere.

The Management Fees should not be higher than that disclosed above in this Section 6.6 "Management Fees" unless:

- (i) the Manager has notified the Trustee in writing of the new higher rate and the Trustee consents to the same;
- (ii) the Manager has announced to Bursa Securities of the higher fee rate and its effective date;
- (iii) 90 days has elapsed from the date of this Prospectus; and
- (iv) prior approval of the unitholders is obtained by way of a majority resolution (or such other majority as may be required under the REIT Guidelines from time to time).

Any upward variation of the Management Fees shall be effected by way of a supplemental deed in accordance with the requirements of the CMSA.

Based on the Profit Forecast, the Management Fees estimated for the Forecast Year 2023 amounts to approximately RM3.6 million, which was computed based on a base fee of 0.3% per annum of the Total Asset Value of AME REIT (on the assumption that cash and bank balances are held in profit bearing accounts) and a performance fee of 5.0% per annum of the NPI for the Forecast Year 2023.

The Management Fees are payable to the Manager in cash, new Units or a combination thereof as the Manager may elect. Any payment of the Management Fees in cash must be paid within 15 days of (i) in respect of Base Fee and Performance Fee, the announcement of the relevant quarterly financial reports; or (ii) in respect of the Acquisition Fee and Divestment Fee, the completion of the relevant acquisition or divestment (each, a "**Trigger Event**"). Any payment of the Management Fees in new Units must be paid as soon as practicable after obtaining Bursa Securities' approval for the listing of and quotation for the said Units. Where such approval cannot be obtained, the payment of the Management Fees will be paid in cash. Bursa Securities has approved the listing of and quotation for up to 30.0 million Units to be issued as payment of the Management Fees on a staggered basis, on 2 June 2022. The 30.0 million Units are tabulated based on 5.8% of the initial Units listed. The approval of the SC is not required for the issuance of the 30.0 million Units.

The Manager will ensure that the payment of the Management Fees in the form of new Units does not result in a conflict of interest by taking the following steps:

6. THE MANAGER (Cont'd)

- (i) The payment of the Management Fees in the form of new Units will be in accordance with the following formula:

$$\text{New Units to be issued as payment of the Management Fees} = \frac{\text{Management Fees payable in Units}}{\text{Market Price}}$$

For this purpose, “**Market Price**” means the volume weighted average market price of the Units for the last 5 Market Days preceding the following events:

- (a) in respect of the Base Fee and Performance Fee, the announcement of the relevant quarterly financial reports; or
 - (b) in respect of the Acquisition Fee and Divestment Fee, the completion of the relevant acquisition/divestment,
- (each a “**Trigger Event**”).

With reference to any Book Closing Date, where the Trigger Event is before but the issuance of the new Units relating to such Trigger Event is after the said Book Closing Date, the Market Price will be further adjusted for the entitlement relating to such Book Closing Date.

- (ii) The Manager will make immediate announcements to Bursa Securities disclosing the number of new Units issued and the issue price of the new Units when new Units are issued as payment for Management Fees. Payment of the Management Fees in Units shall be subject to AME REIT complying with the public spread requirements stated in the Listing Requirements and there being no adverse implications under Rules on Take-over.

In determining whether to pay the Management Fees in the form of Units or cash or a combination of both, the Manager will be guided by, amongst others, the cash flows planning of the Manager, the potential capital appreciation through holding the Units, the alignment of interest with the Unitholders and the manner of payment of the Management Fees will not be detrimental to the Unitholders.

6.6.3 Illustration of the Management Fees Payable

To illustrate the Management Fees payable in any particular financial year, the following scenarios for AME REIT’s financial position and performance as well as acquisition and divestment activities are assumed:

Total Asset Value as at the end of the current FYE : RM574.5 million

NPI for the current FYE : RM30.0 million

Acquisition activities during the FYE : **Acquisition 1:** Acquisition of a Real Estate for a purchase consideration of RM30.0 million.

Acquisition 2: Acquisition of the SPV, which holds a Real Estate valued at RM30.0 million (by an independent valuer) and has borrowings of RM18.0 million, for a purchase consideration of RM12.0 million.

Divestment activities during the FYE : **Divestment 1:** Divestment of a Real Estate for a sale consideration of RM30.0 million.

Divestment 2: Divestment of the SPV, which holds a Real Estate valued at RM30.0 million (by an independent valuer) and has borrowings of RM18.0 million, for a sale consideration of RM12.0 million.

6. THE MANAGER (Cont'd)

Based on the above, the Management Fees payable by AME REIT are illustrated on the 2 following scenarios as set out in the table below:

Base Case	: Assuming Management Fees are charged at the rate in line with the assumptions for the Profit Forecasts (see Section 6.6 "Management Fees" of this Prospectus for further details)	
Maximum Case	: Assuming Management Fees are charged at the maximum rate provided for under the Deed	
Base Fee	Base Case	Maximum Case
	0.3% of the Total Asset Value = 0.3% of RM574.5 million = RM1.7 million	1.0% of the Total Asset Value = 1.0% of RM574.5 million = RM5.7 million
Performance Fee	5.0% of NPI = 5.0% of RM30.0 million = RM1.5 million	5.0% of NPI = 5.0% of RM30.0 million = RM1.5 million
Acquisition Fee	Acquisition 1: 1.0% of transaction value (being the total purchase price) = 1.0% of RM30.0 million = RM0.3 million Acquisition 2: 1.0% of underlying value = 1.0% of RM30.0 million = RM0.3 million	
Divestment Fee	Divestment 1: 0.5% of transaction value (being the total disposal price) = 0.5% of RM30.0 million = RM0.2 million Divestment 2: 0.5% of underlying value = 0.5% of RM30.0 million = RM0.2 million	

Apart from the event driven fees (being the Acquisition Fee and the Divestment Fee), the aggregate annual Management Fees (being the Base Fee and Performance Fee) and its proportion as a percentage of NPI based on the illustrations above are RM3.2 million (10.7% of NPI) and RM7.2 million (24.0% of NPI) for the Base Case and Maximum Case, respectively.

6.7 OUTSOURCING OF THE REGISTRAR FUNCTION

The Manager has entered into a service agreement with Boardroom Share Registrars Sdn Bhd to delegate the function of registrar to Boardroom Share Registrars Sdn Bhd.

Boardroom Share Registrars Sdn Bhd was incorporated in Malaysia under the Companies Act 1965 on 7 March 1996 and deemed registered under CA 2016. As at the LPD, the issued share capital of Boardroom Share Registrars Sdn Bhd is RM2,550,000.00 comprising 2,550,000 ordinary shares.

The principal services to be provided by the Registrar shall comprise, among others, the following:

- (i) maintenance and update of the Principal Register of Unitholders in compliance with CA 2016 and SICDA;

- (ii) attending to relevant correspondences and enquiries from the Unitholders and any other interested parties pertaining to the Principal Register which include changes of names and addresses, replacement of lost certificates, registration of powers of attorneys, letters of administration, grant of probate, indemnities, court orders and any other matters ancillary thereto;
- (iii) preparing, signing and despatching of distribution to Unitholders and reconciling the distribution accounts unless surrendered to the Registrar of Unclaimed Moneys in accordance with the Unclaimed Moneys Act 1965 (if applicable);
- (iv) providing list of names and printing of address labels for the purposes of mailing the notices, circulars, documents and annual reports to Unitholders;
- (v) liaising with the Bursa Depository to facilitate depositing of Units, access to the Record of Depositors, statistics for Unitholders' information and for the purposes of the Unitholders' meeting or any other corporate actions, in compliance with SICDA;
- (vi) obtaining from Bursa Depository the list of Unitholders entitled to distribution;
- (vii) providing statistic reports or detailed Unitholders' information for annual report disclosure and as may be required by the Manager or the relevant authorities on a regular basis or upon receipt of a written request, which shall include the following:
 - (a) analysis of Unitholders by size and type;
 - (b) list of thirty largest Unitholders; and
 - (c) category of Unitholders;
- (viii) preparing distribution master list, bonus master list, right issue master list, list of major Unitholders, analysis of Unitholders and distribution in terms of size of unitholdings and percentage, unit capital ownership analysis and any other lists which are not specifically mentioned herein which is/are required by the Manager;
- (ix) providing services for other corporate exercises (bonus issue/rights issues and distribution payment), which shall include the provision of information on the following:
 - (a) entitlement list;
 - (b) excess applicants list; and
 - (c) successful allotment list.
- (x) acting as advisor to the Manager on all matters in relation to Bursa Depository or SICDA and be the official link between Bursa Depository and the Manager;
- (xi) processing issue of new Units including computation and allotment, verification of data for crediting into the respective CDS accounts and the subsequent dispatching of new global certificates to Bursa Depository, notices of allotment and relevant confirmation letter(s) to the Unitholders; and
- (xii) preparing for and handling the registration for Unitholders' meeting which includes the following:
 - (a) handling registration of Unitholders for meeting purposes; and
 - (b) handling lodgement and processing of proxy forms received up to providing the analysis of voting instruction based on proxy forms received.

Notwithstanding the above, the services of the Registrar are not intended, in anyway, to diminish the responsibilities of the Manager. The Registrar function is the responsibility of the Manager.

6.8 OUTSOURCING OF THE INTERNAL AUDIT FUNCTION

Sterling Business Alignment Consulting Sdn Bhd was incorporated in Malaysia under the Companies Act 1965 on 27 May 2004 and deemed registered under CA 2016. As at the LPD, the issued share capital of Sterling Business Alignment Consulting Sdn Bhd is RM60,000.00 comprising 60,000 ordinary shares. Sterling Business Alignment Consulting Sdn Bhd is principally involved in the provision of internal audit services, corporate governance advisory, risk management consulting services and general consulting services.

The Manager has entered into a service agreement with Sterling Business Alignment Consulting Sdn Bhd to delegate the function of the internal auditor to Sterling Business Alignment Consulting Sdn Bhd.

The principal services to be provided by Sterling Business Alignment Consulting Sdn Bhd shall comprise, amongst others, the following:

- (i) developing a risk-based internal audit plan to the Audit and Risk Management Committee for approval;
- (ii) conducting an annual internal control review covering key business processes, including but not limited to, procurement and payment of property operating expenses and property enhancement services, tenancy agreement, collection of rentals, acquisition and divestment of investment properties and fund management activities;
- (iii) presenting the findings on internal control reviews to the Audit and Risk Management Committee at the scheduled periodic meetings; and
- (iv) conducting a follow-up review to determine the implementation status of action plans arising from the internal control review conducted, as necessary.

Notwithstanding the above, the primary obligation, accountability and responsibility with regards to the scope of internal audit services shall remain with regards to the scope of internal audit services approved by the Board and the Manager at all times.

The Manager shall ensure that the internal audit functions executed for AME REIT are guided by the International Professional Practice Framework of the Institute of Internal Auditors Malaysia.

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6.9 OUTSOURCING OF COMPANY SECRETARIAL FUNCTION

The Manager has entered into a service agreement with Boardroom Corporate Services Sdn Bhd to delegate the function of company secretarial services to Boardroom Corporate Services Sdn Bhd.

Boardroom Corporate Services Sdn Bhd was incorporated in Malaysia under the Companies Act 1965 on 13 April 1960 and deemed registered under CA 2016. As at the LPD, the issued share capital of Boardroom Corporate Services Sdn Bhd is RM250,000 comprising 250,000 ordinary shares.

The principal services to be provided by Boardroom Corporate Services Sdn Bhd shall comprise, amongst others, the following:

- (i) preparation and submission of return forms under the Act to the Companies Commission of Malaysia;
- (ii) proper maintenance of statutory books;
- (iii) liaising with Bursa Securities and the SC in respect of compliance with the Listing Requirements or other relevant requirements;
- (iv) drafting of all necessary notices, directors' resolutions, minutes of directors' meetings and shareholders' meetings and relevant documents under the direction and instruction of the Board;
- (v) attending board, committee and general meetings and any other meetings of the Manager, if so required;
- (vi) preparation of Board papers for directors' meetings or any other meetings, if so required;
- (vii) providing certification of company secretarial documents and forms when required;
- (viii) providing advisory services on matters relating to the statutory requirements as prescribed under the CA 2016 and requirements under Bursa Securities, the latest updates on legislative changes and such other matters relating to good corporate and secretarial practices; and
- (ix) providing 2 named company secretaries to the Manager.

Notwithstanding the above, the services of Boardroom Corporate Services Sdn Bhd are not intended, in anyway, to diminish the responsibilities of the Manager. The company secretarial function is the responsibility of the Manager.

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6. THE MANAGER (Cont'd)

6.10 UNITHOLDINGS OF THE SPONSOR, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL OF THE MANAGER IN AME REIT

AME REIT was established on 23 May 2022. Prior to the Offering, the substantial shareholders, directors and key management personnel of the Manager will not hold any Units, direct and/or indirect, in AME REIT.

The expected unitholding of the said parties after the Acquisitions and Offering (before taking into account the allocation from the Restricted Pink Form Offering) are set out in the table below:

	Minimum Scenario				Maximum Scenario ⁽⁶⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Units	%	No. of Units	%	No. of units	%	No. of units	%
<u>Substantial Shareholders</u>								
Sponsor	-	0.0	265,200,000 ⁽¹⁾	51.0	-	0.0	265,200,000 ⁽¹⁾	51.0
Lee Sai Boon ⁽⁷⁾	7,397,400	1.4	266,346,330 ⁽²⁾	51.2	9,247,933	1.4	266,601,070 ⁽²⁾	51.3
Lee Chai ⁽⁸⁾	22,500,330	4.3	266,376,330 ⁽³⁾	51.2	28,120,403	4.3	266,637,736 ⁽³⁾	51.3
Lim Yook Kim ⁽⁹⁾	22,768,230	4.4	266,448,690 ⁽⁴⁾	51.2	28,447,836	4.4	266,726,176 ⁽⁴⁾	51.3
Kang Ah Chee ⁽¹⁰⁾	22,318,230	4.3	266,406,330 ⁽⁵⁾	51.2	27,897,836	4.3	266,674,402 ⁽⁵⁾	51.3
<u>Directors</u>								
Lee Sai Boon ⁽⁷⁾	7,397,400	1.4	266,346,330 ⁽²⁾	51.2	9,247,933	1.4	266,601,070 ⁽²⁾	51.3
Chan Wai Leo	-	0.0	-	0.0	-	0.0	-	0.0
Lee Chai ⁽⁸⁾	22,500,330	4.3	266,376,330 ⁽³⁾	51.2	28,120,403	4.3	266,637,736 ⁽³⁾	51.3
Datin Cheryl Kaur Pola	-	0.0	-	0.0	-	0.0	-	0.0
Yau Yin Wee	-	0.0	-	0.0	-	0.0	-	0.0
Wee Beng Chuan	-	0.0	-	0.0	-	0.0	-	0.0
Lim Yook Kim ⁽⁹⁾	22,768,230	4.4	266,448,690 ⁽⁴⁾	51.2	28,447,836	4.4	266,726,176 ⁽⁴⁾	51.3
Kang Ah Chee ⁽¹⁰⁾	22,318,230	4.3	266,406,330 ⁽⁵⁾	51.2	27,897,836	4.3	266,674,402 ⁽⁵⁾	51.3
Lim Pei Shi ⁽¹¹⁾	87,000	0.0	-	0.0	106,333	0.0	-	0.0
<u>Key Management Personnels</u>								
Chan Wai Leo	-	0.0	-	0.0	-	0.0	-	0.0
Lee Ling Sien ⁽¹²⁾	67,230	0.0	-	0.0	82,170	0.0	-	0.0
Liow Jing Hong	2,750	0.0	-	0.0	16,350	0.0	-	0.0
Kuan Pek Kwan	-	0.0	-	0.0	-	0.0	-	0.0

Notes:

- (1) *Deemed interested by virtue of its interest in AME Development, pursuant to Section 8 of the Act.*
- (2) *Deemed interested by virtue of his interest in the Sponsor, Lotus Ideal Sdn Bhd ("**Lotus Ideal**") and Lifestyle Capital Sdn Bhd ("**Lifestyle Capital**") pursuant to Section 8 of the Act (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).*
- (3) *Deemed interested by virtue of his interest in the Sponsor, Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his spouse, Tan Mui Heong, pursuant to Section 59(11)(c) of the Act (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).*
- (4) *Deemed interested by virtue of his interest in the Sponsor, Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his son, Lim Khai Wen, pursuant to Section 59(11)(c) of the Act (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).*
- (5) *Deemed interested by virtue of his interest in the Sponsor, 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 (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).*
- (6) *On the assumption of full exercise of outstanding 142,371,453 Warrants 2021/2026.*
- (7) *Lee Sai Boon is the brother of Lee Chai and brother-in-law to Lim Yook Kim. He is also the uncle to Lim Pei Shi and Lee Ling Sien. He is a substantial shareholder and executive director of AME.*
- (8) *Lee Chai is the brother of Lee Sai Boon and brother-in-law to Lim Yook Kim. He is the father to Lee Ling Sien and uncle to Lim Pei Shi. He is a substantial shareholder and group managing director of AME.*
- (9) *Lim Yook Kim is the brother-in-law to Lee Chai and Lee Sai Boon. He is the father of Lim Pei Shi and uncle to Lee Ling Sien. He is a substantial shareholder and executive director of AME.*
- (10) *Kang Ah Chee is a substantial shareholder and executive director of AME.*
- (11) *Lim Pei Shi is the daughter of Lim Yook Kim and niece to Lee Chai and Lee Sai Boon. She is the cousin of Lee Ling Sien. She is the alternate director of Lim Yook Kim in AME.*
- (12) *Lee Ling Sien is the daughter of Lee Chai and niece to Lee Sai Boon and Lim Yook Kim. She is the cousin to Lim Pei Shi. She is the alternate director of Lee Chai in AME.*

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6.11 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER

6.11.1 Retirement

The Manager may retire upon giving 6 months' written notice to the Trustee (or such shorter period as may be agreed upon with the Trustee) and the Trustee shall then appoint in writing any other corporation as the management company of AME REIT in its place subject to the approval of the SC.

6.11.2 Removal and Replacement

- (i) The Trustee may take all reasonable steps to remove the Manager from its appointment as soon as practicable after becoming aware of the occurrence of any of the following circumstances where the Manager:
 - (a) has been wound-up;
 - (b) was not validly appointed under the Relevant Laws and Requirements;
 - (c) is not eligible to be appointed or is disqualified from acting as a management company pursuant to the CMSA;
 - (d) fails or refuses to act as management company in accordance with the provisions or covenants of the Deed or the provisions of the CMSA;
 - (e) has a receiver appointed over the whole or a substantial part of its assets or undertaking and such receivership has not ceased or a petition is presented for the winding up of the Manager and such petition has not been withdrawn or struck off within 10 days thereof;
 - (f) contravenes the Companies Act or CMSA and where such breach can be remedied, has not been remedied within 30 days thereof;
 - (g) is required to be removed by the SC or pursuant to the provisions of the REIT Guidelines; or
 - (h) is required to be removed by the Unitholders by way of an ordinary resolution passed at a Unitholders' meeting convened for that purpose in accordance with the Deed.

The Trustee may then appoint a replacement management company which is eligible to act as a management company under the CMSA and which has been approved by the SC.

- (ii) Without prejudice to the Trustee's right to appoint a replacement management company, the Manager shall have the right to nominate a new management company (which is eligible to be appointed to act as management company under the CMSA) which shall not be a Related Party (as defined in the Deed) of the Manager, within 14 days of its removal for consideration by the Trustee.

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6.12 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

The Deed states that the Manager and the Trustee shall avoid and ensure that their appointed delegates do not have conflict of interest arising from any transaction with AME REIT, or, if a conflict arises, shall ensure that AME REIT is not disadvantaged by such transaction. The Manager must not make improper use of its position in managing AME REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of Unitholders.

The Directors are under a fiduciary duty towards AME REIT to act in the best interest of AME REIT. In addition, the executive and non-executive directors (including CEO) and the key management personnel of the Manager are expected to act with honesty and integrity at all times.

The Directors must ensure that any related party transactions carried out by AME REIT shall be in accordance to the REIT Guidelines, the Listing Requirements and the Relevant Laws and Requirements and with the approval of the Unitholders where stipulated under the REIT Guidelines, the Listing Requirements and the Relevant Laws and Requirements at all times.

Under the Deed, the Related Parties (as defined in the Deed) of the Manager may hold Units, whether directly or through nominees, but shall not have voting rights in respect of the Units held by them in meetings of Unitholders and shall not be counted in a quorum for such meeting if they have interest in the outcome of the transaction tabled for approval which is different from the interest of other Unitholders.

Notwithstanding the above, the Related Parties of the Manager, whether directly or through nominees, may exercise the voting rights for the Units held by them or their nominees and counted in a quorum for a meeting of Unitholders for the removal of the Manager or any other circumstances as permitted under the Relevant Laws and Requirements.

Please refer to Section 12 “Corporate Governance, Related Party Transactions and Conflict of Interest” of this Prospectus for further details on conflicts of interest and related party transactions.

6.13 CORPORATE GOVERNANCE

Please refer to Section 12 “Corporate Governance, Related Party Transactions and Conflict of Interest” of this Prospectus.

6.14 MATERIAL LITIGATION AND ARBITRATION

As at the LPD, the Manager is not engaged in any material litigation and arbitration, either as plaintiff or defendant which has a material effect on its financial position and its directors do not know of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

6.15 SUSTAINABILITY

As a wholly-owned subsidiary of the Sponsor, the Manager has adopted relevant sustainability policies from the Sponsor, AME REIT aims to maximise its contribution and minimise any potential negative impact that may arise from its business operations on the community and the environment where AME REIT operates.

6.15.1 Environmental Sustainability

The environmental sustainability policies are as follows:

- (i) committed towards environmental protection by minimising risk and impact towards the environment;

- (ii) ensure responsible and efficient use of natural resources; and
- (iii) comply with relevant environmental regulatory and legal requirements.

The Subject Properties acquired from the Sponsor Group were planned and designed based on the Green Building Concept (“**Concept**”). The Concept focuses on increasing the efficiency of resource use while reducing negative impact on human health and the environment during a building’s life cycle.

The Subject Properties are designed to reduce energy consumption by utilising natural lighting and ventilation. The energy saving features for the Industrial Properties includes, but are not limited to, the use of zincalume metal roof with thick fiberglass insulation to reduce heat radiation, translucent sheet and high ceiling to increase natural lighting. The Industrial Properties are also equipped with rainwater harvesting system and low water consumption fixtures to improve water efficiency.

Majority of the Subject Properties are located within industrial parks which incorporates ESG aspects in its planning, development and management of its industrial parks to promote a green, healthy, and comfortable environment for its occupants. The industrial parks feature large green areas and recreational park to promote nature-oriented working and living environment. Please refer to Section 2.2.2.2 of this Prospectus for details on the ESG considerations of the Sponsor in developing the industrial parks.

6.15.2 Social Sustainability

The Manager is committed to, among others, achieving the following:

- (i) contributing to the wellbeing and development of the surrounding community through corporate social responsibility programmes, employee volunteerism, job creation and donation;
- (ii) ensuring a safe, healthy, and conducive work environment for its employees;
- (iii) cultivating a diverse and inclusive culture that recognises and values individuality;
- (iv) ensuring equal access to opportunities regardless of age, gender, ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics;
- (v) eliminating improper conducts and practices in the workplace, including but not limited to bullying, discrimination, intimidation and victimisation; and
- (vi) empowering the Manager’s workforce through supporting the personal and professional growth of its employee.

6.15.3 Governance Sustainability

The Manager is committed to adhere to good corporate governance practices in accordance with the principles and practices of corporate governance as set out in MCCG. The Board strives to achieve a high standard of corporate governance which is fundamental in safeguarding the interest of the unitholders of AME REIT.

The Board is also committed to, among others, achieving the following:

- (i) maintain the highest standards of business ethics, integrity, and corporate governance practices;
- (ii) establish and continually improve appropriate governance structures and processes;
- (iii) comply with applicable laws and regulations;

- (iv) resolve verifiable complaints, grievances and conflicts through an open, transparent and consultative process;
- (v) establish robust policies and procedures to ensure the adequacy and integrity of the AME REIT's internal control system;
- (vi) conduct business in an open, transparent, and accountable manner; and
- (vii) engage in continuous, timely, transparent, and meaningful communication with stakeholders to facilitate mutual understanding.

The Manager has adopted the recommendations under the MCCG to have a board comprising at least 50% independent directors. Further, the Board takes note of the recommendation by the MCCG to have at least 30% women directors. 1 out of 6 Directors of the Manager or 17% of the Board is female. In respect of this, the Manager endeavours to identify suitable women candidates to comply with the recommendation of the MCCG for the Board to comprise a minimum of 30% women directors within 36 months from the Listing.

Upon Listing, the Manager will make the relevant disclosures of the applicable practices prescribed under MCCG as required under the Listing Requirements.

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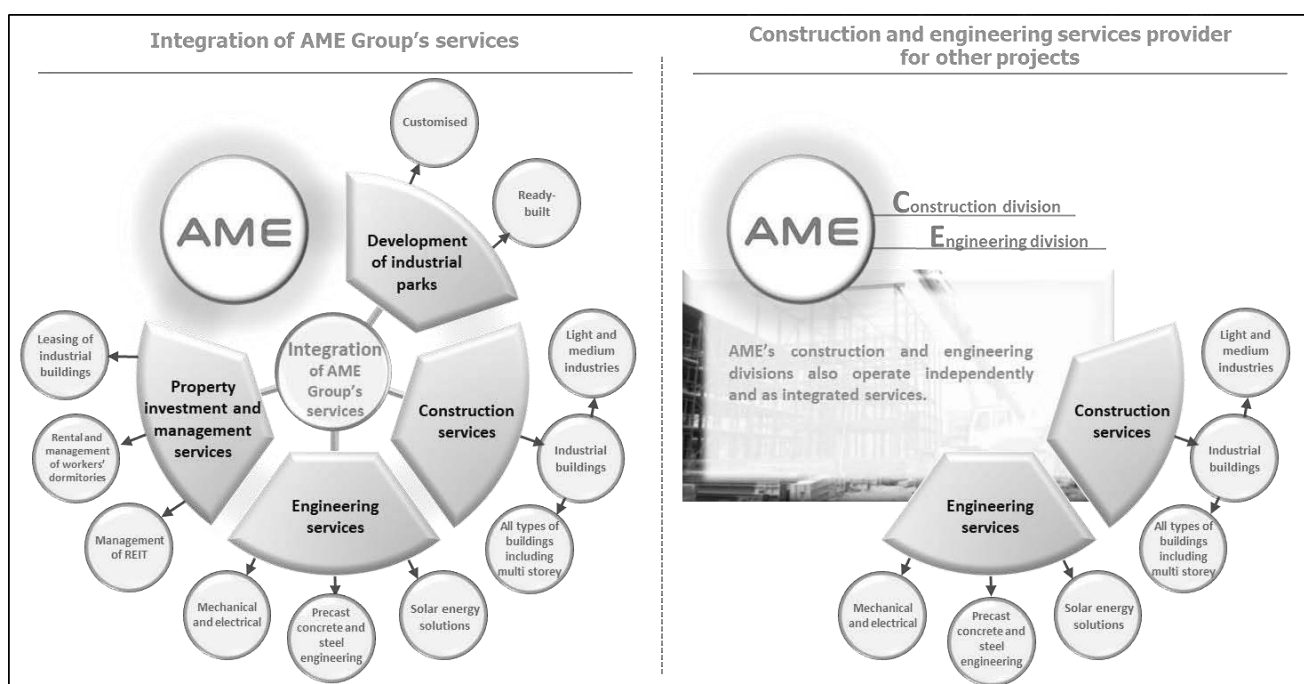
7. BACKGROUND INFORMATION ON THE SPONSOR

7.1 THE SPONSOR

The Sponsor was incorporated under its present name of AME Elite Consortium Berhad in Malaysia on 27 August 2018 under the Act as a public limited company. The registered office of AME is located at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor. The Sponsor is principally an investment holding company which was publicly listed on the Main Market on 14 October 2019.

AME Group is a property development and construction group with core expertise in the construction of customised large manufacturing plants as well as design-and-build of industrial parks complemented by AME Group's offerings in engineering services, property investment and management services in Malaysia.

The following chart illustrates AME Group's integrated business model which involves the segments of industrial property development, construction services, engineering services as well as property investment and rental and management of workers' dormitories:



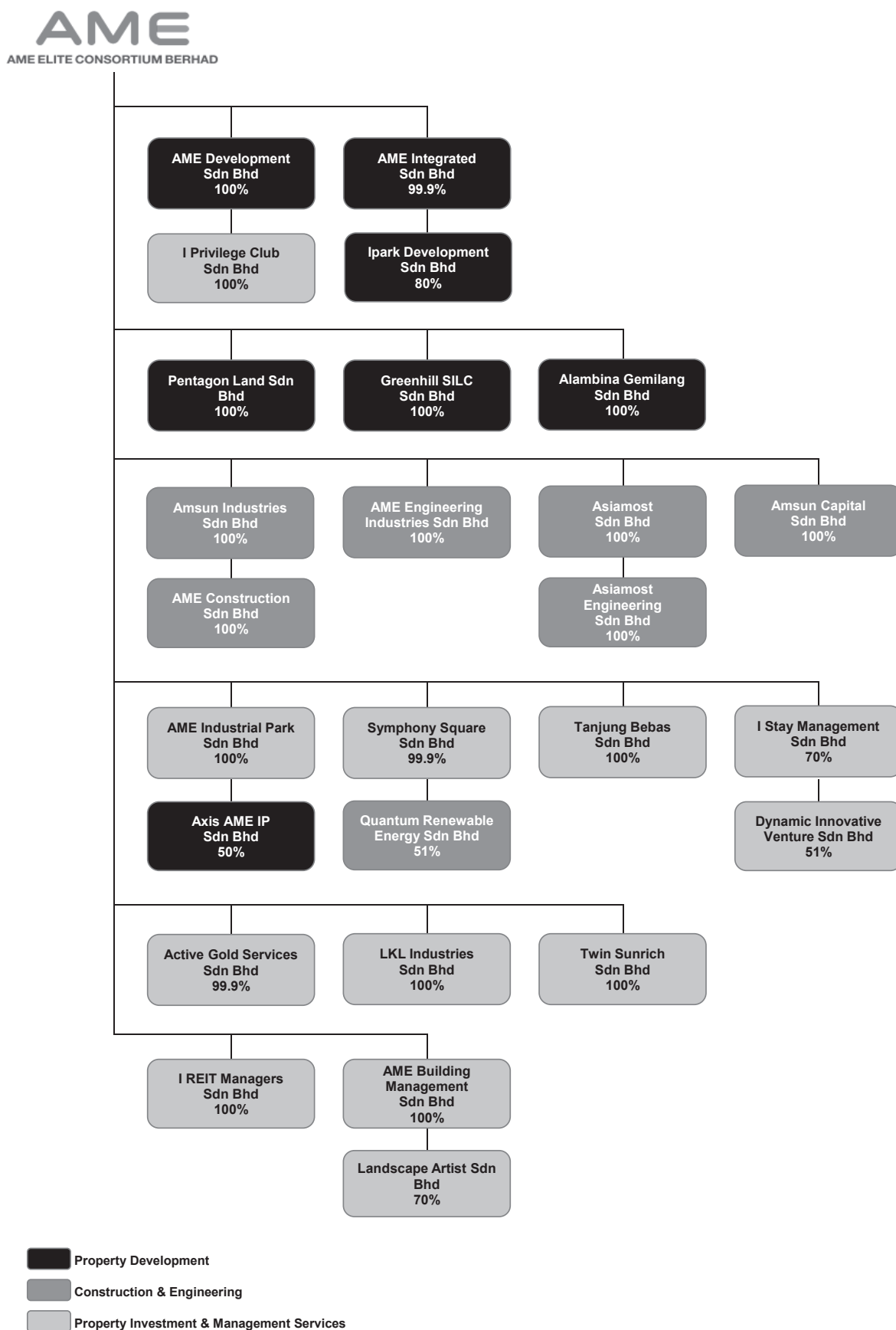
As at the LPD, AME is the holding company of the Manager with a direct interest of 100.0% in the Manager.

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7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

7.1.1 The Sponsor's Group Structure

Upon listing, the Sponsor's group structure will be as set out below:



7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

7.1.2 The Sponsor's Share Capital

As at the LPD, the Sponsor's issued share capital is RM620,139,959 comprising 640,672,649 shares. There are outstanding 142,371,453 Warrants 2021/2026.

7.1.3 The Sponsor's Subsidiaries and Jointly-Controlled Entity

The Sponsor's subsidiaries and jointly-controlled entity as at the LPD are as follows:

Name	Date and country of incorporation	Issued share capital RM	Equity interest %	Principal activities
Directly held subsidiaries				
Amsun Industries Sdn Bhd	16 November 1996 / Malaysia	233,333	100.0%	Investment holding
AME Development Sdn Bhd	21 January 2008 / Malaysia	1,000,000	100.0%	Property development, management services and investment holding
AME Industrial Park Sdn Bhd	29 August 2012 / Malaysia	100	100.0%	Investment holding
AME Engineering Industries Sdn Bhd	23 September 2008 / Malaysia	750,000	100.0%	Provision of manufacturing, installation and contractor for industrialised building system-precast concrete and steel structure product
AME Integrated Sdn Bhd	28 August 2012 / Malaysia	200	99.9%	Investment holding
AME Building Management Sdn Bhd	31 May 2021 / Malaysia	100	100.0%	Management of real estate and other management consultancy activities
Asiamost Sdn Bhd	2 December 1994 / Malaysia	1,000,000	100.0%	Fire protection system, mechanical and electrical contractor
Amsun Capital Sdn Bhd	24 February 1997 / Malaysia	100,000	100.0%	Provision of heavy equipment for construction industry
Tanjung Bebas Sdn Bhd	28 August 2008 / Malaysia	250,000	100.0%	Property investment
I Stay Management Sdn Bhd	18 February 2014 / Malaysia	100,000	70.0%	Property letting and maintenance
Pentagon Land Sdn Bhd	1 June 2020 / Malaysia	500,000	100.0%	Property development, investment holding and management of real estate

7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

Name	Date and country of incorporation	Issued share capital RM	Equity interest %	Principal activities
Alambina Gemilang Sdn Bhd	22 September 2020 / Malaysia	100	100.0%	Property development, investment holding and management of real estate
Active Gold Services Sdn Bhd	16 July 2007 / Malaysia	500,000	99.9%	Property investment
Greenhill SILC Sdn Bhd	2 June 2020 / Malaysia	500,000	100.0%	Property development, investment holding and management of real estate
Symphony Square Sdn Bhd	6 November 2012 / Malaysia	300,000	99.9%	Property investment
Twin Sunrich Sdn Bhd	1 November 2012 / Malaysia	10	100.0%	Property investment
LKL Industries Sdn Bhd	13 October 2000 / Malaysia	100,000	100.0%	Property investment
I REIT Managers Sdn Bhd	19 April 2021 / Malaysia	2,000,000	100.0%	Manager of REIT
Subsidiary of Amsun Industries Sdn Bhd				
AME Construction Sdn Bhd	7 October 1993 / Malaysia	5,000,000	100.0%	Fabrication works, building contractors and property letting activities
Subsidiary of Asiamost Sdn Bhd				
Asiamost Engineering Sdn Bhd	26 November 1996 / Malaysia	100,000	100.0%	Provision of servicing, maintenance and installation of firefighting system
Subsidiary of AME Building Management Sdn Bhd				
Landscape Artist Sdn Bhd	9 June 2016 / Malaysia	1,000	70.0%	Landscape project and maintenance and its related services
Subsidiary of AME Integrated Sdn Bhd				
Ipark Development Sdn Bhd	28 September 2012 / Malaysia	5,009,600	80.0%	Property development and investment holding
Subsidiary of AME Development Sdn Bhd				
I Privilege Club Sdn Bhd	3 March 2022 / Malaysia	100	100.0%	Operation of clubhouse and the provision of sports and recreational activities
Subsidiary of I Stay Management Sdn Bhd				
Dynamic Innovative Venture Sdn Bhd	17 May 2022 / Malaysia	100	51.0%	Operation of canteens, convenience stores and laundromats

7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

Name	Date and country of incorporation	Issued share capital RM	Equity interest %	Principal activities
Subsidiary of Symphony Square Sdn Bhd				
Quantum Renewable Energy Sdn Bhd	1 July 2020 / Malaysia	1,000,000	51.0%	One-stop solution and service provider for solar energy systems, engineering, procurement, construction and commissioning of renewable energy projects and development, investment, management, operation and maintenance of solar energy systems
Jointly-controlled entity of AME Industrial Park Sdn Bhd				
Axis AME IP Sdn Bhd	16 November 2012 / Malaysia	1,000,000	50.0%	Property development and investment

7.1.4 Shareholding Structure of the Sponsor

As at LPD, the substantial shareholders of the Sponsor as well as their direct and indirect interests are as follows:

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lee Chai	112,701,650	17.6	5,881,650 ⁽¹⁾	0.9
Lim Yook Kim	113,841,150	17.8	6,243,450 ⁽²⁾	1.0
Kang Ah Chee	111,591,150	17.4	6,031,650 ⁽³⁾	0.9
Lee Sai Boon	36,987,000	5.8	5,731,650 ⁽⁴⁾	0.9

Notes:

- (1) 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, pursuant to Section 59(11)(c) of the Act.
- (2) 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, Lim Khai Wen, pursuant to Section 59(11)(c) of the Act.
- (3) 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.
- (4) Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.

7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

7.2 RELEVANT EXPERIENCE

Please refer to Section 2.2 “Competitive Strengths and Investment Highlights” of this Prospectus for information on the relevant experience of the Sponsor.

7.3 UNITHOLDINGS OF THE SPONSOR IN AME REIT

Please refer to Section 6.10 “Unitholdings of the Sponsor, Substantial Shareholders, Directors and Key Management Personnel of the Manager in AME REIT” of this Prospectus for information on the unitholdings of the Sponsor in AME REIT before and after the Listing.

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8. THE TRUSTEE

The following information in this section (save where it relates to the Deed) has been prepared and provided by the Trustee. None of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners, the Sole Underwriter and any other person has independently verified this information and, therefore, none of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter make any representation as to the correctness, accuracy or completeness of such information. Accordingly, prospective investors should not place undue reliance on such information.

8.1 CORPORATE INFORMATION

RHB Trustees Berhad was incorporated in Malaysia under Companies Act 1965 on 6 March 2002 and deemed registered under CA 2016 and is registered as a trust company under Section 4 of the Trust Companies Act 1949 (“**Trust Companies Act**”) on 16 August 2002 with its registered address at Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The Trustee is also registered with the SC for trusteeship service in respect of unit trust funds. As at the LPD, the issued and paid-up share capital of the Trustee is RM6,000,000.00 comprising 1,200,000 ordinary shares, paid-up to RM5.00 per share with RM5.00 per share remaining unpaid in accordance with Section 3(c) of the Trust Companies Act.

The principal activity of the Trustee is to provide professional corporate and retail trustee services. The Trustee has been in the trustee business since 2002. As at the LPD, the Trustee’s staff strength comprises 30 executive staff.

The Trustee undertakes all types of trustee business allowed under the Trust Companies Act, ranging from corporate trustee services to retail services. The Trustee offers corporate trustee services such as trustee for REITs, unit trust funds, and custodian services. Its retail services include estate planning services (will writing, custodian and executor/trustee services) and private trustee services (private purpose trust, investment trust, charitable trust, insurance trust, business succession trust, estate administration trust, custodian and stakeholder services). As at the LPD, the Trustee is trustee for more than 14 unit trust funds, 47 wholesale funds and 2 exchange-traded funds with approximate aggregate fund size of RM2.9 billion.

8.2 BOARD OF DIRECTORS OF THE TRUSTEE

The following table sets out information regarding the Board of Directors of the Trustee:

Name	Directorship
Dato’ Siow Kim Lun @ Siow Kim Lin	Independent Non-Executive Chairman
Dato’ Darawati Hussain	Senior Independent Non-Executive Director
Tony Chieng Siong Ung	Non-Independent Executive Director / Chief Executive Officer
Dr Chong Han Hwee	Non-Independent Non-Executive Director

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8.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee's functions, duties and responsibilities are set out in the Deed. The general function, duties and responsibility of the Trustee include, but are not limited to the following:

- (i) safeguarding the interests of the Unitholders and actively monitoring the administration of AME REIT by the Manager to ensure that the interests of Unitholders are upheld at all times;
- (ii) acting continuously as trustee under the trust created by the Deed until AME REIT is terminated as provided in the Deed or until the Trustee has retired from the trust in the manner provided in the Deed;
- (iii) ensuring that AME REIT has, at all times, an approved Manager and a Shariah Adviser (for so long as AME REIT subsist as an Islamic REIT);
- (iv) ensuring that the Manager does not make improper use of its position in managing AME REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of the Unitholders;
- (v) exercising all due care, skill, diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of the Unitholders in accordance with the Deed and the Relevant Laws and Requirements;
- (vi) ensuring at all times, through proper and adequate supervision and in exercising reasonable due diligence, that AME REIT is operated, managed and administered by the Manager in accordance with AME REIT's objectives, the Deed, the documents lodged with the SC and the Relevant Laws and Requirements and acceptable and efficacious business practices within the real estate investment industry. In ensuring compliance with the requirements and safeguarding the interests of the Unitholders, the Trustee will actively monitor AME REIT's operations and management by the Manager by conducting independent reviews and not only depend on the submission of information by the Manager;
- (vii) doing everything in its power to ensure that the Manager remedies any breach known to the Trustee of the provisions or covenants of the Deed, unless the Trustee is satisfied that the breach will not materially prejudice the Unitholders' interests;
- (viii) immediately notifying the SC of any irregularity, breach of the Deed, the Relevant Laws and Requirements or any other matter properly regarded by the Trustee as not being in the interests of Unitholders;
- (ix) taking all reasonable steps and exercising due diligence to ensure that the systems, procedures and processes employed by the Manager are adequate to ensure that the assets of AME REIT are correctly valued and priced in accordance with provisions of the Deed and the Relevant Laws and Requirements; and
- (x) having in place adequate compliance and monitoring mechanism for regular review of compliance which includes monitoring and checking of compliance with investment limits as well as processes for reconciliation.

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8. THE TRUSTEE (Cont'd)

8.4 FINANCIAL INFORMATION OF THE TRUSTEE

The following is a summary of the Trustee's past audited financial performance for the past three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021.

	Audited		
	Financial year ended 31 December		
	2019	2020	2021
	(RM)	(RM)	(RM)
Paid-up share capital	6,000,000	6,000,000	6,000,000
Shareholders' funds	17,575,714	18,115,550	18,624,494
Revenue	9,790,745	10,919,554	12,062,920
Profit before tax	3,686,455	4,019,302	3,335,447
Profit after tax	2,885,157	3,039,836	2,508,944

8.5 TRUSTEE'S FEE

In accordance with the Deed, AME REIT will pay the Trustee RM15,000.00 as a one-time appointment fee and an annual trusteeship fee of 0.03% per annum of the NAV of the AME REIT. Other than this, there will be no payment due to the Trustee by way of remuneration for its services upon the subscription for or sale of a Unit and upon any distributions of income and capital or otherwise under the Deed.

The trustee's fee may only be varied upwards with the prior approval of the Unitholders obtained by way of a majority resolution (or such other majority as may be required under the REIT Guidelines from time to time), and shall be effected by way of a supplementary deed in accordance with the requirements of CMSA pursuant to the Deed.

8.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

8.6.1 Retirement

The Trustee may retire upon giving 6 months' written notice to the Manager (or such shorter period as may be agreed upon with the Manager) whereupon the Manager shall within 3 months after becoming aware of the intention of the Trustee to retire, appoint by way of a deed, a replacement trustee who is eligible to be appointed to act as trustee under the CMSA and who has been approved by the SC.

8.6.2 Removal and Replacement

The Manager may take all reasonable steps to remove the Trustee from its appointment as soon as practicable after becoming aware of the occurrence of any of the following circumstances where the Trustee:

- (i) is wound-up;
- (ii) is not validly appointed under the Relevant Laws and Requirements;
- (iii) is not eligible to be appointed or is disqualified from acting as trustee pursuant to the CMSA;
- (iv) fails or refuses to act as trustee in accordance with the provisions or covenants of the Deed or the provisions of the CMSA;
- (v) has a receiver appointed over the whole or a substantial part of its assets or undertaking and such receivership has not ceased, or a petition is presented for the winding up of the Trustee and such petition has not been withdrawn or struck off within 10 days thereof;

8. THE TRUSTEE (Cont'd)

- (vi) is under investigation for conduct that contravenes the Trust Companies Act, the Trustee Act 1949, the CA 2016 or any securities law and where such breach can be remedied, has not been remedied within 30 days thereof; or
- (vii) is required to be removed by the SC or pursuant to the provisions of the REIT Guidelines;

The Manager may then appoint by way of a deed a replacement trustee which is eligible to be appointed to act as trustee under the CMSA and which has been approved by the SC.

The Trustee may be removed on grounds that the Trustee is in breach of its obligations under the Deed and the Trustee has failed to remedy the breach despite the request from the Manager to remedy the breach and another trustee (which is eligible to be appointed to act as trustee under the CMSA and duly approved by the SC) shall be appointed if the Unitholders decide on such removal and replacement by a special resolution, passed at a duly convened meeting requisitioned by the Unitholders in the manner provided in the Deed.

Nothing in the Deed limits the right of the SC under CMSA to remove the Trustee and appoint a replacement on the SC's own accord, or on application of the Manager or of a Unitholder, on any of the grounds stated in sub-paragraphs (i) to (vii) above.

8.7 TRUSTEE'S RESPONSIBILITY STATEMENT

The Trustee has given its willingness to assume the position as trustee of AME REIT and all the obligations in accordance with the Deed and all the Relevant Laws and Requirements.

8.8 MATERIAL LITIGATION AND ARBITRATION

As at the LPD, the Trustee and its delegates are not currently involved in any existing, pending or threatened litigation proceedings, claims, demands, disputes, mediation or arbitration proceedings, commenced, taken up/ instituted or threatened by or against the Trustee or its delegates in their own capacity that might materially affect the business and financial position of the Trustee or its delegates, to act in the capacity as trustee of AME REIT.

8.9 DELEGATION OF THE TRUSTEE'S FUNCTION

As at the LPD, none of the Trustee's function in relation to AME REIT has been delegated.

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9. THE SHARIAH ADVISER

9.1 BACKGROUND INFORMATION

BIMB Securities Sdn Bhd is appointed as the Shariah adviser of AME REIT.

BIMBSEC was incorporated in Malaysia under Companies Act 1965 on 21 February 1994 and deemed registered under CA 2016 as a private limited company and is an Islamic Participating Organisation of Bursa Malaysia Berhad involved in the business of dealing in securities. The registered office of the Shariah Adviser is at 32nd Floor, Menara Bank Islam, No. 22 Jalan Perak, 50450 Kuala Lumpur.

The principal activity of BIMBSEC is stockbroking and related activities based on Shariah principles. BIMBSEC is also registered with the SC to act as a Shariah adviser for Islamic capital market products and services regulated by the SC, which include Islamic collective investment schemes. BIMBSEC is independent from the Manager. As at the LPD, BIMBSEC is a corporate Shariah adviser to 85 Islamic funds including 2 Islamic REITs.

As at the LPD, BIMBSEC has an issued share capital of RM100,000,000.00 comprising 100,000,000 ordinary shares. It is a wholly-owned subsidiary of Bank Islam Malaysia Berhad.

9.2 BOARD OF DIRECTORS OF THE SHARIAH ADVISER

The following table sets out the information regarding the board of directors of the Shariah Adviser:

Name	Designation
Dr. Mohd Hatta Dagap	Chairman
Kamaruzaman Abdullah	CEO/ Executive Director
Adi Asri Baharom	Non-Executive Director
Dr. Nurmazilah Dato' Mahzan	Non-Executive Director
Mohd Asri Awang	Non-Executive Director

9.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE SHARIAH ADVISER

As the Shariah Adviser for AME REIT, the role of BIMBSEC is to ensure that the operations and investments of AME REIT are in compliance with Shariah Requirements.

The Shariah Adviser will review the portfolio of AME REIT on a monthly basis to ensure that its operations and investments comply with Shariah. Upon completion of each review, the Shariah Adviser will deliver its opinion on AME REIT's compliance with Shariah through the issuance of monthly confirmation reports. Further, a report on the Shariah compliance status of AME REIT for the respective financial year will also be prepared to be included in the annual report of AME REIT.

The general functions, duties and responsibilities of the Shariah Adviser include, but are not limited to the following:

- (i) advising on all aspects of AME REIT's compliance with Shariah;
- (ii) providing Shariah expertise and guidance on all matters in relation to AME REIT, particularly on the Deed and this Prospectus, structure, investment instruments and ensuring Shariah compliance with relevant securities laws and guidelines issued by the SC;
- (iii) ensuring that AME REIT comply with the applicable Shariah principles, concepts and rulings endorsed or resolved by the SACSC;

- (iv) preparing a report to be included in the annual report of AME REIT confirming that AME REIT has been managed in compliance with Shariah, including Shariah principles, concepts and rulings endorsed by the SACSC; and
- (v) consulting the SC where there is any ambiguity or uncertainty to any Shariah matters.

9.4 PROFILES OF SHARIAH PERSONNEL

The designated persons responsible for Shariah matters relating to AME REIT are as follows:

Ir. Dr. Muhamad Fuad bin Abdullah (“Dr. Muhamad Fuad”)

Dr. Muhamad Fuad is the designated person in-charge of all Shariah matters in BIMBSEC.

He graduated with a Bachelor of Science Degree in Electrical Engineering in 1977 and a Master of Philosophy Degree in Electrical Engineering in 1982, both from the University of Southampton, England. He also obtained a Bachelor of Arts (Jayyid) Degree in Shariah from the University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from the University of Aberdeen, Scotland in 1996.

He is a registered individual Shariah adviser with the SC and is the chairman of the Shariah Advisory Committee of BIMBSEC. He sits on the Shariah Committees of Bank Islam Malaysia Berhad, AIA-Public Takaful Berhad and BIMB Investment Management Berhad.

He is the independent non-executive chairman of Gagasan Nadi Cergas Berhad and a board member of Universiti Tun Abdul Razak Sdn Bhd and Medic IG Holdings Sdn Bhd.

Dr. Muhamad Fuad is a recipient of the National Book Award 2015 for his book published by Institute of Islamic Understanding Malaysia entitled "The Influence of Islam Upon Classical Arabic Scientific Writings: An Examination of the Extent of Their Reference to Quran, Hadith and Related Texts".

Nurussaádah binti Nasarudin (“Nurussaádah”)

Nurussaádah joined BIMBSEC in June 2015 as Shariah executive and was promoted to head of Shariah section effective 1 May 2021. She is the Designated Shariah Officer registered under the BIMBSEC's Shariah advisory license, responsible for the Shariah advisory services offered by BIMBSEC.

Nurussaádah graduated with a Bachelor of Shariah majoring in Islamic Banking and Economics from the University of Yarmouk, Jordan.

She has responsibility for the Shariah aspects of the advisory, consultancy and research functions of BIMBSEC pertaining to Islamic capital market and Islamic collective investment schemes, as well as Shariah products offered to non-financial institutions.

She has experience in product development and review in particular those related to Islamic stockbroking services.

For detailed information on the Shariah Adviser, please visit www.bimbsec.com.my

10. PROPERTY MANAGER

The following information in this section (save where it relates to the Property Management Agreement) has been prepared and provided by the Property Manager. None of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners, the Sole Underwriter and any other person has independently verified this information and, therefore, none of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter makes any representation as to the correctness, accuracy or completeness of such information. Accordingly, prospective investors should not place undue reliance on such information.

10.1 PROPERTY MANAGER'S INFORMATION

The Property Manager, Nusa Realtors, is a newly established sole proprietorship registered in Malaysia on 29 October 2021 with the Registration No: VEPM (3)0032 under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981. Lee Kong Wah, who is the registered owner of the Property Manager, has been principally involved in property management, property valuation, real estate agency and consultancy services since 1987 in various capacities. He is duly registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia.

10.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE PROPERTY MANAGER

The Trustee, the Manager and the Property Manager entered into the Property Management Agreement on 23 June 2022 for the appointment of the Property Manager to provide property management services to manage, operate and maintain the Subject Properties upon the terms and conditions therein.

The services provided by the Property Manager for each property under its management include the following:

- (i) property management services including operation, repair and maintenance of the Subject Properties, recommending, engaging and/or reviewing third party contracts for provision of property maintenance, supervision and control of maintenance and repairs, ensuring compliances with building and safety regulations, arranging and taking out property insurance, submitting applications to the appropriate regulatory authorities for licences in timely manner, permissions and consents required relating to the operation, maintenance, management or improvement of the property, advising on improvement and upgrading to enhance income yields and capital value of the Subject Properties;
- (ii) financial management services by assisting the Manager and/or the Trustee in respect of the financial, cost and budgetary coordination, administration and measurement including establishment and keeping of information and records to effect cost and budgetary control, preparation of budgets for management operation, procedures for monitoring budgetary performance and compliance, and monthly and annual reports as well as analysis of operation performance;
- (iii) letting and tenancy management services by assisting the Manager and/or the Trustee in respect of, including coordinating handover of premises and tenants' fitting-out requirements, administration of rental collection and management of rental arrears and rental collection policies and practices, formulating letting policies and advising on tenancy terms and conditions;
- (iv) reporting system services whereby the Property Manager will submit the relevant report relating to the management of the Subject Properties to the Manager and/or the Trustee, either on a monthly, quarterly or annual basis, the frequency depending on the nature and types of reports; and
- (v) providing professional services including advising on capital value, assessment value and consulting with other professionals in legal, technical, financial and accounting matters, if and whenever necessary.

10. PROPERTY MANAGER (Cont'd)

In accordance with the terms of the Property Management Agreement, the Property Manager shall, during the duration of the Property Management Agreement, employ, by itself or through third party service providers, personnel required to properly operate, maintain and manage all the Subject Properties on such terms and conditions as are commercially reasonable or appropriate having regard to the qualification, skill and experience of the persons employed for the relevant positions, responsibilities and duties. Please refer to Section 10.6 "Salient Terms of the Property Management Agreement" of this Prospectus for further details of the Property Management Agreement.

10.3 EXPERIENCE IN PROPERTY MANAGEMENT AND PROPERTIES MANAGED

Lee Kong Wah has over 30 years of working experience in property consultancy work including valuation, estate agency, property management, research and feasibility studies. He is currently the sole proprietor and sole personnel of the Property Manager. As the Property Manager is newly established, there are no properties under management as at the LPD.

The Property Manager had managed five residential projects during his tenure with Knight Frank Malaysia (M) Sdn Bhd's Johor Bahru branch office, which are as follows:

- (i) 644 units at 1Medini;
- (ii) 350 units at Medini Signature;
- (iii) 382 units at Paradiso Nuova;
- (iv) 426 units at One Sentral Serviced Residence; and
- (v) approximately 100 units of landed residential properties within Emerald Bay @ Puteri Harbour.

10.4 INFORMATION ON KEY PERSONNEL

The profile of the key personnel of the Property Manager who is involved in the management of the Subject Properties is as follows:

Lee Kong Wah is the sole proprietor of Nusa Realtors, a registered real estate consultancy firm registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEPM). He is a registered valuer and estate agent and a registered property manager by profession. He is also a member of the Royal Institution of Surveyors Malaysia (RISM), a member of the Persatuan Penilai, Pengurus Harta, Ejen Harta & Perunding Harta Swasta Malaysia (MPEPS) and an Associate of the Royal Institution of Chartered Surveyors, (RICS) United Kingdom.

He has over 30 years of working experience in the real estate industry, including property and asset management, asset and mortgage valuation, real estate agency and project marketing, research and feasibility studies as well as investment appraisals. He was the Executive Director of Knight Frank Malaysia (M) Sdn Bhd from October 2012 to December 2018 where he oversaw the business operations in the state of Johor. He continued his service in Knight Frank (M) Sdn Bhd as a consulting advisor from January 2019 to December 2019.

Prior to that he has undertaken various positions in different firms, namely the Managing Partner of Hartamas Valuation and Property Consultants (2010-2012), the Director of Valuation in DTZ Nawawi Tie Leung International Property Consultants (2006-2010), Senior Vice President in the Property and Asset Management department of Hongkong and Shanghai Banking Corporation (Kuala Lumpur) (2005-2006), Managing Partner of Jasaland Valuers and Property Consultants (Johor Bahru) (1999-2005), Senior Valuer/Manager in the Valuation department of WTW International Property Consultants (Johor Bahru) (1994-1999) and Branch Manager in Rahim & Co International Property Consultants (Johor Bahru) (formerly known as Rahim & Co Chartered Surveyors and Property Consultants (Johor Bahru)) (1990-1994).

10. PROPERTY MANAGER (*Cont'd*)

He is a graduate of the University of Aberdeen, Scotland with a Bachelor in Land Economy and he obtained his Master of Science in Facilities Management from the University of Technology Malaysia.

10.5 PROPERTY MANAGEMENT FEE

The Property Manager is entitled to receive RM20,000.00 (excluding any applicable tax) per month (equivalent to RM240,000.00 (excluding any applicable tax) per annum) for the management and operation of the Subject Properties. In addition, the Property Manager is also entitled to full reimbursement of costs and expenses properly incurred in the operation, maintenance and management of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to its services provider(s).

The property management fee is payable to the Property Manager in the form of cash.

10.6 SALIENT TERMS OF THE PROPERTY MANAGEMENT AGREEMENT

- (i) Subject to the right of termination under the Property Management Agreement, the appointment of the Property Manager shall commence from the date of completion of the Acquisitions and shall unless terminated in accordance with the Property Management Agreement, continue for an initial period of two years and may be extended for a further term with the agreement of the Trustee and Manager on such terms and conditions as may be mutually agreed between the parties ("**Management Period**").
- (ii) The functions, duties and responsibilities of the Property Manager under the Property Management Agreement is summarised in Section 10.2 "Functions, Duties and Responsibilities of the Property Manager" of this Prospectus.
- (iii) The Property Management Agreement may be terminated in accordance to the terms and conditions therein under any one of the following circumstances:
 - (a) any representation, warranty or covenant which is made (or acknowledged to have been made) in relation to the Property Management Agreement by the Property Manager proves to be untrue or misleading in any material respect;
 - (b) the Property Manager is in breach of the terms or conditions of the Property Management Agreement and such breach is not remedied to the satisfaction of the non-defaulting party within 30 days;
 - (c) upon occurrence of any force majeure event which results in the failure of the Property Manager to deliver a substantial majority of the services contemplated under the Property Management Agreement for at least 14 days;
 - (d) the termination of AME REIT in accordance with the provisions of the Deed;
 - (e) an order is made for the owner of the Property Manager to be adjudged bankrupt or any steps are taken to for the dissolution of the Property Manager;
 - (f) the Property Manager becomes insolvent or a receiver has been appointed over the whole or a substantial part of the assets of the Property Manager;
 - (g) the Property Manager changes or threatens to change the nature or scope of its business, suspends or threatens to suspend a substantial part of the present business operations;
 - (h) the revocation of the Property Manager's licence or the Property Manager is no longer legally qualified to act in its capacity as a property manager; and
 - (i) the Manager ceases to act as the management company of AME REIT.

10. PROPERTY MANAGER (Cont'd)

For the purposes of this Section 10.6, “force majeure event” means all events which are beyond the reasonable control of the parties to the Property Management Agreement and which are unforeseen or if foreseen are unavoidable and which render impossible the performance of any material obligation or the exercise of any material right under the Property Manager Agreement by any of the parties and shall include but is not limited to (i) war, invasion, rebellion, revolution, insurrection or civil war; (ii) act of government in its sovereign capacity; (iii) earthquakes, fire, lightning, storms, floods or any other occurrence caused by the operation of the forces of nature; (iv) strikes, lockouts, boycotts or labour disputes affecting the operation of any of the Subject Properties; (v) terrorism, sabotage or arson; (vi) change in law; and (vii) pandemics, epidemics, local disease outbreaks or public health emergencies declared by the Government.

10.7 UNITHOLDING OF THE PROPERTY MANAGER IN AME REIT

As at the LPD, the Property Manager may wish to apply for Units under the Institutional Offering.

10.8 SERVICE PROVIDERS TO PROVIDE PERSONNEL TO THE PROPERTY MANAGER

Pursuant to the Property Management Agreement, the Property Manager may appoint any third-party service provider to, among others, provide personnel in order for the Property Manager to carry out its services under the Property Management Agreement to the best of its abilities provided that the appointment of such third-party service providers has been approved by the Manager and the Trustee. The fees of such third-party service providers will be determined under the approved annual business plan and budget for the Subject Properties. The Property Manager is entitled to reimbursement of costs and expenses properly incurred in the operation, maintenance and management of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to its service providers. Notwithstanding the above, the Trustee and/or the Manager can make payment directly to the service providers subject to the recommendation from the Property Manager.

The Property Manager entered into a Service Provider Agreement with AME Building Management Sdn Bhd on 23 June 2022, wherein AME Building Management Sdn Bhd will provide the Property Manager with, among others, personnel with the appropriate qualification, skill, expertise, experience and internal working and operation knowledge of the Subject Properties for the Property Manager to carry out its functions, duties and responsibilities stipulated in the Property Management Agreement, in accordance with the terms and conditions of the Service Provider Agreement.

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11. SALIENT TERMS OF THE DEED

The Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Deed. Certain salient terms of the Deed are summarised in other sections of this Prospectus. Recipients of this Prospectus and all prospective investors in the Units should refer to the Deed itself to confirm specific information or for a detailed understanding of AME REIT. The Deed is available for inspection at the registered office of the Manager.

11.1 THE DEED

AME REIT is a REIT constituted by the Deed, as entered into between the Trustee and the Manager on 23 May 2022. The Deed came into effect on 23 May 2022 when it was registered with the SC.

Each Unitholder and all persons claiming through it shall be entitled to the benefit of and shall be bound by the terms and conditions of the Deed and any supplementary deed as if it had been a party thereto and as if the Deed contained covenants on the part of each Unitholder to observe and be bound by all the provisions thereto and an authorisation by each Unitholder to do all such acts and things as the Deed may require the Trustee or the Manager (as the case may be) to do. The Deed shall not establish either the Trustee or the Manager as the agent of the Unitholders and shall not create any other relationship other than that which is established by the provisions of the Deed.

Pursuant to the Deed, the Trustee shall hold the assets of AME REIT upon trust for the Unitholders and the assets of AME REIT so held shall be segregated from the general assets of the Trustee. The rights of the Unitholders under the Deed are divided into Units.

The Manager and the Trustee shall in the performance of their respective duties under the Deed at all times comply with applicable provisions of the Relevant Laws and Requirements, subject to compliance with any applicable waiver or exemption given by any relevant regulatory authority (including the SC or Bursa Securities, as the case may be) in respect of the Relevant Laws and Requirements.

Please refer to Information Summary – “Fees and Charges” of this Prospectus for a summary of fees payable to the Manager and the Trustee; Section 6.6 “Management Fees” of this Prospectus for further details of the Management Fees payable to the Manager and Section 8.5 “Trustee’s Fee” of this Prospectus for further details of the fees payable to the Trustee, pursuant to the terms of the Deed.

The Deed is governed by, and shall be construed in accordance with, the laws of Malaysia.

11.2 NATURE OF UNITS

Each Unit is of equal value and represents an undivided interest in AME REIT. There is only 1 class of Units in AME REIT, and all issued Units rank *pari passu* in all respects without preference or priority among themselves. A Unit shall not confer any interest in any particular assets of AME REIT but only such interest in AME REIT as a whole under the provisions of the Deed.

11.3 RIGHTS OF UNITHOLDERS

The Units shall confer on the Unitholders the rights to receive distribution entitlements, to participate and vote at meetings of Unitholders, to receive any distribution made on termination of AME REIT and such other rights, benefits, entitlements and privileges as are conferred on them in accordance with the provisions of the Deed and the Relevant Laws and Requirements.

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11.4 LIMITATION OF LIABILITY AND RIGHTS OF UNITHOLDERS

The liability of each Unitholder in its capacity as such is solely limited to the Unitholder's investment in AME REIT and no Unitholder shall be under any obligation to indemnify, reimburse or compensate the Trustee, the Manager or any creditors of AME REIT against any liability of the Trustee or the Manager in respect of AME REIT.

However, the rights of Unitholders are limited as follows:

- (i) a Unitholder has no proprietary interest in any assets of AME REIT and is not entitled to compel the transfer of any assets of AME REIT or any interest therein;
- (ii) the right of a Unitholder in the assets of AME REIT is limited to the right to require the due administration of AME REIT and the discharge of duties and obligations of the Trustee and the Manager in accordance with the Deed; and
- (iii) without limiting the generality of the foregoing, each Unitholder is deemed to acknowledge and agree that:
 - (a) a Unitholder shall not and hereby waives any rights it may otherwise have to commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the assets of AME REIT or any part thereof;
 - (b) a Unitholder's recourse against the Trustee or the Manager, in the event of any breach or threatened breach in respect of any provisions of the Deed or the Relevant Laws and Requirements, is limited to a right to recover damages or monetary compensation from the Trustee or the Manager in a court of competent jurisdiction; and
 - (c) the award of damages or monetary compensation to a Unitholder is an adequate remedy for such breach or threatened breach;

unless the Trustee or the Manager purports, attempts, threatens or take steps to terminate AME REIT in contravention with the provisions of the Deed, in which case, a Unitholder shall be at liberty to seek an order for specific performance or for injunctive relief.

- (iv) a Unitholder is deemed to acknowledge and agree that a Unitholder (in its capacity as such) shall not at any time:
 - (a) interfere with the rights, powers, authority or discretion of the Manager or the Trustee or restrict the exercise of any discretion conferred on the Manager or Trustee under the Deed;
 - (b) exercise any right or lodge any caveat or register any encumbrance in respect of the assets of AME REIT or any part thereof;
 - (c) demand or require that any assets of AME REIT or any part thereof be transferred to a Unitholder, its nominee or any other person;
 - (d) request or direct the Manager or Trustee to do or omit doing anything which may result in AME REIT contravening the Relevant Laws and Requirements or which may result in the Manager or Trustee to be in breach of their duties at law or under the Deed save for directions duly given pursuant to a resolution passed at a meeting of Unitholders; and
 - (e) have any right, solely by reasons of being a Unitholder, to enquire into the affairs of or attend any meetings of shareholders or directors of the Manager or the Trustee.

11.5 CREATION OF UNITS

The Manager shall ensure that all expenses of the issuance of new Units are borne by AME REIT. Applications for new Units to be issued for any listing of and quotation for the Units on the Main Market of Bursa Securities, including the Listing shall be made in accordance with the prospectus, unless the issue is of a nature that does not require a prospectus under the Relevant Laws and Requirements. The Manager shall have the absolute discretion as to whether to allot and issue any Units pursuant to an application without assigning any reasons for its decision.

Subject to the Relevant Laws and Requirements, the Manager shall determine the issue price, on market-based principles, taking into account the best interests of AME REIT and Unitholders. A Unit shall be deemed to have been issued to the person entitled to such Unit when the name of such person has been entered onto the Record of Depositors. No certificates for the Units shall be issued to any subscribers or purchasers of Units pursuant to this Prospectus.

The Manager may propose the issuance of new Units from time to time subsequent to the Listing by any method permitted under the Relevant Laws and Requirements, and such issuance of new Units shall be subject to the provisions of the Deed and the prior approval of the Trustee being obtained.

11.6 SUSPENSION OF, DEALING IN AND ISSUE OF UNITS

- (i) The Manager or the Trustee may, with the prior written approval of the other party and subject to the Listing Requirements, suspend the issuance or dealing of the Units during:
 - (a) any period when Bursa Securities is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
 - (b) the existence of any state of affairs which, in the opinion of the Manager or the Trustee (as the case may be) might seriously prejudice the interests of the Unitholders as a whole or of the assets of AME REIT;
 - (c) any breakdown in the means of communication normally employed in determining the NAV of AME REIT, or when for any reason the NAV of AME REIT cannot be promptly and accurately ascertained;
 - (d) any period when remittance of money which will or may be involved in the realisation of any assets of AME REIT or in the payment for such assets of AME REIT cannot, in the opinion of the Trustee, be carried out at normal rates of exchange;
 - (e) in relation to any meeting of Unitholders, the period of 48 hours before such meeting of Unitholders or any adjournment thereof;
 - (f) any period where the issuance of Units is suspended pursuant to any order or direction issued by Bursa Securities or any other authorised regulatory body; or
 - (g) when the business operations of the Manager or the Trustee in relation to AME REIT are substantially interrupted or closed as a result of, or arising from pandemic, epidemic, pestilence, acts of war, terrorism, insurrection revolution, civil unrest, riots, strikes or acts of God.

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- (ii) Such suspension will take effect forthwith upon the declaration in writing of the same by the Manager or the Trustee (provided the prior written approval of the other is obtained) and shall terminate on the day following the first business day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists. The Manager shall further ensure that immediate announcement of such suspension and its cessation is made to Bursa Securities pursuant to the Listing Requirements.
- (iii) The Trustee shall, in consultation with the Manager and where it deems appropriate and subject to the REIT Guidelines and the Listing Requirements, suspend dealing in the Units due to circumstances, where there is a good and sufficient reason to do so, considering the interests of the Unitholders or the potential investors. Upon such suspension, the Trustee shall notify the SC in writing stating the reasons for such suspension, the proposed resumption of dealings in Units and the expected date of the proposed resumption.

11.7 UNITS BUY-BACK

The Manager on behalf of AME REIT may, subject to the Relevant Laws and Requirements, undertake an acquisition of Units where the Manager is of the opinion that the buy-back of such Units is made in the interest of the Unitholders. Units so purchased shall be immediately cancelled.

11.8 VENDOR UNITS

Upon the recommendation of the Manager from time to time, new Units may be issued and allotted to vendors as consideration (in whole or in part) for Permissible Investments acquired or to be acquired by AME REIT which shall thereafter form part of the assets of AME REIT, whether in conjunction with the Listing or pursuant to any subsequent acquisition, at a price determined by the Manager and approved by the Trustee provided that the following conditions are met:

- (i) the terms and conditions of the acquisition are approved by the Unitholders by an ordinary resolution where required under the Relevant Laws and Requirements (in cases subsequent to the Listing);
- (ii) neither the Manager nor the person to whom the Units are to be issued nor any person connected to that person votes in relation to the above ordinary resolution; and
- (iii) the acquisition is, where required, approved by the SC and any other relevant regulatory authority.

11.9 DISTRIBUTABLE INCOME

The Distributable Income of AME REIT for each Distribution Period shall be the net income for the Distributable Period adjusted (in whole or in part) as deemed necessary by the Manager in the interest of AME REIT and the Unitholders for the following effects:

- (i) the portion of the Management Fees paid or payable in Units;
- (ii) amortisation and other non-cash expenses or gains;
- (iii) non-tax deductible expenses;
- (iv) valuation gains or losses on investment properties and financial instruments;
- (v) depreciation or impairment of the assets of AME REIT;
- (vi) any other entries, provisions, write-offs or adjustments required under the approved accounting standards and generally accepted accounting practices in Malaysia;

- (vii) expenses and/or losses charged to the income statement of AME REIT relating to the issuance of new Units or expenses that are capital in nature;

The amount of Distributable Income of AME REIT which the Manager may distribute in respect of any Distribution Period is subject to:

- (i) the total returns for the Distribution Period;
- (ii) the income for the Distribution Period;
- (iii) the cash flow for distribution;
- (iv) the stability and sustainability of the distribution of income; and
- (v) the investment objectives and distribution policy of AME REIT.

All (or such lower percentage as determined by the Manager in its absolute discretion) of the Distributable Income will be distributed among the persons who on the relevant Book Closing Date for a Distribution Period are Unitholders, in proportion to their Units. Each Unitholder's entitlement to the Distributable Income is to be determined in accordance with the following formula:

$$\text{Distribution Entitlement (\%)} = \% \text{ of DI} \times \text{UH} / \text{UI}$$

where:

- % of DI = Percentage of Distributable Income to be distributed, as determined by the Manager in its absolute discretion.
- UH = the number of Units held by the Unitholder at the close of business on the Book Closing Date for the relevant Distribution Period adjusted to the extent it is entitled to participate in the Distributable Income.
- UI = the total number of Units in issue in AME REIT at the close of business on the Book Closing Date for the relevant Distribution Period adjusted to the extent it is entitled to participate in the Distributable Income.

11.10 INVESTMENT POLICIES OF AME REIT

11.10.1 Permissible Investments

Subject to Section 11.10.2 "Investment Limits" of this Prospectus, AME REIT may invest in any Permissible Investments which shall comply with Shariah principles (if applicable) pursuant to the REIT Guidelines.

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11.10.2 Investment Limits

- (i) The Trustee and Manager shall ensure that at least 75.0% of the Total Asset Value of AME REIT must be invested in Real Estate that generates recurrent rental income at all times.
- (ii) Where AME REIT fails to comply with paragraph (i) above as a result of any disposal of Real Estate or any other reason whatsoever, the Trustee and the Manager shall promptly inform the SC (if so required) and take all necessary steps and actions to rectify such non-compliance as may be prescribed under the REIT Guidelines.
- (iii) The Trustee and the Manager must ensure that:
 - (a) the assets of AME REIT are Permissible Investments and such investments are made in accordance with the limits prescribed by the REIT Guidelines; and
 - (b) the Property Development Costs in relation to the aggregate investments in property development activities and Real Estate under construction shall not exceed 15.0% of the Total Asset Value of AME REIT.
- (iv) For the avoidance of doubt, any Real Estate which is under construction or which is subject to property development activities shall not be accounted towards meeting the requirement in paragraph (i) above.

11.10.3 Restriction on Investment/Activities

Save as otherwise permitted under the REIT Guidelines, the Trustee and the Manager shall ensure that AME REIT shall not at any time be engaged in the following activities:

- (i) the granting or extension of loans, financing facilities or any other credit facilities to any person;
- (ii) acquisition of vacant land, except for the purposes of undertaking property development activities subject to Section 11.10.2 (iii) above;
- (iii) investment in Real Estate where all of its tenants carry out fully Shariah non-compliant activities pursuant to the REIT Guidelines; or
- (iv) any other activity which does not comply with the REIT Guidelines and where no waiver from the SC is obtained to exempt compliance with the relevant guidelines.

11.10.4 Investment Policy

- (i) The principal investment policy of AME REIT is to invest, directly and indirectly, in a portfolio of income producing Real Estate used primarily for industrial and industrial-related purposes in Malaysia and overseas. AME REIT may also invest in other investments as permissible under the REIT Guidelines or as otherwise permitted by the SC.
- (ii) The Manager may, in consultation with the Trustee and subject to the Relevant Laws and Requirements, from time to time change the investment policy of AME REIT.
- (iii) The Trustee shall ensure that it is fully informed at all times by the Manager of the investment policy and of any changes made by the Manager to the investment policy of AME REIT.

- (iv) Unless otherwise provided by the Relevant Laws and Requirements, any modification to the Deed involving any material change to the investment policy set out for AME REIT, must be approved by the Unitholders by way of a resolution of not less than two-thirds of the votes given on a poll at a meeting of Unitholders duly convened and held in accordance with the Deed.

11.11 CONCERNING THE TRUSTEE

The Trustee shall be responsible for the safe custody of the assets of AME REIT and must ensure that the assets of AME REIT are clearly identified as the assets of AME REIT, held separately from any other assets held by or entrusted to the Trustee and registered in the name of the Trustee or where the custodian function is delegated, in the name of the custodian to the order of the Trustee.

Any of the assets of AME REIT, in any form whatsoever, shall be paid or transferred to or to the order of the Trustee upon receipt by the Manager or its delegate and is to be dealt with as the Trustee may think fit for the purpose of providing for the safe custody of the same.

The Trustee may act as custodian of the assets of AME REIT itself or the Trustee may delegate this role to another person as custodian or joint custodians (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the assets of AME REIT and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint with the prior consent in writing of the Trustee, sub-custodians. Any such delegation can only be carried out by the Trustee in compliance with the Relevant Laws and Requirements and the Trustee shall remain responsible for the actions and omissions of any delegate as though they were its own actions and omissions. Where this role is delegated, the Trustee shall ensure that:

- (i) it retains full control of the assets of AME REIT at all times and any custodian, joint custodian or sub-custodian must comply with the directions of the Trustee;
- (ii) there are adequate arrangements to prevent the delegate from releasing the custody or control of the assets of AME REIT without the Trustee's prior consent; and
- (iii) such delegated service will not affect the Trustee in carrying out its obligations as the trustee of AME REIT.

The Trustee shall be at liberty to institute, prosecute, compromise or defend any action, suit, proceedings or claim in respect of the provisions of the Deed or in respect of the assets of AME REIT or any part thereof or any corporate or Unitholders' action which in its opinion would or might involve it in expense or liability, provided that if required by the Trustee, the Manager has furnished it with an indemnity satisfactory to it against any such expense or liability.

Except if and so far as otherwise expressly provided in the Deed, the Trustee as regards all the trusts, powers, authorities and discretions vested in it has absolute and unfettered discretion as to the exercise of the same, whether in relation to the manner or as to the mode of and time for such exercise, and in the absence of fraud, negligence, wilful default, breach of the Deed or breach of trust, the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise of the same.

11.12 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

Please refer to Section 8.3 "Functions, Duties and Responsibilities of the Trustee" of this Prospectus for details of the functions, duties and responsibilities of the Trustee.

11.13 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

Please refer to Section 8.6 "Retirement, Removal and Replacement of the Trustee" of this Prospectus for details of the retirement, removal and replacement of the Trustee.

11.14 LIMITATION OF LIABILITY AND INDEMNITY OF THE TRUSTEE

Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of AME REIT over which the Trustee has recourse provided that the Trustee had acted without fraud, negligence, wilful default, breach of trust or breach of the Deed or the Relevant Laws and Requirements.

Subject to the duties and obligations of the Trustee under the Deed and in accordance with the Relevant Laws and Requirements, the Trustee shall at all times be entitled to rely on the recommendations, certifications and representations of the Manager in relation to AME REIT and shall not be liable for any act or omission of the Manager in relation to AME REIT save where the Trustee is complicit with the Manager, negligent or where the Trustee has such obligation, breaches its obligation to ensure that the Manager complies with the Deed or the Relevant Laws and Requirements.

In the absence of fraud, negligence, wilful default, breach of trust, breach of the Deed or the Relevant Laws and Requirements, the Trustee shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Deed.

11.15 CONCERNING THE MANAGER

The Manager shall, subject to the provisions of the Deed and Relevant Laws and Requirements and as advised by the Shariah Adviser, carry out all activities as it may deem necessary for the management of AME REIT. Without limiting the generality of the foregoing, the Manager shall, in managing the REIT, undertake the following activities:

- (i) develop a business plan and investment strategy for AME REIT with the objective of maximising the income of AME REIT and enhancing the value of the assets of AME REIT;
- (ii) acquire, transfer, lease, license, exchange, dispose, convey, surrender or otherwise deal with any assets of AME REIT and procure, negotiate and enter into such agreements with vendors, purchasers, lessees, tenants and other persons pursuant to the business plan and investment strategy for AME REIT;
- (iii) manage or supervise the management of the assets of AME REIT and where relevant, carry out property development activities in accordance with the provisions of the Deed;
- (iv) generally advise on and procure through property management companies, service providers or by itself (where permitted), the maintenance of any Real Estate, including but not limited to such repair, painting, alteration, rebuilding and/or improvement of any Real Estate which the Manager considers to be necessary or desirable in accordance with the Relevant Laws and Requirements;
- (v) prepare annual budgets and where relevant, any other budgets, plans, policies and proposals for the management and operation of AME REIT;
- (vi) make or cause to be made the announcements in relation to AME REIT as may be required by the Listing Requirements;
- (vii) ensure statutory returns are lodged;
- (viii) manage all tax affairs of AME REIT including the engagement of tax advisors;
- (ix) give directions to the Trustee to ensure the due and efficient performance of the Trustee's duties and obligations under the Deed and the Relevant Laws and Requirements;
- (x) determine if any taxes, expenses, outgoings, losses, debts or obligations are to be paid or borne out of the capital or income of AME REIT, in consultation with the Auditors;

11. SALIENT TERMS OF THE DEED (Cont'd)

- (xi) institute, defend, conduct, settle, discontinue or compromise any proceedings relating to AME REIT in any court, tribunal or arbitration as the Manager, or ensuring the same is undertaken by the Trustee, in which case the Manager shall render all such assistance as may reasonably be required by the Trustee;
- (xii) undertake all management activities in relation to AME REIT in accordance with the provisions of the Deed;
- (xiii) manage Real Estate through the procurement of service providers to carry out specified activities in accordance with the provisions of the Deed;
- (xiv) manage the finances of AME REIT;
- (xv) develop and maintain investor and tenant/lessee relations;
- (xvi) ensure legal and corporate compliance through the procurement of lawyers and other service providers in relation to the assets of AME REIT;
- (xvii) manage and supervise service providers appointed for the conduct and delivery of services;
- (xviii) prepare transaction reports as required by the Shariah Adviser or such other reports which the Manager considers to be relevant and appropriate;
- (xix) prepare, issue and, if necessary, lodge any prospectus or any circular, announcements, publicity material, sales literature or other documents in connection with AME REIT and its corporate proposals and where required, engaging the relevant advisors for such purposes; and
- (xx) carry out such other activities as the Manager may consider necessary from time to time and as advised by the Shariah Adviser (where applicable) at all times in discharging its obligations and duties as the manager of AME REIT.

Unless otherwise expressly provided in the Deed, the Manager shall as regards all the powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud, negligence, wilful default or breach of the Deed, the Manager shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

11.16 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

Please refer to Section 6.2 “Functions, Duties and Responsibilities of the Manager” of this Prospectus for further information of the functions, duties and responsibilities of the Manager as provided in the Deed.

11.17 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER

Please refer to Section 6.11 “Retirement, Removal and Replacement of the Manager” of this Prospectus for details of the retirement, removal and replacement of the Manager.

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11. SALIENT TERMS OF THE DEED (Cont'd)

11.18 LIMITATION OF LIABILITY AND INDEMNITY OF THE MANAGER

The Manager shall not be under any liability except such liability as may be assumed by it under the Deed nor shall the Manager be liable for any act or omission of the Trustee.

Subject as expressly provided in the Deed and without prejudice to any right of indemnity at law given to the Manager, the Manager shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as the Manager to have recourse to the assets of AME REIT, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Deed by the Manager.

11.19 MANAGER'S FEES AND TRUSTEE'S FEE

The provisions on the Manager's fees and the Trustee's fee are as set out in the Deed. Please refer to Section 6.6 "Management Fees" and Section 8.5 "Trustee's Fee" of this Prospectus for details of the Manager's fees and the Trustee's fee respectively.

11.20 PERMITTED CHARGES OF AME REIT

The Trustee and the Manager shall in addition to their remuneration and rights to indemnification or reimbursement conferred under any other provision of the Deed or by law, respectively be indemnified and shall be reimbursed out of either the income of AME REIT or the capital of AME REIT (as determined from time to time by the Manager and where necessary upon consultation with the Auditor) for all fees, costs, charges, expenses and outgoings reasonably and properly incurred by or on behalf of the Trustee or the Manager as the case may be, that are directly related and necessary to the business of AME REIT.

11.21 MODIFICATION OF THE DEED

All modifications to the Deed must be made through a deed supplementary to the Deed and will take effect only upon registration of the supplementary deed with the SC. The Manager shall submit or cause to be submitted any such supplementary deed to the SC for such registration pursuant to the CMSA. Unless otherwise provided by the Relevant Laws and Requirements, any modification to the Deed involving any material change to the investment policy set out for AME REIT, must be approved by the Unitholders by way of a resolution of not less than two-thirds of the votes given on a poll at a meeting of Unitholders duly convened and held in accordance with the Deed.

11.22 TERMINATION AND WINDING-UP OF AME REIT

The Trustee shall terminate AME REIT upon the occurrence of any of the following:

- (i) if at a duly convened meeting of Unitholders, a special resolution (unless otherwise provided under the REIT Guidelines) is passed that AME REIT be terminated; or
- (ii) the Manager is in liquidation or where the Trustee is of the opinion that the Manager has ceased to carry on business or has, to the prejudice of the Unitholders, failed to comply with any provision or covenant of the Deed or contravened any provisions of any relevant laws, guidelines or regulatory requirements, and at a meeting of Unitholders duly summoned in accordance with Section 301 of the CMSA, a special resolution is passed that AME REIT be terminated; or

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- (iii) if at any time after the Listing, the Units are unconditionally suspended from trading and such suspension is not lifted within a continuous period of 90 business days (notwithstanding any rights, powers or duties of the Manager or the Trustee and directions given by or resolutions of the Unitholders), and where the suspension is for reasons capable of remedy, such remedy is not effected within a period of an additional 90 business days or such other reasonable period of time as agreed between the Manager and the Trustee. In this case, winding up of AME REIT in accordance with the Deed shall immediately commence upon the end of such 90 business days or, where capable of remedy, upon the end of the 180 business days; or
- (iv) if the Listing does not take place within 3 months from the date of this Prospectus and a special resolution (or otherwise in accordance with the requirements of the REIT Guidelines) is passed at a duly convened meeting of Unitholders (if any) to terminate AME REIT; or
- (v) if the SC's approval under the CMSA is revoked or if any law is passed which renders it illegal to continue the operations of AME REIT.

If a termination event in paragraph (ii) above occurs, the Trustee shall apply to the court for an order confirming the Unitholders' resolution. The court may confirm the resolution if the court is satisfied that it is in the interests of the Unitholders to do so and may make orders for the winding-up of AME REIT, which orders must be carried out by the Trustee.

Upon termination of AME REIT (other than due to the events in paragraph (ii) above) the following provisions shall have effect:

- (i) the Trustee shall as soon as practicable sell, call in and convert into money the assets of AME REIT, and divide the proceeds of such sale, calling in and conversion less all proper costs and disbursement, commissions, brokerage fees, fees payable to the Manager and the Trustee on termination of AME REIT and other outgoings including costs of final distribution of capital and income and all proper provisions for the liabilities of AME REIT, among the Unitholders in proportion to the number of Units which they hold respectively at the date of the decision to terminate AME REIT provided that the Trustee may at its discretion make a partial distribution of capital from time to time and the Trustee and Manager shall on termination of AME REIT be deemed as preferential creditors as provided in the Act.
- (ii) The Trustee shall as soon as practicable after the date of the notice stated in the Deed, give to each Unitholder notice of impending distribution.
- (iii) The Trustee may postpone the sale, calling in and conversion of any part of the investment and property comprised in AME REIT for such time as it thinks is desirable so to do in the interest of the Unitholders and shall not be responsible for any loss attributable to such postponement except to the extent that such loss may be attributable to the Trustee's own neglect or default.
- (iv) The Trustee may retain in its hands or under its control for as long as it thinks fit such part of AME REIT as in its opinion may be required to meet any expenses of AME REIT or any of the investments thereof provided that any investments or monies so retained to the extent that they are ultimately found not to be so required shall remain subject to AME REIT for conversion and distribution in accordance with (i) above.
- (v) The Trustee and the Manager are entitled to:
 - (a) be paid from the proceeds of realisation of AME REIT before any payment is made to the Unitholders, all costs incurred:
 - (aa) Firstly, by the Trustee and the Manager in connection with the winding up of AME REIT and the realisation of the assets of AME REIT;

11. SALIENT TERMS OF THE DEED (Cont'd)

- (bb) Secondly, on behalf of any accountants, agents, bankers, lawyers or other persons appointed by the Trustee or Manager in connection with the winding up of AME REIT; and
- (cc) Thirdly, by the Trustee and the Manager before the winding up of AME REIT which has not been recouped, and
- (b) following the termination of AME REIT and until after the winding up is completed, their remuneration as provided in the Deed.

The provisions of the Deed shall continue to apply (where applicable) pending the completion of the winding-up process unless provided otherwise in the Deed.

AME REIT shall nevertheless terminate at the expiration of a period of 999 years after the date of the registration of the Deed with the SC.

11.23 MEETINGS OF UNITHOLDERS

Either the Trustee or the Manager may convene a meeting of Unitholders at any time by giving notice in accordance with the Deed, which notice shall specify the place, date and time of meeting and the general nature of the business or matter to be transacted or deliberated. The Manager shall within 21 days after an application has been delivered to the Manager at its registered office, being an application by not fewer than 50, or $\frac{1}{10}$ in number, whichever is lesser, of all Unitholders, summon a meeting of Unitholders in accordance with the Deed for the purposes of laying before the meeting the most recent financial statements of AME REIT or for the purpose of giving to the Trustee such directions as the meeting thinks proper or to consider any other matter in relation to the Deed.

The Manager is entitled to receive notice of and to attend and speak at any meeting of Unitholders but there shall be no voting rights in respect of Units which it holds or is deemed to hold and it shall not be counted in the quorum for such meeting of Unitholders, regardless of the party who requested such meeting and the matter(s) that are laid before the meeting and accordingly, the Units held by the Manager and/or its nominee shall not be regarded as being in issue.

The related parties of the Manager is entitled to receive notice of and to attend and speak at any meeting of Unitholders but there shall be no voting rights in respect of Units which they hold or are deemed to hold and they shall not be counted in the quorum for such meeting of Unitholders if they have interest in the outcome of a transaction laid before the meeting of Unitholders for approval which is different from the interests of other Unitholders, and accordingly, the Units held by the related parties of the Manager shall not be regarded as being in issue.

Notwithstanding the above, the Manager and its related parties may exercise the voting rights for the Units which they hold and/or their nominees hold in a meeting of Unitholders held for the removal of the Manager.

Every meeting of Unitholders may be convened, held and conducted in such a way that persons who are not present together at the same place may by electronic means attend and speak and vote at it.

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12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

12.1 CORPORATE GOVERNANCE

The Manager has adopted a corporate governance framework that meets best practices of good governance on structures and internal processes by adopting the requirements and guidelines set out in the REIT Guidelines and Listing Requirements, in the performance of its obligations and duties as described in the Deed. The Manager is also committed to adhere to good corporate governance practices in accordance with the principles and practices of corporate governance as set out in MCCG. Please refer to Section 6.15.3 “Governance Sustainability” of this Prospectus for details.

12.2 EXISTING AND ON-GOING RELATED PARTY TRANSACTIONS

Pursuant to the REIT Guidelines, a related party transaction means any transaction between the REIT and its related parties. A “related party” includes:

- (i) the management company of the REIT,
- (ii) the trustee of the REIT;
- (iii) a major unitholder of the REIT;
- (iv) a director, chief executive officer or major shareholder of the management company; or
- (v) a person connected with any director, chief executive officer or major shareholder of the management company, or a person connected with the management company, the trustee or major unitholder of the REIT.

In relation to a director, chief executive officer or major shareholder of the management company, the management company, trustee or major unitholder of the REIT, a “person connected” is defined to include a body corporate in which the director, chief executive officer or major shareholder of the management company, the management company, the trustee or major unitholder of the REIT, and/or persons connected to him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to the voting shares in such body corporate.

12.2.1 Acquisitions of Subject Properties

The Acquisitions are deemed related party transactions under the REIT Guidelines in view of the following:

- (i) the Vendors are persons connected to the Sponsor as they are the subsidiaries of the Sponsor;
- (ii) the Manager is a wholly-owned subsidiary of the Sponsor;
- (iii) the wholly-owned subsidiary of the Sponsor, AME Development, will be a major Unitholder of AME REIT upon completion of the Listing; and
- (iv) the management of the Manager is primarily undertaken by the directors of the Sponsor or persons nominated by them.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

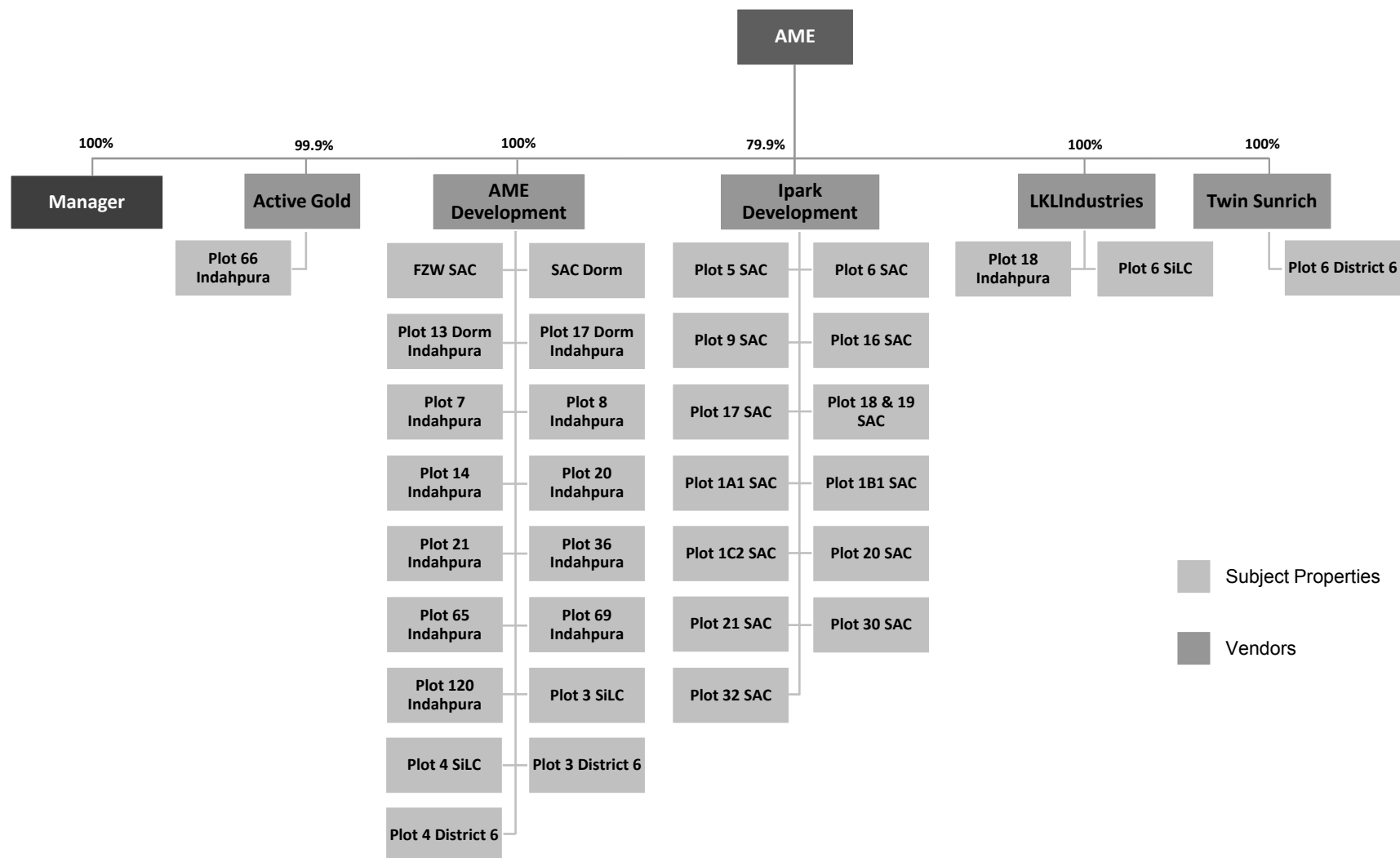
The table below sets out the following persons in the Sponsor and their respective designation in the Manager:

Name	Designation in the Manager	Designation in AME
Lee Sai Boon	Chairman / Executive Director	Executive Director
Lee Chai	Executive Director	Group Managing Director
Lim Yook Kim	Alternate Director to Lee Chai	Executive Director
Kang Ah Chee	Alternate Director to Lee Sai Boon	Executive Director
Lim Pei Shi	Alternate Director to Chan Wai Leo (Chief Executive Officer / Executive Director)	Alternate Director to Lim Yook Kim
Lee Ling Sien	Operations Manager	Alternate Director to Lee Chai

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12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

The organisational chart illustrating the relationship between the Vendors, the Manager and the Sponsor is as follows:



12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.2.2 Tenancies with I Stay

Pursuant to tenancy agreements to be novated to the Trustee (on behalf of AME REIT) and I Stay, AME REIT will be tenancing the following 3 Subject Properties to I Stay, a 70.0% owned subsidiary of the Sponsor:

- (i) SAC Dorm;
- (ii) Plot 13 Dorm Indahpura; and
- (iii) Plot 17 Dorm Indahpura.

I Stay is involved in the business of letting out the Dormitories to third parties. The arrangements are deemed related party transactions in view that I Stay is a subsidiary of the Sponsor.

The salient terms of the master lease agreements as at the LPD are as follows:

	SAC Dorm	Plot 17 Dorm Indahpura	Plot 13 Dorm Indahpura
Landlord	AME Development	AME Development	AME Development
Tenant	I Stay	I Stay	I Stay
Date of Agreement	28 May 2018	13 June 2020	23 July 2021
Commencement Date	1 April 2019	1 June 2020	15 July 2022
Tenancy Term	1 year, 9 months	2 years	3 years
Monthly Rental Rate as at the LPD	RM300,000	RM300,000	RM338,000
Renewal Term	(a) <u>First renewed period</u> 1 January 2021 to 31 December 2023 (b) <u>Second renewed period</u> 1 January 2024 to 31 December 2026 (c) <u>Third renewed period</u> 1 January 2027 to 31 December 2029	(a) <u>First renewed period</u> 1 June 2022 to 31 May 2025 (b) <u>Second renewed period</u> 1 June 2025 to 31 May 2028 (c) <u>Third renewed period</u> 1 June 2028 to 31 May 2031	(a) <u>First renewed period</u> 1 August 2025 to 31 July 2028 (b) <u>Second renewed period</u> 1 August 2028 to 31 July 2031 (c) <u>Third renewed period</u> 1 August 2031 to 31 July 2034

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

	SAC Dorm	Plot 17 Dorm Indahpura	Plot 13 Dorm Indahpura
Renewal Rate	(a) <u>First renewed period</u> RM300,000 (b) <u>Second renewed period</u> Prevailing market rate as may be agreed upon by both parties in writing (c) <u>Third renewed period</u> Prevailing market rate as may be agreed upon by both parties in writing	(a) <u>First renewed period</u> RM315,000 (b) <u>Second renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing (c) <u>Third renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing	(a) <u>First renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing (b) <u>Second renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing (c) <u>Third renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing

12.2.3 Licence Granted by the Registered Trademark Owner to AME REIT to Use Certain Trademarks

Pursuant to a Trademark Licensing Agreement dated 23 June 2022, the Registered Trademark Owner (i.e. AME Integrated Sdn Bhd) has granted the Trustee (on behalf of AME REIT) and the Manager a non-exclusive licence to use among others, the registered trademarks “AME”, “IPARK” and “i-PARK”. Please refer to Section 1.9 “Intellectual Property” of this Prospectus.

The arrangement is deemed a related party transaction in view that the Registered Trademark Owner is a 99.9% subsidiary of the Sponsor, and the Manager is a wholly-owned subsidiary of the Sponsor.

12.2.4 Other Related Party Transactions

As at the LPD, 27 of the Subject Properties are situated in managed industrial parks which are currently managed by the Sponsor’s subsidiaries (i.e. Ipark Development and AME Development) and a jointly controlled entity of the Sponsor (i.e. AXIS AME IP Sdn Bhd). The Trustee (on behalf of AME REIT) shall enter into the DMC with Ipark Development, AME Development and AXIS AME IP Sdn Bhd, representing the developers of these Subject Properties.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Pursuant to the DMC, Ipark Development, AME Development and AXIS AME IP Sdn Bhd are managing the industrial parks on behalf of the owners of the industrial properties situated in i-Park @ SAC, i-Park @ Indahpura and i-Park @ SiLC, who in turn will pay gated development service charges ("GDSC") to the developers or their representatives for the service. For 21 of the Subject Properties, the obligation for the payment of GDSC has been assumed by the respective tenants pursuant to the tenancy agreements entered with them.

Save as disclosed above, there is no existing and on-going transaction between the Vendors and the Sponsor and/or persons connected with the Sponsor and/or the Manager relating to the Subject Properties.

12.3 POTENTIAL RELATED PARTY TRANSACTIONS

12.3.1 Management Fees

The Manager is wholly owned by the Sponsor. Accordingly, the payment of the Management Fees by AME REIT to the Manager will be a related party transaction.

12.3.2 Potential Acquisitions

In the event of any acquisition pursuant to the exercise of the ROFR as set out in Section 15.4 "Salient Terms on the ROFRs" of this Prospectus, the sale and purchase agreement for such proposed acquisition will be a potential related party transaction. Potential conflict of interest may arise between AME REIT and the vendors of such assets during the negotiation on the terms of such sale and purchase agreements. Please refer to Section 12.4.2 on Manager's operational procedure on related party transactions including acquisition of properties from AME Group.

12.3.3 Services to be Provided by AME Group to AME REIT

The Trustee (on behalf of AME REIT), the Manager and the Property Manager entered into the Property Management Agreement on 23 June 2022 for the appointment of the Property Manager to provide property management services to manage, operate and maintain the Subject Properties upon the terms and conditions of the agreement. Please refer to Section 10.6 "Salient Terms of the Property Management Agreement" of this Prospectus for further details.

In connection to this, the Property Manager had, on 23 June 2022 entered into a service provider agreement with AME Building Management Sdn Bhd ("**AME Building Management**"), a wholly-owned subsidiary of the Sponsor, where the Property Manager appoints AME Building Management to provide the personnel required to operate, maintain and manage all the Subject Properties on such terms and conditions as are commercially reasonable or appropriate having regard to the qualification, skill and experience of the persons employed for the relevant positions, responsibilities and duties. Pursuant to the Property Management Agreement, the Property Manager is entitled to reimbursement of all costs and expenses incurred in the maintenance and management of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to AME Building Management. Notwithstanding the above, the Trustee and/or the Manager can make payment directly to the AME Building Management subject to the recommendation from the Property Manager.

AME Group may also be involved in providing services such as repair, maintenance and related construction services in relation to the Subject Properties. Accordingly, such services will be related party transactions.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.4 POTENTIAL CONFLICT OF INTEREST

12.4.1 The Sponsor

The Sponsor and its subsidiaries are engaged in, and/or may engage in among others, investment in, and the development, management and operation of industrial properties which may compete with the Subject Properties. Further, the Sponsor and its subsidiaries may also sponsor, manage or invest in other REITs or other SPVs which may compete directly with AME REIT.

Certain directors of the Manager sit on the board of directors of the Sponsor. As a result, the strategies and activities of AME REIT may be influenced by the overall interests of the Sponsor. There can be no assurance that conflict of interest may not arise among AME REIT, the Manager and the Sponsor in the future.

As a listed company on the Main Market, the Sponsor has its separate procedures in relation to related party transactions which would also include transactions with AME REIT.

The Listing Requirements oblige the Sponsor to make prompt announcements and disclosures in its annual reports in relation to related party transactions.

In order to mitigate any potential conflict of interest, the Sponsor has instituted the following procedures:

- (i) the board of directors of the Sponsor has adopted the recommendations under the MCCG to have a board of directors comprising at least 50% of independent directors and the audit committee to comprise solely of independent directors;
- (ii) any transactions in which a conflict of interest will arise should be negotiated and executed at arm's length basis based on normal commercial terms and are not to be the detriment of the minority shareholders of the Sponsor and favourable to the related party. The processes to identify, track, monitor and approve related party transactions in relation to, among others, transactions relating to acquisition or disposal of properties to and from AME REIT and relating to properties rented by AME Group from AME REIT, in a timely and orderly manner are set out below:
 - a) the Sponsor circulates a list of related parties to its subsidiaries notifying that all transactions undertaken by the Sponsor Group with any related parties (including AME REIT) included in this list must be undertaken on an arm's length basis, on normal commercial terms not more favourable to the related parties in comparison to terms available to independent parties and will not be detrimental to the minority shareholders of the Sponsor. Such procedures will include proper segregation of processes for preparation of documents, verifications and approvals;
 - b) the Sponsor maintains a register to properly record all related party transactions which are entered into by the Sponsor Group and the bases, including any quotations from unrelated parties and independent valuations to support such bases on which they are entered into, and to ensure that relevant approvals have been obtained and to review the Sponsor Group's procedures for such transactions ensuring they are adhered to;
 - c) all related party transactions (either individually or as part of a series of if aggregated with other transactions involving the same related party during the same financial year) with value equal to or exceeding RM500,000 are subject to approval by the group managing director, audit and risk management committee and board of directors of the Sponsor at regular intervals. Any interested party shall abstain from approving such transactions;

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- d) potential related party transactions expected to be entered into in the ordinary course of business and are below RM500,000 would be presented to the audit and risk management committee for prior approval as a general mandate, with specific procedures to be adhered to for implementation. Upon obtaining the general mandate from the audit and risk management committee, all transactions in the ordinary course of business which are below RM500,000 shall be subject to approval by the group managing director of the Sponsor. Any related party transactions which are not in the ordinary course of business and are below RM500,000 shall be authorised by the relevant authorised personnel, including the group managing director. Any interested party shall abstain from approving such transactions;
- e) rental of properties are undertaken by the sales and marketing team of the Sponsor Group which is distinct and separate from the leasing team of AME REIT and work independently of each other. Any proposal in respect of terms of tenancies are also provided independent of the AME REIT's team to the potential tenants. As a standard procedure, where the sales and marketing team is aware that the potential tenant is also considering standard factory units available in AME REIT's portfolio, such tenant will be informed by the sales and marketing team that notwithstanding the relationship between the Sponsor Group and AME REIT, the terms to be provided to the potential tenant are independently structured by the respective teams;
- f) except for transactions below RM500,000 set out in (d) above (which are not required to be presented to the board of directors of the Sponsor for approval), in respect of matters or transactions which a director of the Sponsor or a person connected to him or her has an interest (directly or indirectly), such relevant interested director shall not participate in any proceedings of the board of directors of the Sponsor and shall abstain from voting in respect of such matter or transaction. The interested director must inform the board of directors of the Sponsor, of the details of the nature and extent of his/her interest, including all matters in relation to the proposed related party transaction that he/she is aware or should reasonably be aware of, which is not in the best interest of the Sponsor;
- g) adherence to the Listing Requirements for related party transactions which may involve immediate announcement of related party transactions and/or requirement to seek shareholders' prior approval and provision of independent advice, depending on the materiality threshold;
- h) the persons who are empowered to negotiate, transact or enter into contracts with the relevant related parties are responsible in determining whether such transaction has been previously approved by shareholders of the Sponsor prior to the execution of the said transaction, and shall consult the group financial controller of the Sponsor whenever in doubt;
- i) the interested director and/or major shareholder and/or persons connected with them must not vote in respect of their direct and indirect interest at the general meeting on the resolution pertaining to any related party transaction. It is the duty of the interested director and/or interested major shareholder to ensure that persons connected with them abstain from voting in respect of their direct and indirect interest on the resolution pertaining to the related party transaction;
- j) the Sponsor's audit and risk management committee shall review the internal audit reports to ensure that all guidelines and procedures in place to monitor related party transactions are complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Sponsor's audit and risk management committee. The audit and risk management committee may request for additional procedures to be imposed, if necessary; and

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- k) the internal auditor shall periodically review the guidelines and procedures for all related party transactions to ensure that relevant approvals have been obtained, review procedures for such transactions are adhered to and ascertain that the guidelines established to monitor related party transactions have been complied with.
- (iii) all related party transactions are subject to regular periodic review by the Sponsor's audit and risk management committee on a quarterly basis. If a member of the audit and risk management committee has an interest in a transaction, he/she is to abstain from participating in the review and recommendation process in relation to that transaction.

12.4.2 Manager's Operational Procedures on Related Party Transactions and Dealing with Conflict of Interest Situations

Upon Listing, AME REIT will be subjected to the REIT Guidelines and/or the Listing Requirements (where applicable) on related party transactions. Compliance of AME REIT with the Listing Requirements and the REIT Guidelines will ensure that related party transactions will not prejudice the interests of the Unitholders as a whole.

The Listing Requirements provide, among others, where the percentage ratio of a related party transaction is 5% or more and the value of the consideration of the transaction is RM500,000 or more, an independent adviser who is permitted to carry on the regulated activity of advising on corporate finance under the CMSA must be appointed before the terms of the transaction are agreed upon and approval of the Unitholders in a general meeting must be obtained for the transaction. In addition, the REIT Guidelines also provides that related parties of the Manager should not vote or be counted as quorum at a meeting if they have interest in the outcome of a transaction tabled for approval which is different from the interests of other Unitholders.

The Listing Requirements oblige the Manager to make prompt announcements and disclosures in AME REIT's annual reports in relation to any related party transactions. These transactions would include transactions between AME REIT, the Sponsor and its subsidiaries in which case the Sponsor would be an interested party and its nominee directors would be considered as interested directors. As at the LPD, the nominee directors are Lee Chai, Lee Sai Boon, Lim Yook Kim, Kang Ah Chee and Lim Pei Shi.

In order to mitigate any potential conflict of interest, the Manager has also instituted the following procedures:

- (i) the Manager will not manage any other REIT which invests principally in the same type of properties as AME REIT;
- (ii) the Board of Directors comprise 50% of Independent Directors and the Audit and Risk Management Committee also comprise solely of independent directors, in line with the recommendation of MCCG;
- (iii) the Directors of the Manager owe fiduciary duties to the Manager and as such will act in the best interest of Unitholders and in the event of conflict between Unitholders' interests and its own interests, to give priority to Unitholders' interests;
- (iv) any transactions in which a conflict of interest will arise should be negotiated and executed on terms which are the best available for AME REIT and which are no less favourable to AME REIT than arm's length transactions between independent parties and be adequately disclosed in the Prospectus and annual reports of AME REIT. The processes to identify, track, monitor and approve related party transactions in relation to, among others, transactions relating to acquisition or disposal of properties to and from the Sponsor Group and relating to properties rented by AME Group from AME REIT, in a timely and orderly manner are set out below:

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- a) the Manager will circulate a list of related parties to all operational departments notifying that all transactions undertaken by the Manager with any related parties included in this list must be undertaken on an arm's length basis, on normal commercial terms not more favourable to the related parties in comparison to terms available to independent parties and will not be detrimental to the minority unitholders of AME REIT. Such procedures will include proper segregation of processes for preparation of documents, verifications and approvals;
- b) the Manager will maintain a register to properly record all related party transactions which are entered into by AME REIT and the bases, including any quotations from unrelated parties and independent valuations to support such bases on which they are entered into, and to ensure that relevant approvals have been obtained and to review the group procedures for such transactions ensuring they are adhered to;
- c) all related party transactions (either individually or as part of a series of if aggregated with other transactions involving the same related party during the same financial year) with value equal to or exceeding RM500,000 are subject to approval by the Audit and Risk Management Committee and the Board at regular intervals. Any interested party shall abstain from approving such transactions;
- d) potential related party transactions expected to be entered into in the ordinary course of business and are below RM500,000 would be presented to the Audit and Risk Management Committee for prior approval as a general mandate, with specific procedures to be adhered to for implementation. Upon obtaining the general mandate from the Audit and Risk Management Committee, all transactions in the ordinary course of business which are below RM500,000 shall be subject to approval by the CEO. Any related party transactions which are not in the ordinary course of business and are below RM500,000 shall be authorised by the relevant authorised personnel, including the CEO. Any interested party shall abstain from approving such transactions;
- e) rental of properties are undertaken by the leasing team of AME REIT which is distinct and separate from the sales and marketing team of the Sponsor Group and work independently of each other. Any proposal in respect of terms of tenancies are also provided independent of the Sponsor Group's team to the potential tenants. As a standard procedure, where the leasing team is aware that the potential tenant is also considering standard factory units available in the Sponsor Group's development, such tenant will be informed by the leasing team that notwithstanding the relationship between the Sponsor Group and AME REIT, the terms to be provided to the potential tenant are independently structured by the respective teams;
- f) except for transactions below RM500,000 set out in (d) above (which are not required to be presented to the Board for approval), in respect of matters or transactions which a Director or a person connected to him or her has an interest (directly or indirectly), such relevant interested Director shall not participate in any proceedings of the Board and shall abstain from voting in respect of such matter or transaction. The interested Director must inform the Board, of the details of the nature and extent of his/her interest, including all matters in relation to the proposed related party transaction that he/she is aware or should reasonably be aware of, which is not in the best interest of AME REIT;
- g) rental of properties to related parties will be at prevailing market rate. To determine the market norm for rental of properties, AME REIT may consult with relevant third party independent consultants such as property valuers;

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- h) subject to the quantum of the asset enhancement projects, the Manager may invite tenders for all projects or directly negotiate with contractors provided that the internal project budget prepared by the Manager will be validated by a third party cost consultant/quantity surveyor to form the basis for comparison with tenders/quotations received when awarding construction contracts and related services. Tenders invited will be evaluated based on the tenderers pricing, technical and financial capabilities. Project budgeting, tendering, evaluation and selection of tenderer is reviewed and approved based on the standard operating procedures of AME REIT;
- i) an independent cost consultant/quantity surveyor will be appointed to review the cost to ensure that the contracts are undertaken on normal commercial terms when awarding contracts on a turnkey basis;
- j) when only 1 related party has tendered in an open tender exercise, the cost/pricing will be certified by an independent cost consultant/quantity surveyor to ensure that the cost/pricing is competitive. Alternatively, the pricing could be based on the rate secured from a previous tender within the preceding 12 months;
- k) to determine whether the price and terms offered to/by the related parties are fair, reasonable and comparable to price and terms offered by other third parties for similar types of products/services, 2 other contemporaneous transaction with third parties for similar types of products/ services will be used as a comparison. In scenarios which a comparison with 2 other contemporaneous transaction with third parties cannot be obtained; the price and terms will be in accordance with applicable industry norms, prevailing commercial rates, at rates not more favourable to the related parties than those generally available to the public and are not detrimental to the minority unitholders of AME REIT;
- l) where matters concerning AME REIT relating to transactions entered into or to be entered into by the Trustee (on behalf of AME REIT) with a related party, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AME REIT and the Unitholders. Where necessary, the Trustee will engage the services of independent expert(s);
- m) adherence to the Listing Requirements for related party transactions which may involve immediate announcement of related party transactions and/or requirement to seek Unitholders' prior approval and provision of independent advice, depending on the materiality threshold;
- n) the interested director and/or major unitholder and/or persons connected with them must not vote in respect of their direct and indirect interest at the general meeting on the resolution pertaining to any related party transaction. It is the duty of the interested director and/or interested major unitholder to ensure that persons connected with them abstain from voting in respect of their direct and indirect interest on the resolution pertaining to the related party transaction;
- o) the Manager will also incorporate into its internal audit plan a review of all related party transactions entered into by AME REIT. The Audit and Risk Management Committee shall review the internal audit reports to ensure that all guidelines and procedures in place to monitor related party transactions are complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Management Committee. The Audit and Risk Management Committee may request for additional procedures to be imposed, if necessary; and

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (*Cont'd*)

- p) the internal auditor shall periodically review the guidelines and procedures for all related party transactions to ensure that relevant approvals have been obtained, review procedures for such transactions are adhered to and ascertain that the guidelines established to monitor related party transactions have been complied with.
- (v) All related party transactions are subject to regular periodic review by the Audit and Risk Management Committee on a quarterly basis. If a member of the Audit and Risk Management Committee has an interest in a transaction, he/she is to abstain from participating in the review and recommendation process in relation to that transaction.

The Manager has appointed Sterling Business Alignment Consulting Sdn Bhd, an independent professional services firm, to assist the Board and Audit and Risk Management Committee by providing an independent assessment of the adequacy and effectiveness of the Manager's systems of risk management and internal control. In order to mitigate any potential conflict of interest, the Audit and Risk Management Committee shall conduct, on an annual basis, an assessment of the suitability, objectivity and independence of its internal auditors, including a review on its performance and remuneration.

12.4.3 The Chairman and CEO

The executive role of the Chairman in AME REIT

Drawing from his experience as a director of the Sponsor, a listed issuer on the Main Market, Lee Sai Boon as the Chairman will be primarily responsible for the leadership of the Board, which in turn is responsible for setting AME REIT's strategic aims, ensuring that the necessary resources are in place to meet its objectives and that AME REIT's obligations to its Unitholders and other stakeholders are met. Lee Sai Boon's experience and understanding of the industrial property sector together with his intimate knowledge of the initial portfolio of AME REIT and its tenants make him ideal as both the Chairman who carries out a leadership role to facilitate the Board's discussions as well as having an executive role on the Board, the scope of which is set out in Section 6.4.3 "Role of the Board" of the Prospectus.

In addition to the roles and functions mentioned above, Lee Sai Boon as an Executive Director will also be carrying out the following functions:

- (i) liaising with potential and new tenants in respect of properties in the industrial parks developed by the Sponsor Group;
- (ii) relationship management of existing and new tenants in respect of properties in the industrial parks developed by the Sponsor Group; and
- (iii) liaising with, understanding and meeting the requirements in relation to the technical specifications requested by tenants (including renovations and refurbishments) for properties in the industrial parks developed by the Sponsor Group.

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12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Chairman's position as executive director in both AME REIT and AME Group

As the initial portfolio of AME REIT are all properties of AME Group, Lee Sai Boon was involved in the oversight of management of the Subject Properties and liaising with the respective tenants. As such, upon the divestment of the Subject Properties from AME Group and the acquisition of the same by AME REIT, Lee Sai Boon's role as Executive Director of AME REIT is merely a continuation of his earlier involvement in respect of the Subject Properties and will not detract time and commitment from his responsibilities as executive director of the Sponsor. In view of this, Lee Sai Boon will not receive any salary from the Manager in respect of his executive functions. Moreover, his involvement as an Executive Director in the Manager is crucial to give comfort and assurance to the existing tenants that there will be no significant change to their tenancy arrangements and their relationship with AME Group or any commitments made by AME Group. In addition, the CEO, whose position is held separately by Chan Wai Leo, is responsible for proposing and working with the Board to determine the overall business, investment and operational strategies or policies for AME REIT, overseeing the day to day operational management of AME REIT, and implementing business policies, strategies and decisions in accordance with the objectives of AME REIT.

The governance structure of the Manager, as both the CEO and Chairman are executive directors

There is a separation of powers, authority and accountability between the Chairman, Lee Sai Boon, and the CEO, Chan Wai Leo, with a clear division of responsibility between the running of the Board and the business respectively. In addition, Lee Sai Boon's executive roles are limited and incidental to his executive roles in the Sponsor Group.

Notwithstanding that both the Chairman and CEO are executive directors, the Board comprises 50% independent non-executive directors, who as members of the board committees will play important corporate governance functions in the Manager. Moreover, the interest of the Chairman, who has significant indirect interest in AME REIT, is aligned with that of the Unitholders as the Chairman is an executive director and substantial shareholder of the Sponsor, and the Sponsor is the major unitholder of AME REIT. The Chairman will also be entitled to subscribe to his entitlement pursuant to the ROFS, which would result in him having direct interest in AME REIT.

12.4.4 Dealing in Securities

Pursuant to the internal practice of the Manager, the Directors and employees of the Manager are prohibited from dealing in the Units, while in possession of unpublished material or non-public price sensitive information in relation to such securities.

The Directors and employees of the Manager are prohibited from directly or indirectly communicating any price-sensitive information to another person.

The Directors and employees of the Manager are required to declare on a quarterly basis, any related party transactions entered into.

12.5 INTERESTS OF DIRECTORS AND OTHER SUBSTANTIAL SHAREHOLDERS OF THE MANAGER IN OTHER CORPORATIONS CARRYING ON SIMILAR BUSINESS

As at the LPD, none of the Directors and substantial shareholders of the Manager hold any interests in other corporations carrying on similar businesses.

For the purpose of this Section 12.5, "similar business" means the management of a REIT with an investment policy of investing in Real Estate used primarily for industrial and industrial-related purposes in Malaysia and overseas.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (*Cont'd*)

12.6 OTHER PERTINENT INFORMATION

The Manager will comply with all requirements as laid out in the REIT Guidelines on related party transactions including provisions contained in the Deed.

The Manager has established procedures that will ensure that such transactions are undertaken in full compliance to the REIT Guidelines and are carried out at arm's length, based on normal commercial terms and in the best interests of the Unitholders.

The Manager would have to demonstrate to the Audit and Risk Management Committee that transactions (whether purchase of services or properties) would be taken on normal commercial terms, which may include in the case of the purchase of services, the obtaining of quotations from parties unrelated to the Manager, or in the case of purchase of properties, the obtaining of valuation from an independent valuer.

The Trustee shall ensure that related party transactions are at arm's length, based on normal commercial terms and not prejudicial to the interest of the Unitholders. Furthermore, the Trustee has the ultimate discretion under the Deed to decide whether or not to enter into a transaction involving a related party of the Manager. If the Trustee is to sign any contract with a related party of the Manager, the Trustee will review the contract documentation to ensure it complies with the requirements and provisions relating to related party transactions contained in the REIT Guidelines and the Deed.

12.7 DECLARATIONS BY ADVISERS

12.7.1 Declaration by HLIB

HLIB, its subsidiaries and associated companies as well as its penultimate holding company, namely Hong Leong Financial Group Berhad ("**Hong Leong Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, insurance, assets and funds management and credit transaction services businesses.

The Hong Leong Group has engaged, and may in the future, engage in transactions with and perform services for AME Group, AME REIT, the Manager and/or its affiliates. In addition, in the ordinary course of business, any member of the Hong Leong Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of AME Group, AME REIT, the Manager and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of AME Group, AME REIT, the Manager and/or its affiliates.

As at 22 July 2022, the Hong Leong Group has extended various credit facilities with a combined limit of up to an aggregate amount of approximately RM208.2 million to AME Group and/or its affiliates, of which approximately up to RM42.0 million may be used to part finance the Acquisitions and to fund expenses for the Listing. Some proceeds from the Offering may also be used to repay borrowings from the Hong Leong Group.

Notwithstanding the above, HLIB is of the view that the aforesaid relationship would not give rise to a conflict of interest situation in its capacity as (i) Principal Adviser to the Manager for the establishment of AME REIT, the Acquisitions, the Offering and the Listing ("**REIT Establishment and Listing**"); (ii) Joint Bookrunner for the Institutional Offering; (iii) Sole Underwriter for the Units under the Restricted Pink Form Offering and Public Offering; and (iv) Principal Adviser to the Sponsor for the establishment of AME REIT, disposals of the Subject Properties by the Vendors to the Trustee (on behalf of AME REIT) ("**Disposals**"), the Offering and the Listing as:

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- (i) HLIB is a licensed investment bank and its appointment as (i) Principal Adviser to the Manager for the REIT Establishment and Listing; (ii) Joint Bookrunner for the Institutional Offering; (iii) Sole Underwriter for the Restricted Pink Form Offering and Public Offering; and (iv) Principal Adviser to the Sponsor for the establishment of AME REIT, the Disposals, the Offering and the Listing, arose in the ordinary course of business of HLIB;
- (ii) the conduct of the Hong Leong Group in its banking business is strictly regulated and is subject to Financial Services Act 2013, Islamic Financial Services Act 2013 and, where applicable, the CMSA, as well as the Hong Leong Group's own internal controls and checks; and
- (iii) the aggregate exposure by the Hong Leong Group of approximately RM208.2 million is not material when compared to the latest audited consolidated net assets of the Hong Leong Group as at 30 June 2021 of approximately RM22,818 million.

Save as disclosed above, HLIB confirms that, as at the LPD, it is not aware of any other circumstances which would or is likely to give rise to a possible conflict of interest situation in HLIB's capacity as (i) the Principal Adviser to the Manager for the REIT Establishment and Listing; (ii) Joint Bookrunner for the Institutional Offering; (iii) Sole Underwriter for the Restricted Pink Form Offering and Public Offering; and (iv) Principal Adviser to the Sponsor for the establishment of AME REIT, the Disposals, the Offering and the Listing.

12.7.2 Declaration by Rosli Dahlan Saravana Partnership

Rosli Dahlan Saravana Partnership acted as (i) the Legal Advisers to the Manager in respect of the REIT Establishment and Listing and (ii) legal counsel and legal due diligence solicitors to the Sponsor in connection with the issuance of the circular and notice of the extraordinary general meeting to its shareholders, seeking their approval for the Disposals, establishment of AME REIT, the Offering and the Listing.

Rosli Dahlan Saravana Partnership confirms that as at the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as (i) the Legal Advisers to the Manager in respect of the REIT Establishment and Listing and (ii) legal counsel and legal due diligence solicitors to the Sponsor in connection with the issuance of the circular and notice of the extraordinary general meeting to its shareholders.

12.7.3 Declaration by KPMG PLT

KPMG PLT confirms that as at the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Reporting Accountants of AME REIT.

In its capacity as the Reporting Accountants, KPMG PLT has issued the Report on the Pro Forma Statement of Financial Position as at the date of establishment of AME REIT and the Letter on the Profit Forecast of AME REIT as set out in Appendix D "Reporting Accountants' Report on the Pro Forma Statement of Financial Position" and Appendix E "Reporting Accountants' Letter on the Profit Forecasts" of this Prospectus, respectively.

12.7.4 Declaration by KPMG Tax Services Sdn Bhd

KPMG Tax Services Sdn Bhd confirms that as at the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Tax Consultant of AME REIT.

In its capacity as the Tax Consultant, KPMG Tax Services Sdn Bhd is responsible for preparing the Tax Consultant's letter on taxation of AME REIT and Unitholders as set out in Appendix C "Tax Consultant's Letter on Taxation of AME REIT and Unitholders" of this Prospectus.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.7.5 Declaration by Smith Zander International Sdn Bhd

Smith Zander International Sdn Bhd confirms that as at the LPD, it is not aware of any circumstances which exist or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Independent Market Researcher in relation to the Offering and Listing.

In its capacity as the Independent Market Researcher, Smith Zander International Sdn Bhd was responsible for preparing the Independent Market Research Report as set out in Appendix B "Independent Market Research Report" of this Prospectus.

12.7.6 Declaration by CBRE WTW Valuation & Advisory Sdn Bhd

CBRE WTW Valuation & Advisory Sdn Bhd (formerly known as C H Williams Talhar & Wong Sdn Bhd) acted as (i) the Independent Property Valuer to the Manager in respect of the valuations of the Subject Properties for the Acquisitions and (ii) the Independent Property Valuer to the Sponsor in respect of the valuations of the Subject Properties for the Disposals.

CBRE WTW Valuation & Advisory Sdn Bhd confirms that as at 8 July 2022, being the date of the update Valuation Certificate and the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as (i) the Independent Property Valuer in relation to the Acquisitions; and (ii) the Independent Property Valuer in relation to the Disposals.

In its capacity as the Independent Property Valuer to the Manager, CBRE WTW Valuation & Advisory Sdn Bhd was responsible for preparing the Valuation Certificate dated 2 August 2021 and update Valuation Certificate dated 8 July 2022 as set out in Appendix A "Valuation Certificates" of this Prospectus, valuation reports and valuation report checklists for the respective Subject Properties which were submitted to the SC as part of the submission of the valuation reports in 3 batches on 26 October 2021, 10 November 2021 and 26 November 2021 respectively, and the update valuation letters on 5 May 2022 and 12 July 2022.

12.7.7 Declaration by RHB Investment Bank Berhad

RHB Investment Bank Berhad, its subsidiaries and associated companies ("**RHB Banking Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses.

The RHB Banking Group has engaged, and may in the future, engage in transactions with and perform services for AME Group, AME REIT, the Manager and/or its affiliates. In addition, in the ordinary course of business, any member of the RHB Banking Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of AME Group, AME REIT, the Manager and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of AME Group, AME REIT, the Manager and/or its affiliates.

As at the LPD, RHB Banking Group has extended various credit facilities with a combined limit of up to an aggregate amount of approximately RM229.9 million to AME Group and/or its affiliates. Some proceeds from the Offering may also be used to repay borrowings from RHB Banking Group. In addition, RHB Trustees Berhad also acts as the trustee of AME REIT.

Notwithstanding the above, RHB IB is of the view that the aforesaid relationship would not give rise to a conflict of interest situation in its capacity as the Joint Bookrunner for the Institutional Offering as:

- (i) RHB IB is a licensed investment bank and its appointment as the Joint Bookrunner for the Institutional Offering arose in the ordinary course of business of RHB IB;

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- (ii) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and, where applicable, the Capital Markets and Services Act 2007, as well as the RHB Banking Group's own internal controls and checks; and
- (iii) the aggregate exposure by the RHB Banking Group of approximately RM229.9 million is not material when compared to the latest audited consolidated net assets of the RHB Banking Group as at 31 December 2021 of approximately RM289.5 billion.

Save as disclosed above, RHB IB confirms that, as at the LPD, it is not aware of any other circumstances which would or is likely to give rise to a possible conflict of interest situation in its capacity as the Joint Bookrunner for the Institutional Offering.

12.7.8 Declaration by BIMB Securities Sdn Bhd

BIMB Securities Sdn Bhd confirms that as at the LPD, it is not aware of any circumstances which exist or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Shariah Adviser of AME REIT.

In its capacity as the Shariah Adviser, BIMB Securities Sdn Bhd was responsible for preparing the Shariah Pronouncement as set out in Appendix F "Shariah Pronouncement" of this Prospectus.

13.1 APPROVALS AND CONDITIONS

13.1.1 The SC has, via its letter dated 24 March 2022, approved, among others, the following:

- (a) establishment and listing of AME REIT, an Islamic REIT, on the Main Market under Section 214(1) of the CMSA, subject to the terms and conditions as contained in Section 13.1.1.1 “Terms” and Section 13.1.1.2 “Conditions” of this Prospectus;
- (b) appointment of the Manager as the management company of AME REIT under Section 289(2) of the CMSA, subject to the conditions as contained in Section 13.1.1.2 “Conditions” of this Prospectus; and
- (c) resultant unitholding structure of AME REIT under the Bumiputera equity requirement for public listed companies pursuant to the establishment of AME REIT and Listing. The effects of the Listing on the unitholding structure of AME REIT are as contained in Section 13.1.1.3 “Effects of the Listing on the unitholding structure of AME REIT” of this Prospectus.

13.1.1.1 Terms

- (i) establishment of AME REIT with an initial fund size of 520,000,000 Units;
- (ii) acquisition of the Subject Properties by AME REIT at the purchase consideration and the mode of satisfaction of the purchase consideration as set out in Section 2.4 “Acquisition of the Subject Properties” of this Prospectus;
- (iii) the Offering, subject to the Clawback and Reallocation, comprising the following:
 - (I) Retail Offering of up to 174,808,820 Offer Units, to be allocated as follows:
 - (aa) ROFS of up to 156,608,820 ROFS Units to the Entitled AME Shareholders on the basis of 1 ROFS Unit for every 5 AME Shares held on the Entitlement Date;
 - (bb) up to 7,800,000 Offer Units to the Eligible Directors and Employees; and
 - (cc) 10,400,000 Offer Units for application by the Malaysian public of which 5,200,000 Units are reserved for application by the Bumiputera public investors via balloting.

The ROFS is non-renounceable and non-tradeable. Entitled AME Shareholders may also partially subscribe or not subscribe to the ROFS.
 - (II) Institutional Offering of at least 79,991,180 Offer Units to institutional investors and selected investors comprising the following:
 - (aa) 65,000,000 Units to Bumiputera investors to be approved by the MITI; and
 - (bb) at least 14,991,180 Units to Malaysian institutional investors and selected investors.
- (iv) listing of and quotation for 520,000,000 Units on the Main Market.

13.1.1.2 Conditions

- (i) the Manager to get an approval from the SC for it to be licensed for fund management in relation to asset management, restricted to REITs; and
- (ii) the Manager or HLIB to submit an operational audit report on AME REIT's operations to the SC within six months after AME REIT is listed. The appointment of the external auditor and scope of work shall be subject to SC's clearance.

13.1.1.3 Effects of the Listing on the unitholding structure of AME REIT

The unitholding structure of AME REIT upon completion of the Listing is as follows:

Category of unitholders	After the Listing			
	Minimum Scenario ⁽¹⁾		Maximum Scenario ⁽²⁾	
	No of units	%	No of units	%
Bumiputera				
- Bumiputera investors to be approved by MITI	65,000,000 ⁽³⁾	12.5	65,000,000 ⁽³⁾	12.5
- Bumiputera public investors via balloting	5,200,000 ⁽³⁾	1.0	5,200,000 ⁽³⁾	1.0
Total Bumiputera	70,200,000	13.5	70,200,000	13.5
Non-Bumiputera	446,545,641	85.9	445,822,450	85.7
Total Malaysian	516,745,641	99.4	516,022,450	99.2
Foreigners	3,254,359	0.6	3,977,550	0.8
Total	520,000,000	100.0	520,000,000	100.0

Notes:

- (1) Based on the number of issued AME Shares of 640,672,649, assuming no exercise of outstanding 142,371,453 Warrants 2021/2026.
- (2) Based on the number of issued AME Shares of 783,044,102, assuming full exercise of outstanding 142,371,453 Warrants 2021/2026.
- (3) Assuming all shares allocated to Bumiputera investors to be approved by MITI and Bumiputera public investors via balloting are fully subscribed.

13.1.2 The Authorisation and Licensing Department of the SC has, via its letter dated 7 April 2022, approved in principle the Manager's application for a Capital Markets Services Licence for the regulated activity of fund management in relation to asset management restricted to REIT ("CMSL").

13. APPROVALS, CONDITIONS, WAIVERS AND VARIATIONS (Cont'd)

The approval of the SC for the above is subject to the fulfilment of conditions below within 6 months from 7 April 2022:

<u>Details of conditions imposed</u>	<u>Status of Compliance</u>
The Manager to increase its shareholders' funds to a minimum of RM1 million.	Complied.
The Manager to appoint at least one responsible person for compliance.	Complied.

The SC has, via its letter dated 20 May 2022, granted the CMSL to the Manager.

The SC has also approved the applications for Capital Markets Services Representative's Licence for the regulated activity of fund management in relation to asset management restricted to REITs for Chan Wai Leo, Lee Chai, Lee Sai Boon and Lee Ling Sien and the appointments of the following Board members, key personnel and company secretary of the Manager:

<u>Name</u>	<u>Designation</u>
Chan Wai Leo	Chief Executive Officer/ Licensed Director
Lee Chai	Executive Director/ Licensed Representative
Lee Sai Boon	Executive Director/ Licensed Representative
Lim Pei Shi	Alternate Director
Lim Yook Kim	Alternate Director
Kang Ah Chee	Alternate Director
Cheryl Kaur Pola	Independent Non-Executive Director
Yau Yin Wee	Independent Non-Executive Director
Wee Beng Chuan	Independent Non-Executive Director
Lee Ling Sien	Licensed Representative
Kuan Pek Kwan*	Responsible Person for Compliance
Santhi a/p Saminathan	Company Secretary
Raidah binti Abdul Rahman	Company Secretary

Note:

(*) The approval for Kuan Pek Kwan as a responsible person for compliance is subject to her fulfilling the relevant licensing requirements. This has been complied on 26 April 2022.

In addition, the above approval is granted premised on the following:

<u>Details of conditions imposed</u>	<u>Status of Compliance</u>
There are no adverse findings against the Manager, its shareholders, directors, chief executive, proposed licensed representatives, proposed responsible person for compliance, and company secretaries from the vetting conducted.	Noted.
The Manager to carry out its representations made in relation to its CMSL application, including its planned board composition and personnel hiring plans, and upon licence issuance, the Manager is to execute its business plan as presented in the CMSL application.	Noted.

13. APPROVALS, CONDITIONS, WAIVERS AND VARIATIONS (Cont'd)

- 13.1.3 Bursa Securities has, via its letter dated 2 June 2022, approved the admission of AME REIT to the Official List of the Main Market and for the listing of and quotation for the 520,000,000 Units to be issued pursuant to the Listing. In addition, Bursa Securities has via the same letter approved the issuance of up to 30.0 million Units as payment of Management Fee to the Manager on a staggered basis in accordance with the terms and formula set out in the Deed together with the listing of and quotation for such 30.0 million Units. The conditions imposed by Bursa Securities and the status of compliance are as follows:

Details of conditions imposed	Status of Compliance
With regard to the 30.0 million Units reserved as part payment of the management fees, I REIT Managers is to provide adequate disclosure in the prospectus on the following: Details and type of management fees involved together with the computation thereof; and Basis of determining the issue price of the management units and mode of payment.	Complied. Please refer to Section 6.6 "Management Fees" of this Prospectus for the said disclosure.
Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, AME REIT is advised to include the Stock Code, Stock Short Name and ISIN code upon making the announcement on timetable for the Offering.	To be complied.
To furnish Bursa Securities a copy of the schedule of distribution showing compliance to the unit spread requirements based on the entire units of AME REIT on the first day of Listing.	To be complied.

- 13.1.4 The MITI has, via its letter dated 21 March 2022, approved the Manager's application for the issue of units to fulfil the Bumiputera equity requirement. The conditions imposed by MITI as the status of compliance are as follows:

Details of conditions imposed	Status of Compliance
65,000,000 Units are reserved units that are subjected to the approval of MITI and the distribution shall be made upon the approval from the SC and Bursa Securities.	Complied. The approval of the SC and Bursa Securities for the Offering was obtained on 24 March 2022 and 2 June 2022, respectively.
70,200,000 Units representing 13.5% of total Units are Bumiputera Units. Therefore, AME REIT is in compliance with the 12.5% Bumiputera equity requirement.	Complied. Please refer to Section 3.4 "Details of the Offering" of this Prospectus for further details.

13.2 WAIVERS AND VARIATIONS

Waivers and variations from the Asset Valuation Guidelines and CIS Prospectus Guidelines issued by the SC

The SC has, via its letter dated 5 October 2021, granted the following waivers and variations in respect of compliance with the Asset Valuation Guideline and the CIS Prospectus Guidelines (collectively, “Guidelines”):

Relevant section of the Guidelines	Details of the waiver or variation granted	Details of conditions imposed	Status of compliance
Paragraph 4.12(e)(i), 5.14(h) and 6.08(b)(i) of the Asset Valuation Guidelines	(a) For the Subject Properties, to allow the issuance of valuation reports and certificates without detailing rental rates; (b) For the Subject Properties, to allow the disclosure of the range of rental rate per sq ft for each industrial park in the valuation certificate; and (c) In relation to Plot 32 SAC, to allow the redaction of name of the tenant in the valuation report and certificate and to be replaced with an appropriate description to describe the tenant, i.e. “<i>Malaysian subsidiary of a foreign multinational electronics manufacturing services company</i>”.	Nil	Not applicable
Paragraph 12.06(b), Part III of the CIS Prospectus Guidelines	(a) For the Subject Properties, to allow disclosure of the major tenants’ percentage contribution to total gross rental income on an aggregate basis together with their individual percentage of Occupied NLA; and (b) In relation to Plot 32 SAC, to allow the redaction of the name of the tenant in this Prospectus and to be replaced with an appropriate description to describe the tenant, i.e. “<i>Malaysian subsidiary of a foreign multinational electronics manufacturing services company</i>”.	Nil	Not applicable
Paragraphs 3.03(h) and (j), Part VI of the CIS Prospectus Guidelines	To allow the financing documents in relation to the Financing Facilities and underwriting agreement not to be submitted as part of the Listing application but to be submitted to the SC in compliance with paragraphs 3.06 and 3.09(b) of Part VI of the CIS Prospectus Guidelines after obtaining the SC’s approval for the establishment of AME REIT and the Listing, at least 14 business days prior to the intended date of registration of this Prospectus.	Nil	Not applicable

14.1 OVERVIEW OF REGULATION OF REITS IN MALAYSIA

In Malaysia, REITs are governed and regulated by the SC and in addition, a listed REIT would also be subject to the purview of Bursa Securities. The SC is empowered to ensure compliance with the CMSA, the REIT Guidelines, the Guidelines on the Registration and Conduct of Capital Market Services Providers (“**Capital Market Services Providers Guidelines**”), the Guidelines on Conduct for Capital Market Intermediaries (“**Conduct Guidelines**”), the Guidelines on Corporate Governance for Capital Market Intermediaries (“**Corporate Governance Guidelines**”) and the Rules on Take-Overs while Bursa Securities is empowered to ensure the compliance of the listed REITs with the relevant sections of the Listing Requirements. The appointments of the management company and the trustee are subject to the approval of the SC. The CMSA, the REIT Guidelines and the Listing Requirements serve to govern the operation and administration of REITs, the Capital Market Services Provider Guidelines serve to set out the requirements for the registration and conduct of the trustee, the Conduct Guidelines and the Corporate Governance Guidelines serve to set out the business conduct and corporate governance of a management company, and together with the Rules on Take-Overs serve to protect the interest of unitholders and to facilitate an orderly development of REITs. The trustee and the management company, including their officers and directors, must comply with the following laws, guidelines and requirements, whichever applicable:

- (i) CMSA;
- (ii) REIT Guidelines;
- (iii) Listing Requirements;
- (iv) Capital Market Services Providers Guidelines;
- (v) Conduct Guidelines;
- (vi) Corporate Governance Guidelines;
- (vii) Rules on Take-Overs; and
- (viii) all other Relevant Laws and Requirements.

14.1.1 Under the CMSA and/or the REIT Guidelines:

- (i) **Management company** – A management company must, among others, be an entity incorporated in Malaysia and hold a Capital Markets Services Licence (“**CMSL**”) for the regulated activity of fund management in relation to asset management restricted to REITs and be approved by the SC. The REIT Guidelines contain provisions on foreign investments, composition of the board of directors (including independent members), appointment of key personnel which consists of a designated person responsible for the real estate portfolio management of the REITs and compliance officer, property manager as well as roles and responsibilities of a management company.
- (ii) **Trustee** – A trustee is also obliged by the CMSA to notify the SC as soon as practicable of any irregularity, any breach of the provisions or covenants of the trust deed and/or any contravention of CMSA or any inconsistency between the disclosures in the prospectus and the provisions or covenants of the trust deed, which in the trustee’s opinion, may indicate that the interests of unitholders are not being served.
- (iii) **Investment of the REIT** – The REIT Guidelines set out the investment perimeters of REITs in Malaysia including among other things, permissible investments by the REITs, the requirements and restrictions on investments and activities and the level of borrowings or financing facilities (which must not exceed 50.0% of the total asset value of the REITs at the time of the borrowings or financing facilities, or deferred payment arrangements incurred).

Investment perimeters of Islamic REITs are set out in Section 1.10 of this Prospectus entitled “Shariah Investment Guidelines”.

- (iv) **Valuation** – Valuations of real estate are required to be undertaken at least once a financial year and on all real estate to be acquired or disposed by the REITs. The REIT Guidelines governs the valuation of the Real Estate (including the appointment of valuer and the preparation of the valuation report), valuation of Non-Real Estate Assets, and incorrect valuation.
- (v) **Fees** – The REIT Guidelines contain provisions for the remuneration of the management company, remuneration of the trustee and other expenses of the REITs. The management company and the trustee may only be remunerated by way of an annual fee charged to REITs, and the management company may charge a fee for the acquisition or disposal of real estate by the REITs (provided that it has clear justification for each type of fees payable to the management company), which must be permitted by the trust deed and clearly disclosed in the prospectus and only expenses (or part thereof) directly related and necessary in operating and administering the REITs may be paid out of the REITs including, but not limited to, the maintenance of real estate belonging to the REITs, taxes and other duties charged on the REITs by the government and other authorities, fees for the valuation of any investment of the REITs and listing expenses for listing on the stock exchange.
- (vi) **Operational matters** – The chapter on operational matters in the REIT Guidelines is in relation to the issues such as the distribution of income, rebates and soft commission, creation and cancellation of units, termination of REITs, unitholders' meetings, notice of meetings, voting rights at meetings, chairperson of meetings, quorum at meetings, corporate governance principles and best industry standards for all activities conducted in relation to the REITs.

14.1.2 Under the Listing Requirements:

In addition to prescribing the admission procedures and requirements for the admission and listing of a REIT on the Main Market, the Listing Requirements also prescribe the following:

- (i) **Board of directors of the management company** – The board of directors of the management company must have at least 2 independent directors or maintaining a minimum ratio of at least 1/3 independent directors, whichever is higher at all times;
- (ii) **General meetings** – The trust deed of a listed REIT is required to be in compliance with the Listing Requirements in relation to notice, proxies and voting rights of the unitholders;
- (iii) **Continuing listing obligation** – The chapter on continuing listing obligations cover the unitholding spread requirement of a listed REIT of at least 25.0% of the total number of listed units to be held by a minimum number of 1,000 public unitholders holding not less than 100 units each;
- (iv) **Continuing disclosure** – The chapter on continuing disclosure requirements sets out the disclosure policy of Bursa Securities which a listed REIT is required to adhere to, immediate disclosure of any material information, preparation of announcements, financial statements and reports, and consequences for failure to comply;
- (v) **Issue of securities by a REIT** – Any issuance of new units by a REIT is subject to approval by the unitholders and approval of Bursa Securities; and
- (vi) **Transactions** – A REIT undertaking an acquisition or disposal of real estate from non-related parties and related parties are subject to the requirements set out in the Listing Requirements.

14.1.3 Under the Capital Market Services Providers Guidelines:

- (i) **The trustee** – The requirements of a trustee include, among other things, that it must be a trust company registered under the Trust Companies Act 1949 or incorporated under the Public Trust Corporation Act 1995, be registered with the SC, have a minimum issued and paid-up capital of not less than RM500,000, have adequate human resources with the necessary qualification, expertise, and experience and have adequate and appropriate systems, procedures and processes, to carry out its duties and responsibilities.
- (ii) **Delegation and outsourcing** – A trustee may delegate and outsource its functions to third parties. Nonetheless, this does not relieve a trustee from its responsibilities. When delegation takes place, it is the duty of the trustee to ensure that adequate procedures are in place and that the trust deed, prospectus, guidelines and securities laws are complied with. Note also that the delegation of a management company's function requires notification to the SC in writing.

14.1.4 Under the Conduct Guidelines and/or Corporate Governance Guidelines:

- (i) **Minimum standards of conduct** – A management company and its representatives must act with honesty and fairness, exercise reasonable care, skill and diligence when carrying on its capital market related services, use their best endeavours to identify and avoid any actual or potential conflict of interest, have proper safeguards in place to protect its clients' assets and information and at all times promote open and effective communication with its clients and regulators. The board of directors and senior management of a management company must, where applicable, establish, implement and maintain effective controls, policies and procedures for ensuring compliance with the minimum standards of conduct.
- (ii) **Board of directors** – The appointment of the director of a management company shall have due regard to any actual or potential conflicts of interest arising from the appointment and his standing with any relevant regulator. The board of a management company must comprise individuals with appropriate mix of skills, knowledge, experience and independence that fit the objectives and strategic goals of the management company. The board of a management company must meet regularly to, among others, review the business operation and management of the management company, monitor the financial and non-financial performance of the management company and deliberate on strategic issues. The board of a management company must ensure that it has policies and processes to mitigate, manage and address actual and potential conflicts of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of management integrity.
- (iii) **Senior management** – The senior management of a management company must, among others, understand the nature of the business of the management company, establish a management structure that promotes accountability and transparency across the operations of a management company and preserves the effectiveness and independence of control functions and promote a corporate culture which reinforces, among others, ethical, prudent and professional behaviour, honesty, fairness, trust and high performance.
- (iv) **Risk management, compliance and internal audit** – The board of a management company must determine its risk appetite and tolerance, including the nature and extent of the material risks, which the board of a management company is willing to take in achieving its strategic objectives. The board of a management company must ensure that the management company's risk governance framework, supported by appropriate policies, control procedures and processes commensurate with the management company's size, complexity and risk profile. The board of a CMSL holder must review and approve the internal audit charter that defines the remit for the internal audit function, including its purpose, authority and responsibility.

14.1.5 Under the Rules on Take-Overs:

The Rules on Take-Overs applies to REITs that are listed on Bursa Securities. Under the Rules on Take-Overs, any person acquiring an interest, either individually or with parties in concert, in more than 33.0% of the Units (being voting units in AME REIT) is required to extend a mandatory offer for the remaining Units in accordance with the Rules on Take-Overs, unless otherwise exempted. A take-over offer is also required to be made if a person holding more than 33.0% but not more than 50.0% of the Units, either individually or with parties acting in concert, acquires more than 2.0% of the Units in any 6-month period under the Rules on Take-Overs, unless otherwise exempted.

As a result, acquisitions of Units which may result in a change in control of AME REIT will be subject to the provisions of the Rules on Take-Overs, such as a requirement to make a mandatory offer for Units.

14.2 OVERVIEW OF LAND LAW

14.2.1 The Land System

In Malaysia, land law is based on the Torrens system of South Australia which operates on the principle of "title by registration". Notwithstanding the adoption of Torrens system in Malaysia, some lands in the state of Penang and Malacca are still governed by the deed system. The National Land Code (Penang and Malacca Titles) Act 1963 ("**NLC**PM") was thus enacted to govern such lands and to convert the deed system in Penang and Malacca to the Torrens system used under the National Land Code 1965 ("**NLC**").

Pursuant to the Federal Constitution of Malaysia ("**Constitution**"), land matters generally lie within the jurisdiction of the state governments. However, the Constitution specifically provides for federal legislation in such matters for the purposes of ensuring uniformity of law and policy in various aspects of land matters which are not exercisable with regard to the states of Sabah and Sarawak.

The following are the primary pieces of legislation governing land law in Malaysia, the operation of which is supplemented by various subsidiary legislations such as the various state land enactments and ordinances which are in force in the respective states in Malaysia:

- (i) the NLC;
- (ii) the NLCPM;
- (iii) Strata Titles Act 1985;
- (iv) Sarawak Land Code (Cap 81) ("**Sarawak Land Code**"); and
- (v) Sabah Land Ordinance (Cap 68) ("**Sabah Land Ordinance**"),

The NLC is an act which amends and consolidates the laws relating to land and land tenure, the registration of title to land and dealings therewith and the collection of revenue therefrom within the states of Johor, Kedah, Kelantan, Malacca, Negeri Sembilan, Pahang, Penang, Perak, Perlis, Selangor, Terengganu, the Federal Territory of Kuala Lumpur, the Federal Territory of Putrajaya and the Federal Territory of Labuan, and for purposes connected therewith while in the states of Sabah and Sarawak, the respective Sabah Land Ordinance and Sarawak Land Code apply.

The rest of the Section 14.2 of this Prospectus will cover land law applicable to the states in Peninsular Malaysia and the Federal Territories of Malaysia.

The NLCPM was enacted to provide for the conversion of the system of registration of deeds practiced prior to 1966 to the Torrens system.

The NLC expressly provides that it shall not (unless expressly provided to the contrary) affect the provisions of:

- (i) any law relating to customary tenure;
- (ii) any law relating to Malay reservations or Malay holdings;
- (iii) any law relating to mining;
- (iv) any law relating to sultanate lands;
- (v) any law relating to wakaf (relating to the endowment of property for religious and/or public purposes in accordance with Islamic teachings) or baitulmal (an Islamic non-profit financial organisation providing benefits to community members and organisations);
- (vi) the Terengganu Settlement Enactment 1356;
- (vii) the Padi Cultivators (Control of Rent and Security of Tenure) Act 1967;
- (viii) the Kelantan Land Settlement Act 1955;
- (ix) the Land (Group Settlement Areas) Act 1960;
- (x) the Perlis Land Settlement Enactment 1966; and
- (xi) any law for the time being in force relating to exemptions from the payment of land revenue.

14.2.2 Indefeasibility of Title

Pursuant to the NLC, a person will obtain an indefeasible title to or interest in the land after his/her proprietorship to or interest in land is being registered on the document of title. However, the indefeasibility of title can be defeated under those circumstances as provided in Section 340(2) of the NLC, which include fraud, misrepresentation or forgery, or where the registration of title or interest is obtained by the use of an insufficient or void instrument or where the title or interest is unlawfully acquired.

14.2.3 Powers of the State Authority

The State Authority is vested with the entire property in all state lands under the NLC. Pursuant to the NLC, "State Authority" refers to the Ruler or Governor of the state, as the case may be, and "state land" refers to all land in the state (including so much of the bed of any river, and of the foreshore and the bed of the sea, as is within the territories of the state or the limits of territorial waters) other than land that has already been alienated or reserved (whether as forest or otherwise) or mining land.

Under the NLC, the State Authority has power to alienate land for either:

- (i) a term not exceeding 99 years (commonly referred to as leasehold); or
- (ii) in perpetuity (commonly referred to as freehold).

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The power to alienate land by the State Authority is the most common method of disposal of land. The alienation of land by the State Authority is subject to certain conditions such as:

- (i) payment of annual rent;
- (ii) payment of premium (which is subject to exemption by the State Authority);
- (iii) category of land use; and
- (iv) such conditions and restrictions in interest which may be imposed by the State Authority.

Unless an application is made to the State Authority for the extension of the term and such application is approved by the State Authority usually upon the payment of a premium, land alienated for a term not exceeding 99 years shall upon the expiry of such term revert to the State Authority.

In addition to the power to alienate land, the State Authority also has the power to:

- (i) reserve land and grant leases of reserve land for a specific purpose not exceeding 21 years;
- (ii) permit temporary occupation of land;
- (iii) permit the extraction and removal of rock material from land;
- (iv) permit the use of air space on or above land; and
- (v) dispose of underground land.

14.2.4 Categories of Land Use

Land in Malaysia is divided into 3 general categories of land use, namely agricultural, industrial and building. The category of land use is endorsed on the documents of title issued in respect of those land alienated by the State Authority pursuant to the NLC.

An application may be made to the State Authority by the proprietor of any alienated land for the alteration of any category of land use to which the land is for the time being subject, or where it is not so subject, for the imposition of any category.

Each category of land use is subject to implied conditions as more particularly set out in the NLC. Additionally, specific uses may be specified in the documents of title to land. Failure to comply with express or implied conditions of land use may result in the forfeiture of land by the State Authority.

14.2.5 Dealings in Land

The NLC governs dealings in land and interest in land (which in the context of the NLC includes a registered lease, charge or easement as well as a statutory lien or a tenancy exempt from registration created in respect thereof). Dealings under the NLC may be divided into:

- (i) dealings capable of registration which are transfers, charges, leases and easements; and
- (ii) dealings not capable of registration which are tenancies exempt from registration and statutory liens which are protected by way of an endorsement and the entry of a lien-holder's caveat.

In Malaysia, no instrument effecting any dealing with respect to alienated lands and/or interests therein shall be effective until such instrument has been duly registered.

14.2.6 Restrictions in Interest

Restrictions in interest are restrictions expressly endorsed on the document of title to the land which limits the powers of the registered proprietor to deal with the land. An example of such a restriction is the restriction to transfer, charge or lease the land unless the prior consent of the State Authority has been obtained. It is common to find such restrictions in interest endorsed on the documents of title to lands alienated by the State Authority for the terms not exceeding 99 years as opposed to lands alienated by the State Authority in perpetuity. As restrictions in interest imposed on the document of title to the land binds the land, the restrictions therefore bind the owner(s) (whether present or future) of the land.

In the case of a property held or to be held under a strata title, where there is a restriction in interest endorsed on the document of title to the master land, such restriction will also apply to such property, whether or not the separate strata title to such property has been issued.

14.2.7 Restraints on Dealings

Restraints on dealings include the following:

(i) Private caveats

Private caveat is one of the restraints on dealings under the NLC. A person claiming title to or any registrable interest in any alienated land or any right to such title or interest may lodge a private caveat to protect this title or interest in such alienated land. Under the NLC, a non-citizen or foreign company is required to obtain the prior approval of the State Authority before lodging a private caveat.

Once a private caveat is lodged, the registered proprietor may not register or endorse any dealing on the document of title to his land without first removing such private caveat or first obtaining the consent in writing of the person who lodged such private caveat. However, the private caveat will not prevent any dealing made by the registered proprietor, the application for the registration or endorsement of which is made by the registered proprietor before the lodgement of such private caveat.

An application may be made to the Registrar of Titles/Land Administrator or the court by a registered proprietor (or any aggrieved person or body) for the removal of the private caveat. A private caveat will expire 6 years from the time of the lodgement of the same, unless earlier withdrawn or removed by the person who lodged such private caveat, the Registrar of Titles/Land Administrator or the court.

(ii) Trust caveats

A trust caveat is another type of restraint of dealing under the NLC and has the same legal effect as a private caveat. However, a trust caveat may only be lodged by a trustee, a beneficiary or any person or body by whom any land or interest is first transferred to trustees.

A trust caveat will continue in force until it is cancelled by the Registrar of Titles/Land Administrator on an application made by the trustees for the time being and all person and bodies beneficially entitled under the trust.

(iii) Prohibitory orders

Pursuant to the NLC, "prohibitory order" means where land or an interest in land held by a judgment-debtor is to be sold in execution proceedings, an order made pursuant to rules of court by a court of competent jurisdiction prohibiting the judgment-debtor from effecting any dealing therewith or from effecting such dealing therewith as may be specified in the order.

A prohibitory order will take effect once it has been entered by the land registrar and endorsed on the document of title. The order will prohibit the following endorsement or entry:

- (a) any instrument of dealing executed by or on behalf of the proprietor save and except for any certificate of sale relating thereto;
- (b) any claim to the benefit of any tenancy exempt from registration granted by the proprietor; and
- (c) any lien-holder's caveat.

However, a prohibitory order will not prohibit the registration, endorsement or entry of any instrument, claim or lien-holder's caveat where the instrument was presented, or the application for endorsement or entry received, prior to the time from which the order takes effect.

14.2.8 Malay reserve land and customary land

The Malay Reservation Enactments of the respective states in Malaysia were enacted to secure and protect the Malays' interest in lands reserved for Malays by prohibiting the disposition of such lands by the state and the dealings by the registered proprietors in favour of non-Malays. Any disposal, dealing or attempt to dispose of or deal in Malay reserve land in contravention of the respective Malay Reservation Enactments will be rendered null and void and no action for breach of contract shall be maintained in respect of such disposal or dealing.

The present Malay Reservation Enactments have adopted the policy of providing for exceptions to the prohibition by permitting disposals by the State Authority and dealings by the registered proprietors in favour of certain specified persons and bodies with the approval of the ruler of the state in council of the respective states.

In the same manner, customary land such as those in the state of Malacca, shall only be transferred, charged, leased or transmitted to a Malay pursuant to NLCPM.

14.2.9 Charges

It is common for a financier to require an obligor to create a charge over the land or a lease of land of the obligor in favour of the financier as a security for the financing provided.

A registered proprietor's or registered lessee's power to charge the land or the lease, as the case may be, is subject to any prohibition or limitation imposed by the NLC or any other written law for the time being in force, any restrictions in interest to which the land in question is for the time being subject and in relation to leases, the provision thereof, express or implied.

Every charge created under the NLC shall take effect upon registration so as to render the land or lease in question liable as security in accordance with the provisions thereof, express or implied.

A chargee is required to comply with the NLC when enforcing the charge to obtain a sale of the land or lease to which the charge relates in the event of a breach by the obligor. The chargee is required, among other things, to serve a default notice in the form as prescribed by the NLC and apply to the court or the land office administrator, as the case may be, for an order for sale. Upon the registration of any certificate of sale given to a purchaser in respect of a charged land or lease, the title or interest of the registered proprietor/charger shall pass to and vest in the purchaser, free and discharged from all liabilities under the charge in question and any charge subsequent thereto.

14.2.10 Leases and Tenancies

Under the NLC, tenancies may be granted for terms not exceeding 3 years. There is no registration requirement for tenancies under the NLC but the interest of a tenant under a tenancy exempt from registration can be protected by way of an endorsement on the document of title to the land.

The proprietor of any alienated land may grant leases of the whole or any part of the land. A lease granted under the NLC must be more than 3 years and maximum term for which any lease may be so granted shall be:

- (i) 99 years if it relates to the whole of the land; or
- (ii) 30 years if it relates to a part only thereof.

The lease granted is required to be registered with the relevant land registry or land office in order to vest in the lessee the interest in respect of the said lease.

14.2.11 Sale and Purchase of Real Property

The sale and purchase of real property in Malaysia may be completed by way of transfer or legal assignment. Any transfer of a property with a separate document of title is effected by registration of an instrument of transfer in a format prescribed under the NLC at the relevant land registry or land office. For a property without a separate document of title having been issued, transfer of beneficial ownership of the property is made by way of a legal assignment in favour of a new purchaser of all the rights, interests and title in respect of the property under the principal sale and purchase agreement (made between the original proprietor of the land and/or the developer (as the seller) and the first purchaser).

14.2.12 Acquisition of Property by a Non-Citizen or Foreign Company

Pursuant to Section 433B of the NLC, a non-citizen or foreign company is not allowed to, among others, acquire any land in Malaysia unless the prior approval of the State Authority has been obtained.

Under the NLC, a foreign company means:

- (i) a company, corporation, society, association or other body incorporated outside Malaysia;
- (ii) an unincorporated society, association or other body which under the law of its place of origin may sue or be sued, or hold property in the name of the secretary or other officer of the body or association duly appointed for that purpose and which does not have its head office or principal place of business in Malaysia;
- (iii) a company incorporated under the Act with 50.0% or more of its voting shares being held by a non-citizen, or by a foreign company referred to in Sections 14.2.12(i) or (ii) above, or by both, at the time of the proposed acquisition of any land or any interest in land or at the time of the execution of the instrument or deed in respect of any alienated land or any interest therein, as the case may be; or
- (iv) a company incorporated under the Act with 50.0% or more of its voting shares being held by a company referred to in Section 14.2.12(iii) above, or by a company referred to in Section 14.2.12(iii) above together with a non-citizen or a foreign company referred to in Sections 14.2.12(i) or (ii) above, at the time of the proposed acquisition of any land or interest in land or at the time of the execution of the instrument or deed in respect of any alienated land or any interest therein, as the case may be.

Under the NLC, a non-citizen means a natural person who is not a citizen of Malaysia.

14.2.13 Guideline on the Acquisition of Properties

Pursuant to the Guideline on the Acquisition of Properties (with effect from 1 March 2014) ("**Guideline**") issued by the Economic Planning Unit within the Prime Minister's Department ("**EPU**") or any other equivalent ministry, department or unit in charge of granting the approval pursuant to the Guideline, except for residential units, the following transactions shall require the approval of EPU:

- (i) direct acquisition of property valued at RM20.0 million and above, resulting in the dilution in the ownership of property held by Bumiputra interest and/or government agency; and
- (ii) indirect acquisition of property by interests other than Bumiputera interest through acquisition of shares, resulting in a change of control of the company owned by Bumiputera interest and/or government agency, having property more than 50.0% of its total assets in value, and the said property is valued more than RM20.0 million.

In addition to the requirement that the said property must be registered in the name of a locally incorporated company, the following equity and paid-up capital conditions will be imposed on the acquiring company for the acquisitions of properties requiring prior EPU approval as set out above:

- (i) the acquiring company must have at least 30.0% Bumiputera interest shareholding; and
- (ii) the acquiring company must have:
 - (a) a paid-up capital of at least RM100,000.00 if the acquiring company is owned by local interests; and
 - (b) a paid-up capital of at least RM250,000.00 if the acquiring company is owned by foreign interests.

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15. ADDITIONAL INFORMATION

15.1 GENERAL

- (i) No Units will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus, save for the Units to be received by the Manager as payment for its Management Fees.
- (ii) The Units will rank *pari passu* in all respects and will be entitled to all distributions that may be declared subsequent to the date of this Prospectus.
- (iii) In accordance with the Deed and REIT Guidelines, the Manager is required, on a quarterly basis, to announce the NAV per Unit to Bursa Securities. Unitholders are able to keep track of the market price per Unit and the NAV per Unit as announced by the Manager through Bursa Securities' website at www.bursamalaysia.com.
- (iv) AME REIT will also be providing Unitholders with an annual report on its performance which will also include information on the NAV per Unit. The Manager must also give SC the annual report no later than 2 months after the end of the financial period to which the report relates.

Unitholders can obtain information on the current developments and annual reports of AME REIT from the Bursa Securities' website at www.bursamalaysia.com and AME REIT's website, details of which are set out below, after the Listing.

- (v) If you require further information on AME REIT, the Manager may be contacted at:

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

Telephone No.: (07) 5959 999
Email: corporate@ireit.com.my
Website: www.amereit.com.my

- (vi) Save as disclosed in this Prospectus, as at the LPD, the Directors confirm that AME REIT's financial conditions and operations are not affected by any of the following factors:
 - (a) known trends, demands, commitments, events or uncertainties that have, had or that the Manager reasonably expect to have, a material favourable or unfavourable impact on AME REIT's financial performance, liquidity, position and operations;
 - (b) material commitments for capital expenditure; and
 - (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected AME REIT's financial conditions and operations.

15.2 MATERIAL CONTRACTS

Since AME REIT's establishment up to the date of this Prospectus, the details of the material contracts entered into by AME REIT (via the Trustee), not being contracts entered into in the ordinary course of the business of AME REIT are as follows:

- (i) the Trust Deed dated 23 May 2022 constituting AME REIT and registered with the SC on 23 May 2022, entered into between the Manager and the Trustee (on behalf of AME REIT) for the benefit of the Unitholders;

15. ADDITIONAL INFORMATION (Cont'd)

- (ii) the SPA dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and Active Gold for the purchase of Plot 66 Indahpura at a purchase consideration of RM17,000,000, to be satisfied by way of cash;
- (iii) the SPAs dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and AME Development for the purchase of (a) FZW SAC, (b) SAC Dorm, (c) Plot 13 Dorm Indahpura, (d) Plot 17 Dorm Indahpura, (e) Plot 7 Indahpura, (f) Plot 8 Indahpura, (g) Plot 14 Indahpura, (h) Plot 20 Indahpura, (i) Plot 21 Indahpura, (j) Plot 36 Indahpura, (k) Plot 65 Indahpura, (l) Plot 69 Indahpura, (m) Plot 120 Indahpura, (n) Plot 3 & 4 SiLC, (o) Plot 3 District 6⁽¹⁾ and (p) Plot 4 District 6⁽²⁾, at a purchase consideration of RM304,500,000, to be satisfied by way of the issuance of 304,500,000 Consideration Units;
- (iv) the SPAs dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and Ipark Development for the purchase of (a) Plot 5 SAC, (b) Plot 6 SAC, (c) Plot 9 SAC, (d) Plot 16 SAC, (e) Plot 17 SAC, (f) Plot 18 & 19 SAC, (g) Plot 1A1 SAC, (h) Plot 1B1 SAC, (i) Plot 1C2 SAC, (j) Plot 20 SAC, (k) Plot 21 SAC, (l) Plot 30 SAC, and (m) Plot 32 SAC, at a purchase consideration of RM212,000,000, to be satisfied by way of the issuance of 212,000,000 Consideration Units;
- (v) the SPAs dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and LKL Industries for the purchase of Plot 18 Indahpura and Plot 6 SiLC at a purchase consideration of RM10,500,000, to be satisfied by way of cash of the sum RM7,000,000 and by way of the issuance of 3,500,000 Consideration Units;
- (vi) the SPA dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and Twin Sunrich for the purchase of Plot 6 District 6 at a purchase consideration of RM13,000,000, to be satisfied by way of cash;
- (vii) the Property Management Agreement dated 23 June 2022 entered into between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager for the provision of certain property management services for the Subject Properties in consideration of a property management fee of RM20,000 per month;
- (viii) the Trademark Licensing Agreement dated 23 June 2022 entered into between AME Integrated Sdn Bhd ("**Registered Trademark Owner**"), the Trustee (on behalf of AME REIT) and the Manager whereby the Registered Trademark Owner agrees to grant the Trustee and the Manager a non-exclusive licence to use the trademarks set out in Section 1.9 "Intellectual Property" of this Prospectus during the term of the agreement; and
- (ix) the Underwriting Agreement dated [•] entered into between the Manager, AME, Selling Subsidiaries, the Trustee (on behalf of AME REIT) and the Sole Underwriter in respect of the underwriting of 18,200,000 Offer Units under the Restricted Pink Form Offering and Public Offering.

Notes:

- (1) *AME Development is the beneficial owner of this Subject Property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 30 March 2015 between Symphony Square and AME Development.*
- (2) *AME Development is the beneficial owner of this Subject Property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 31 May 2016 between Twin Sunrich and AME Development.*

15.3 SALIENT TERMS OF THE SPAs

15.3.1 Overview of the SPAs

Pursuant to the SPAs, the Trustee will acquire the Subject Properties from the Vendors together with the fixtures and fittings thereon and in the condition of the Subject Properties as at the date of the SPAs on an "as is where is" basis, subject to, among others, the following:

- (i) 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, and such encumbrances which shall continue to subsist after completion of the SPAs;
- (ii) in respect of the Subject Properties with existing tenants, without vacant possession on the basis that the Subject Properties will continue to be occupied by such tenants with all their rights, benefits and obligations pursuant to the existing tenancy remaining intact;
- (iii) save for the District 6 SiLC Subject Properties, FZW SAC, SAC Dorm, Plot 13 Dorm Indahpura and Plot 17 Dorm Indahpura, the DMC to be entered into by the Trustee (on behalf of AME REIT) in relation to the provision of gated development services by the developer of the Subject Properties including but not limited to boundary fencing, provision of security personnel, installation of closed-circuit television monitoring system, erection of boom gate as well as the maintenance, upkeep and repair of the guardhouse in accordance with the terms and conditions of the DMC;
- (iv) in respect of Plot 1A1 SAC, Plot 1B1 SAC, Plot 1C2 SAC, FZW SAC and Plot 32 SAC only, the covenants imposed by the master developer whereby the Trustee (on behalf of AME REIT) undertakes that:
 - (a) any area of the land on which the Subject Properties is situated ("**Affected Area**") will not be sold, disposed, leased or rented to persons who intend to use the land for any non-complementary purposes that generate either excessive dusts or noxious or strong odours or smoke which may cause any material or adverse effects to or in respect of the use of the manufacturing plant and facility for manufacturing and production of "Hershey" brands confectionery and other food products for the business activities of Hershey Malaysia Sdn Bhd; and
 - (b) it will ensure and procure that the lessees, tenants, licensees or any other occupants using the Subject Properties in the Affected Area comply with the covenant in Section 15.3.1(iv)(a) above and impose such similar covenants and undertaking from such person in its agreement with them;
- (v) in respect of the SiLC Subject Properties only, the covenants imposed by the master developer whereby the Trustee (on behalf of AME REIT) shall observe and comply with any conditions and covenants binding upon the Subject Properties and indemnify the master developer against any claims whatsoever brought against the master developer for any contravention with any of the provisions incumbent upon the Trustee to comply with and observed, as well as to ensure that all subsequent purchasers, tenants and occupiers of the Subject Properties shall be subject to and shall comply with the same. In addition, the Trustee shall authorise the master developer to, among others, erect security checkpoints at key entry points, install and maintain security systems, charge security administrative charges, and shall also pay to the master developer or any management company appointed by the master developer monthly contribution for the maintenance services provided to the Subject Properties; and

- (vi) the wayleave agreement and any other documents in relation thereto to be entered into with Tenaga Nasional Berhad (“**TNB**”) upon the request of TNB, to grant TNB a right of way over and to lease any part of the Subject Properties to TNB for a substation to be constructed on the Subject Property.

The SPAs are interdependent and the Trustee is not obliged to complete the acquisition of any Subject Property unless the Acquisitions are completed concurrently under the respective SPAs. However, if for any reason any 1 or more of the SPAs are rescinded or terminated or cannot be completed for any reasons whatsoever, the Trustee shall have the sole and absolute discretion to terminate the SPAs pursuant to the terms therein.

15.3.2 Conditions Precedent

The sale, purchase and transfer of the Subject Properties are conditional upon, among others:

- (i) the receipt of the written confirmation from the Manager confirming that:
 - (a) the relevant conditions, variations or revisions imposed by the SC and Bursa Securities in respect of the acquisition of the Subject Property have been satisfied; and
 - (b) the book building exercise is completed;
- (ii) the approval of Bursa Securities for the Listing having been obtained;
- (iii) this Prospectus in relation to the Offering and Listing having been issued;
- (iv) in respect of, Plot 13 Dorm Indahpura, the Subject Property having been constructed in accordance with the approved building plans and specifications and the CCC having been obtained from the relevant authorities; and
- (v) the special conditions to be complied with for certain Subject Properties as stated in Section 15.3.1(iii), Section 15.3.1(iv), Section 15.3.1(v) and Section 15.3.1(vi) of this Prospectus.

15.3.3 Completion

Subject to the fulfilment of the conditions precedent set out in Section 15.3.2 of this Prospectus, the following shall occur on the Completion Date of the SPAs (unless otherwise indicated):

- (i) the rights, benefits, title, interests, in and to the Subject Properties shall pass from the Vendors to the Trustee whereupon the Vendors shall be deemed to hold on trust the Subject Properties for the Trustee until the Trustee is registered as the proprietor at the relevant land registry and the legal possession of the Subject Properties shall be deemed delivered to the Trustee;
- (ii) the rights, benefits, interests, obligations and liabilities in the tenancy in respect of the Subject Properties which are subsisting on the Completion Date of the SPAs shall be deemed to have passed to the Trustee and shall be novated by the Vendors to the Trustee immediately or as soon as practicable;

- (iii) all existing contracts pertaining to the Subject Properties shall be novated to the Trustee (and to the extent there are no obligations to be transferred to the Trustee under an existing contract, then on the basis that all remaining benefits, rights, titles, entitlements and interests of the Vendors under such existing contracts are assigned to the Trustee and due notice that is given to the applicable third party) immediately or as soon as practicable;
- (iv) the insurances taken up in respect of the Subject Properties which are subsisting on the Completion Date of the SPAs shall be endorsed in favour of the Trustee, on or before the expiry of one month from the Completion Date of the SPAs and the Trustee shall be entitled to purchase such other insurances which the Trustee deem necessary;
- (v) all outgoings in respect of the Subject Properties shall be apportioned on the Completion Date of the SPAs and the Vendors shall bear and settle the outgoings due and payable up to the date immediately preceding the Completion Date of the SPAs and the Trustee shall bear and settle the outgoings due and payable on and from the Completion Date of the SPAs;
- (vi) all income in respect of the Subject Properties including rental income shall be apportioned on the Completion Date of the SPAs and the Vendors shall be entitled to all income received up to the date immediately preceding the Completion Date of the SPAs and the Trustee shall in addition to Section 15.3.3(ii) and Section 15.3.3(iii) above be entitled to all income received on and from the Completion Date of the SPAs; and
- (vii) all security and utility deposits, rental and other payments paid by the tenant which are retained or in the custody of the Vendors as well as the outgoings under Section 15.3.3(v) above and the income under Section 15.3.3(vi) above which are to be paid to the Trustee (if any) shall be held on trust for the Trustee from the Completion Date of the SPAs and the Vendors shall pay the same to the Trustee immediately or as soon as practicable.

15.3.4 Representations and Warranties

The Vendors have given specific representations and warranties relating to, among others, their capacities, the Subject Properties, the leases, tenancies and licences. If any event or circumstance, which arises or becomes known to the Trustee after the date of the SPAs and prior to the Completion Date of the SPAs, which is inconsistent with any of the representations and warranties by the Vendors, the Trustee may give a written notice to the Vendor to remedy the same within 30 days from the date of the notice. If the Vendor fails to remedy the same, the Trustee shall be entitled to terminate the SPAs.

15.4 SALIENT TERMS ON THE ROFRs

On 19 July 2022, the Sponsor and Ipark Development have granted 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 AME, Ipark Development or AME Entity (as defined below), 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 the Sponsor, Ipark Development or an AME Entity, where applicable.

The ROFR shall be given in writing to the Trustee with a copy to the Manager, and upon receipt of the written notice of the Sponsor, 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.

The grant of ROFR shall not apply to the following:

- (i) transactions involving the disposal of the Relevant Asset to the existing tenant or its related corporation; and
- (ii) intra-group transfers of the Relevant Asset, or amalgamations, restructurings, mergers and analogous events involving AME or an AME Entity.

For the purposes of this Section 15.4, "AME Entity" means (i) any of AME's existing or future wholly-owned subsidiaries or (ii) where such subsidiaries are not wholly-owned by AME, 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 grant of the ROFR is effective and binding on the Sponsor and Ipark Development from the date of the Listing for an initial term of five years ("**Initial Term**") and may be renewed for another five years subject to mutual agreement, and for so long as:

- (i) the Manager remains as the management company of AME REIT;
- (ii) the Sponsor holds direct and/or indirect interest of 50% or more in the Manager;
- (iii) the Sponsor holds direct and/or indirect interest of 20% or more in AME REIT; and
- (iv) AME REIT remains listed on Bursa Securities.

Syarikat Asia Mechanical Engineering Sdn Bhd ("**SAME**"), a property investment company that is owned collectively by Tan Mui Heong⁽¹⁾ (33.3%), Kang Koh Wei⁽¹⁾ (33.3%) and Lee Ah Eng⁽¹⁾ (33.3%) owns a factory unit (similar to the Industrial Properties) which is currently leased to a third party situated in i-Park @ Indahpura.

On 19 July 2022, SAME has granted the ROFR to the Trustee (on behalf of AME REIT) with the similar terms as the ROFR mentioned above.

Note:

- (1) *Tan Mui Heong is the spouse of Lee Chai (the Executive Director of the Manager), Kang Koh Wei is the son of Kang Ah Chee (Alternate Director to Lee Sai Boon of the Manager) and Lee Ah Eng is the spouse of Lim Yook Kim (Alternate Director to Lee Chai of the Manager) and the sister of Lee Chai and Lee Sai Boon (Executive Director and Chairman of the Manager respectively).*

15.5 CONSENTS

- (i) The written consents of the Trustee, the Principal Adviser, Sole Underwriter, Joint Bookrunners, the Shariah Adviser, the Issuing House, the Legal Advisers, the Property Manager, the company secretary of the Manager, the Registrar and the Internal Auditor to the inclusion of their names in this Prospectus in the manner and form in which such names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Reporting Accountants to the inclusion of their name in this Prospectus, their letter on the Profit Forecast as well as the letter on the Pro Forma Statement of Financial Position of AME REIT in the manner, form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15. ADDITIONAL INFORMATION (Cont'd)

- (iii) The written consent of the Tax Consultants to the inclusion in this Prospectus of their letter on taxation of AME REIT and Unitholders and their names in the manner, form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of the Independent Property Valuer to the inclusion in this Prospectus of their Valuation Certificates and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (v) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of their Independent Market Research Report and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (vi) The written consent of the Shariah Adviser to the inclusion in this Prospectus of their Pronouncement and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15.6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Manager, for a period of 12 months from the date of this Prospectus:

- (i) this Prospectus;
- (ii) the Deed;
- (iii) the material contracts referred to in Section 15.2 “Material Contracts” of this Prospectus;
- (iv) the Valuation Certificates dated 16 August 2021 and update valuation certificate dated 8 July 2022 as set out in Appendix A of this Prospectus as well as the full valuation reports as at 2 August 2021 and updated valuation letters dated 3 March 2022 (for Subject Properties except Plot 13 Dorm Indahpura and SAC Dorm) and 8 July 2022 (for Plot 13 Dorm Indahpura and SAC Dorm);
- (v) the Independent Market Research Report as set out in Appendix B of this Prospectus;
- (vi) the Tax Consultant’s Letter on Taxation of AME REIT and Unitholders as set out in Appendix C of this Prospectus;
- (vii) the Reporting Accountants’ Report on the Pro Forma Statement of Financial Position as at its date of establishment as set out in Appendix D of this Prospectus;
- (viii) the Reporting Accountants’ Letter on the Profit Forecast as set out in Appendix E of this Prospectus;
- (ix) the Shariah Pronouncement as set out in Appendix F of this Prospectus;
- (x) audited financial statements of the Manager for the period from 19 April 2021 (being the date of incorporation) to 31 March 2022; and
- (xi) the letters of consent referred to in Section 15.5 “Consents” of this Prospectus.

15.7 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been reviewed and approved by the Directors, the Sponsor and the Selling Subsidiaries and they collectively and individually accept full responsibility for the accuracy of the information contained herein. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false and misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading. The Directors and the Sponsor accept full responsibility for the profit forecasts included in this Prospectus and confirms that the profit forecasts have been prepared based on the assumptions made.
- (ii) The information pertaining to the Trustee, Shariah Adviser and the Property Manager were provided by the management and/or directors of the Trustee, Shariah Adviser and the Property Manager, respectively. The responsibility of the Directors, the Sponsor and the Selling Subsidiaries is therefore restricted to the accurate reproduction of such relevant information as included in this Prospectus.
- (iii) In respect of such information extracted from publicly available sources, the responsibility of the Directors, the Sponsor and the Selling Subsidiaries is restricted to the accurate reproduction of such relevant information as included in this Prospectus.

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VALUATION CERTIFICATES



C H Williams Talhar & Wong Sdn Bhd (197401001098)
Unit 15B Level 15 Menara Ansar
65 Jalan Trusmi P O Box 320
80000 Johor Bahru
Johor Darul Takzim
Malaysia

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

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

Report and Valuation

16 August 2021

PRIVATE & CONFIDENTIAL

I REIT MANAGERS SDN BHD
No. 5, Jalan i-Park SAC 2
Taman Perindustrian i-Park SAC
81400 Senai
Johor

Dear Sirs

CERTIFICATE OF VALUATION OF THIRTY-FOUR (34) PROPERTIES FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS IN CONJUNCTION WITH THE INITIAL PUBLIC OFFERING AND LISTING OF AME REAL ESTATE INVESTMENT TRUST ("AME REIT") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

In accordance with the instructions of I REIT Managers Sdn Bhd, we, C H Williams Talhar & Wong Sdn Bhd, have carried out a valuation on the above captioned properties as at 2 August 2021 for the purpose of submission to Securities Commission Malaysia in relation to the initial public offering and listing of AME Real Estate Investment Trust ("AME REIT") on the Main Market of Bursa Malaysia Securities Berhad.

This Valuation Certificate is prepared for inclusion in the prospectus in connection with the initial public offering and listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad.

We have prepared and provided this Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

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.

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 date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

This Valuation Certificate should be read in conjunction with the full Report and Valuation.

VALUATION CERTIFICATES (Cont'd)



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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 @ Indahpura & i-Park @ Senai Airport City

Details	Comparable 1	Comparable 2	Comparable 3
Source	Lease Agreement		
Location	Kawasan Perindustrian i-Park, Bandar Indahpura, Kulai, Johor	Taman Perindustrian i-Park SAC, Senai, Johor	Taman Perindustrian i-Park SAC, Senai, Johor
Type	Single storey detached factory		
Tenure	Freehold / Term in perpetuity		
Lettable Floor Area	59,956 sq ft	74,619 sq ft	72,177 sq ft
Date of Agreement	13/01/2020	16/06/2020	20/01/2020
Concluded Rental	RM89,934/-	RM111,928/-	RM101,048/-
Analysis Rental (RM psf)	RM1.50 psf	RM1.50 psf	RM1.40 psf (excluding additional works @ RM0.439psf)

ii) District 6 @ SiLC

Details	Comparable 1	Comparable 2	Comparable 3
Source	Lease Agreement		
Location	Taman Teknologi Nusajaya, Iskandar Puteri, Johor	Pelabuhan Tanjung Pelepas, Gelang Patah, Johor	Taman Teknologi Nusajaya, Iskandar Puteri, Johor
Type	Detached factory		
Tenure	Freehold / Term in perpetuity	35 years lease tenure	Freehold / Term in perpetuity
Lettable Floor Area	104,694 sq ft	222,723 sq ft	42,068 sq ft
Date of Agreement	28/06/2018	01/05/2018	08/05/2017
Concluded Rental	RM238,703/-	RM400,902/-	RM83,295/-
Analysis Rental (RM psf)	RM2.28 psf	RM1.80 psf	RM1.98 psf

iii) i-Park @ SiLC

m) i-PARK @ SICC			
Details	Comparable 1	Comparable 2	Comparable 3
Source	Lease / Tenancy Agreement		
Location	Taman Perindustrian i-Park SAC, Senai, Johor	Taman Teknologi Nusajaya, Iskandar Puteri, Johor	Taman Teknologi Nusajaya, Iskandar Puteri, Johor
Type	Semi-detached factory	Detached factory	
Tenure	Freehold / Term in perpetuity		
Lettable Floor Area	12,391 sq ft	104,694 sq ft	42,068 sq ft
Date of Agreement	11/12/2020	28/06/2018	08/05/2017
Concluded Rental	RM17,888/-	RM238,703/-	RM83,295/-
Analysis Rental (RM psf)	RM1.44 psf	RM2.28 psf	RM1.98 psf

VALUATION CERTIFICATES (Cont'd)



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Income Approach (Investment Method) (Cont'd)iv) Dormitories

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Tenancy Agreement		Initial Public Offering (IPO) Prospectus	
Project	Frontier Park @ Desa Cemerlang, Ulu Tiram, Johor	Harum Eco Dormitory, Bandar Baru Permas Jaya, Masai, Johor	Westlite Johor Technology Park Accommodation, Senai, Johor	Westlite Senai II Accommodation, Senai, Johor
Lot No., Town, District and State	PTD 221802, Mukim of Plentong, District of Johor Bahru, Johor	PTD 75283, Mukim of Plentong, District of Johor Bahru, Johor	PTD 87632, Mukim of Kulai, District of Kulai, Johor	Lot 6214, Mukim of Senai, District of Kulai, Johor
Type	Workers' dormitory			
Total No. of Bed	2,212 beds	2,400 beds	5,800 beds	5,900 beds
Date of Agreement	25/11/2019	28/08/2017	2017	2017
Concluded Rental	RM214,400/- (master lease)	RM300,000/- (master lease)	RM593,884/- (sublease)	RM684,148/- (sublease)
Analysis Rental (RM per bed)	RM97 p.bed	RM125 p.bed	RM102 p.bed	RM116 p.bed

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

Locality	Term Rental	Reversionary Rental
i-Park @ Indahpura	RM1.40 - RM1.82 psf/month	RM1.50 - RM1.65 psf/month
i-Park & Freezone @ Senai Airport City	RM1.30 - RM2.51 psf/month	RM1.50 - RM2.00 psf/month
District 6 @ SiLC	RM1.08 - RM1.75 psf/month	RM1.70 psf/month
i-Park @ SiLC	RM1.60 - RM1.70 psf/month	RM1.65 psf/month
Dormitories	RM131 - RM150 p.bed/month	RM130 - RM 145 p.bed/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.

We have adopted a market corroborated capitalisation rate to arrive at the capital value of the properties. 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 properties and the sales. We have made necessary diligent adjustments to arrive at the capitalisation rate with emphasis given on the current market condition, location, tenure, quality and condition of the subject buildings. We also have taken into account the current economic condition, the existing and future demand and supply of industrial space / workers' dormitory 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
Location	PLO 823 & PLO 828, Kaw. Perindustrian Pasir Gudang, Pasir Gudang	No. 92, Jalan i-Park 1/10, Kaw. Perindustrian i-Park, Bandar Indahpura, Kulai	No. 21, Jalan Bioteknologi 3, Kaw. Perindustrian SiLC, Iskandar Puteri	No. 93, Jalan i-Park 1/10, Kaw. Perindustrian i-Park, Bandar Indahpura, Kulai
Date	15/03/2021	19/11/2020	31/07/2019	07/06/2018
Consideration	RM75,000,000/-	RM12,984,000/-	RM14,300,000/-	RM31,500,000/-
Lettable Area	464,613 sq ft	57,545 sq ft	45,984 sq ft	132,706 sq. ft.
Tenure	60-year leasehold with unexpired term of about 55 yrs and 53 yrs	Freehold	Freehold	Freehold
Estimated Net Yield Rate	6.2%	6.7%	5.2%	6.8%

(Source: CBRE | WTW Research)

The above analysis revealed yields ranging from 5.2% to 6.8%. Our research on the yield trend revealed that yields of industrial premise are under further compression due to the moderate Malaysian economy, slower capital market activity and 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income. For dormitories, we have adopted the term and reversionary yields at 6.00% and 6.50% respectively.

VALUATION CERTIFICATES (Cont'd)



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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 either from Valuation and Property Services Department (JPPH), Bursa Malaysia, Company Announcement or concluded sales (SPA) which can be relied upon with significant level of certainty.

Cost Approach

We have also considered the Cost Approach in our valuation for the dormitories as they are purpose-built workers' dormitory that are rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

Cost Approach was adopted for the properties which are specialised in nature and those are rarely traded in the market, e.g. a purpose-built workers' dormitory, a parcel of industrial land with uncompleted building structures as well as a parcel of land presently undergoing the construction of workers' dormitory and supporting buildings.

In essence, Cost Approach entails the summation of the market value of land and Depreciated Replacement Cost of the building. The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics. The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation.

Cost Approach is the common method as it can be applied to wide range of assets. It is based on the economic theory of substitution - that a buyer will pay no more for the subject property than the cost of acquiring an asset of equal utility, whether by purchase or by construction. It is also based on the principle of substitution, i.e. that unless undue time, inconvenience, risk or other factors are involved, the price that a buyer in the market would pay for the asset being valued would not be more than the cost to construct an equivalent asset.

In arriving at the replacement cost of the buildings and other site improvements, we have taken into account and adopted the industry average costs as derived from analysis of contracts awarded for the construction of similar type of development components, current cost estimates by quantity surveyors according to Juru Ukur Bahan Malaysia (JUBM) construction cost handbook and counter-checked against the actual cost incurred for the subject property itself. Upon determination of the construction cost new, a depreciation factor of between 2% per annum has been adopted and deducted from the construction cost new to arrive at the Depreciated Replacement Cost of the buildings and other site improvements. The depreciation rate is tied to the industry norm life span of buildings of 60 years.

VALUATION CERTIFICATES (Cont'd)



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OPINION OF VALUE

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

No.	Property Details	Market Value
1	Lot 98840 (Formerly PTD 106944), Mukim of Kulai, District of Kulai, Johor [No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265H/21/JTZ)	RM7,000,000/-
2	Lot 98842 (Formerly PTD 106946), Mukim of Kulai, District of Kulai, Johor [No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265J/21/KZX)	RM7,000,000/-
3	Lot 98843 (Formerly PTD 106947), Mukim of Kulai, District of Kulai, Johor [No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265K/21/KZX)	RM7,000,000/-
4	Lot 98856 (Formerly PTD 106960), Mukim of Kulai, District of Kulai, Johor [No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265L/21/KZX)	RM7,000,000/-
5	Lot No. PTD 107695, Mukim of Kulai, District of Kulai, Johor [No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265M/21/MNH)	RM7,000,000/-
6	Lot No. PTD 107694, Mukim of Kulai, District of Kulai, Johor [No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265N/21/MNH)	RM17,000,000/-
7	PTD 107697, Mukim of Kulai, District of Kulai, Johor [No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265O/21/JTZ)	RM17,000,000/-
8	Lot 98828 (Formerly PTD 106932), Mukim of Kulai, District of Kulai, Johor [No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265P/21/KZX)	RM14,000,000/-
9	Lot 98827 (Formerly PTD 106931), Mukim of Kulai, District of Kulai, Johor [No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265Q/21/KZX)	RM14,000,000/-

VALUATION CERTIFICATES (Cont'd)



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OPINION OF VALUE (Cont'd)

No.	Property Details	Market Value
10	Lot No. PTD 107908, Mukim of Kulai, District of Kulai, Johor [No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory (Our Ref : WTW/04/V/009265R/21/KZX)	RM7,000,000/-
11	PTD 112746, Mukim of Senai, District of Kulai, Johor [No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265S/21/ABL)	RM14,000,000/-
12	PTD 112747, Mukim of Senai, District of Kulai, Johor [No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265T/21/ABL)	RM14,000,000/-
13	PTD 112829, Mukim of Senai, District of Kulai, Johor [No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265U/21/ABL)	RM47,000,000/-
14	PTD 203569, Mukim of Tebrau, District of Johor Bahru, Johor [No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265V/21/ABL)	RM17,000,000/-
15	PTD 204026, Mukim of Tebrau, District of Johor Bahru, Johor [No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265W/21/ABL)	RM17,000,000/-
16	PTD 198653, Mukim of Tebrau, District of Johor Bahru, Johor [No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265X/21/ABL)	RM23,000,000/-
17	PTD 112754, Mukim of Senai, District of Kulai, Johor [No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265Y/21/ABL)	RM14,000,000/-
18	PTD 112753, Mukim of Senai, District of Kulai, Johor [No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265Z/21/ABL)	RM14,000,000/-

VALUATION CERTIFICATES (Cont'd)



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OPINION OF VALUE (Cont'd)

No.	Property Details	Market Value
19	PTD 196174, Mukim of Tebrau, District of Johor Bahru, Johor [No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AA/21/ABL)	RM8,000,000/-
20	PTD 196173, Mukim of Tebrau, District of Johor Bahru, Johor [No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AB/21/ABL)	RM7,000,000/-
21	PTD 196180, Mukim of Tebrau, District of Johor Bahru, Johor [No. 13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AC/21/ABL)	RM8,000,000/-
22	PTD 112760, Mukim of Senai, District of Kulai, Johor [No. 40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AD/21/ABL)	RM8,000,000/-
23	Lot Nos. PTD 7669 and PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] Two (2) contiguous units of single storey detached factory with 3-storey office and other ancillary buildings (Our Ref : WTW/04/V/009265B/21/GKN)	RM24,000,000/-
24	Lot 98834 (Formerly PTD 106938), Mukim of Kulai, District of Kulai, Johor [No. 12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265C/21/JTZ)	RM21,000,000/-
25	Lot No. PTD 7672, Mukim of Jelutong, District of Johor Bahru, Johor [No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] A single storey detached factory with 3-storey office and other ancillary buildings (Our Ref : WTW/04/V/009265D/21/GKN)	RM13,000,000/-
26	PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor [No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor] A single storey detached factory together with an office annex and other ancillary buildings (Our Ref : WTW/04/V/009265E/21/MNH)	RM38,000,000/-
27	Lot 98833 (Formerly PTD 106937), Mukim of Kulai, District of Kulai, Johor [Along Jalan Seroja 28/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A parcel of building land built upon with two (2) blocks of 5-storey walk-up workers' dormitory, a 2-storey facilities block and other ancillary buildings (Our Ref : WTW/04/V/009265F/21/JTZ)	RM45,000,000/-

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OPINION OF VALUE (Cont'd)

No.	Property Details	Market Value
28	Lot 98837 (Formerly PTD 106941), Mukim of Kulai, District of Kulai, Johor [PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory and other ancillary buildings (Our Ref : WTW/04/V/009265G/21/JTZ)	RM45,000,000/-
29	PTD 112778, Mukim of Senai, District of Kulai, Johor [No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory, a 2-storey shop and other ancillary buildings (Our Ref : WTW/04/V/009265AE/21/JTZ)	RM45,000,000/-
30	PTD 112781, Mukim of Senai, District of Kulai, Johor [No. 48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AF/21/ABL)	RM21,000,000/-
31	Lot Nos. PTD 7376 and PTD 7377, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] Two (2) adjoining units of 1½ storey semi-detached factory (Our Ref : WTW/04/V/009265AG/21/GKN)	RM6,500,000/-
32	Lot No. PTD 7379, Mukim of Jelutong, District of Johor Bahru, Johor [No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] A 1½ storey semi-detached factory (Our Ref : WTW/04/V/009265AI/21/GKN)	RM3,500,000/-
Grand Total		RM557,000,000/-

Yours faithfully
for and on behalf of
C H Williams Talhar & Wong Sdn Bhd

Sr LO KIN WENG
B. (Hons) Estate Mgt. MRICS, MRISM, MPEPS
RICS Registered Valuer
Registered Valuer (V-917)

VALUATION CERTIFICATES (Cont'd)



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CERTIFICATES OF VALUATION

- 1. No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor**
(Our Ref : WTW/04/V/009265H/21/JTZ)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580211 (Formerly HSD 62256)
Lot No.	:	Lot 98840 (Formerly PTD 106944), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.5229 hectare (5,229 square metres / 1.292 acres)
Gross Floor Area	:	2,657 square metres (28,600 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	LKL Industries Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0666 dated 26 February 2014. The buildings are approximately 7 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to HID Global Sdn Bhd.

Vide the Tenancy Agreement dated 18 October 2016 entered between LKL Industries Sdn Bhd ("the Landlord") and HID Global Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 17 June 2019, both parties have mutually agreed among others the Lease Term shall be renewed for further term of three (3) years ("Renewed Period").

PLANNING PROVISION

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

VALUATION CERTIFICATES (Cont'd)



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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, negative factor, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM315 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM315 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM7,000,000/-
Comparison Approach	RM7,500,000/-

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/tenancy with the lessee/tenant, 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 **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



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2. No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265J/21/KZX)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580213 (Formerly HSD 62258)
Lot No.	:	Lot 98842 (Formerly PTD 106946), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4048 hectare (4,047.9 square metres / 1.00 acre)
Gross Floor Area	:	2,645 square metres (28,471 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/0907 dated 1 November 2012. The buildings are approximately 9 years old .

OCCUPATION

At the time of our inspection, the subject property was leased to Cam Plas (Johor) Sdn Bhd.

Vide the Agreement to Lease dated 20 July 2017 entered between AME Development Sdn Bhd ("the Lessor") and Cam Plas (Johor) Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed six (6) years and (3) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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.

PLANNING PROVISION

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

VALUATION CERTIFICATES (Cont'd)



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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



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3. No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
(Our Ref : WTW/04/V/009265K/21/KZX)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580214 (Formerly HSD 62259)
Lot No.	:	Lot 98843 (Formerly PTD 106947), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4048 hectare (4,047.9 square metres / 1.00 acre)
Gross Floor Area	:	2,634 square metres (28,352 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a bin centre and a TNB sub-station.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/0850 dated 12 July 2013. The buildings are approximately 8 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Nippon Kinzoku (Malaysia) Sdn Bhd.

Vide the Agreement to Lease dated 7 February 2013 entered between AME Development Sdn Bhd ("the Lessor") and Nippon Kinzoku (Malaysia) Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years.

By a lease renewal letter dated 8 February 2018, the Lessor has confirmed that the Lease Term shall be renewed for further term of five (5) years ("Renewed Period").

PLANNING PROVISION

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

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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4. No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265L/21/KZX)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580180 (Formerly HSD 62272)
Lot No.	:	Lot 98856 (Formerly PTD 106960), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4437 hectare (4,437 square metres / 1.096 acre)
Gross Floor Area	:	2,645 square metres (28,471 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

Note :

* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/09-87 dated 1 October 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).

Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/0669 dated 26 February 2014. The buildings are approximately 7 years old .

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION

At the time of our inspection, the subject property was leased to Samwoo Colorants (Malaysia) Sdn Bhd.

Vide the Agreement to Lease dated 24 December 2020 entered between AME Development Sdn Bhd ("the Lessor") and Samwoo Colorants (Malaysia) Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years and one (1) month.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years ("Renewed Period"). The option to renew shall be exercised by the Lessee by written notice to the Landlord 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 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.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 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)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to sell, lease, transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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5. No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265M/21/MNH)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 63620
Lot No.	:	PTD 107695, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.4217 hectare (4,217 square metres / 1.042 acres)
Gross Floor Area	:	2,554 square metres (27,491 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

Note :

* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJP.606/09-107 dated 22 May 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).

Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1133 dated 14 January 2016. The buildings are approximately 5 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to W & S Plastics (Malaysia) Sdn Bhd.

Vide the Tenancy Agreement dated 10 March 2016 entered between AME Development Sdn Bhd ("the Landlord") and W & S Plastics (Malaysia) Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 23 April 2018, the Landlord and the Tenant have mutually agreed among others the Lease Term shall be renewed for further term of three (3) years ("Renewed Period").

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to sell, lease, transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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6. No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
(Our Ref : WTW/04/V/009265N/21/MNH)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 63619
Lot No.	:	PTD 107694, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.9445 hectare (9,445 square metres / 2.334 acres)
Gross Floor Area	:	6,466 square metres (69,599 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Active Gold Services Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a TNB sub-station, a pump room and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

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

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/1113 dated 14 May 2015. The buildings are approximately 6 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Schiavello Manufacturing (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 2 December 2014 entered between AME Development Sdn Bhd ("the Lessor") and Prima Furniture (Aust) Ptd Ltd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed four (4) years. The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) years each totalling six (6) years ("Renewed Period"). The option to renew shall be deemed to have been automatically exercised by the Lessee.

Vide the Novation Agreement dated 24 April 2015 entered between AME Development Sdn Bhd ("the Lessor"), Prima Furniture (Aust) Pte Ltd ("the Existing Lessee") and Schiavello Manufacturing (Malaysia) Sdn Bhd ("the New Lessee"), the Existing Lessee is desirous to be released and discharged from the contract contained in the Lease Agreement and the Lessor has agreed to release and discharge the Existing Lessee upon the New Lessee's undertaking to be bound by the terms of the Lease Agreement in place of the Existing Lessee.

Vide the Novation Agreement dated 21 June 2016 entered between AME Development Sdn Bhd ("Existing Lessor"), Active Gold Services Sdn Bhd ("the New Lessor") and Schiavello Manufacturing (Malaysia) Sdn Bhd ("the Lessee"), the Existing Lessor is desirous to be released and discharged from the contract contained in the Lease Agreement and the Lessee has agreed to release and discharge the Existing Lessor upon the New Lessor's undertaking to be bound by the terms of the Lease Agreement in place of the Existing Lessor.

By a lease renewal letter dated 15 January 2019, the Lessor and the Lessee have mutually agreed among others the Lease Term shall be renewed for further term of three (3) years ("Renewed Period").

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM17,000,000/-
Comparison Approach	RM18,500,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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7. No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265O/21/JTZ)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 63622
Lot No.	:	PTD 107697, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.8727 hectare (8,727 square metres / 2.156 acres)
Gross Floor Area	:	5,709 square metres (61,451 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

Note :

* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKLP.606/09-107 dated 22 May 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).

Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/1503 dated 22 December 2016. The buildings are approximately 5 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Merlin Entertainments Studios (M) Sdn Bhd.

Vide the Tenancy Agreement dated 9 November 2017 entered between AME Development Sdn Bhd ("the Landlord") and Merlin Entertainments Studios (Malaysia) Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (i) Fixed three (3) years from expiration of the Tenancy Term ("First Renewed Period"); and
- (ii) Fixed three (3) years from expiration of the First Renewed Period ("Second Renewed Period").

The option to renew for the First Renewed Period shall deemed to be automatically exercised by the Tenant.

The option to renew for the Second Renewed Period shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the Expiration Date of the First Renewed Period ("Notice of Renewal") and the Agreed Rental for the Second Renewed Period shall be at the prevailing market rate but to be mutually agreed upon by the Parties in writing with maximum increment not more than 10% of the Agreed Rental for the 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.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.65 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM374 psf	RM313 psf	RM301 psf	RM307 psf

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM374 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM310 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)	RM17,000,000/-
Comparison Approach	RM18,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to sell, lease, transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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8. No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265P/21/KZX)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580233 (Formerly HSD 62246)
Lot No.	:	Lot 98828 (Formerly PTD 106932), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.8499 hectare (8,499 square metres / 2.10 acres)
Gross Floor Area	:	5,482 square metres (59,008 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a bin centre, a TNB sub-station and a pump room.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/0644 dated 4 October 2013. The buildings are approximately 8 years old .

OCCUPATION

At the time of our inspection, the subject property was tenanted to GN Resound A/S.

Vide the Tenancy Agreement dated 10 February 2014 entered between AME Development Sdn Bhd ("the Landlord") and GN Resound A/S ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 8 February 2018, both parties have mutually agreed among others whereby: -
 (a) the existing Tenancy Term of 3 years has been automatically renewed for a further one (1) year;
 (b) a further Renewed Period of two (2) years ("Second Renewed Period");
 (c) upon expiry of the Second Renewed Period, shall be automatically renewed for a further Renewed Period of three (3) years ("Third Renewed Period").

PLANNING PROVISION

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

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM14,000,000/-
Comparison Approach	RM15,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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9. No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265Q/21/KZX)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580232 (Formerly HSD 62245)
Lot No.	:	Lot 98827 (Formerly PTD 106931), Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.8463 hectare (8,463 square metres / 2.091 acres)
Gross Floor Area	:	5,436 square metres (58,513 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a bin centre and a TNB sub-station.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/0641 dated 8 October 2013. The buildings are approximately 8 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Heraeus Materials Malaysia Sdn Bhd.

Vide the Agreement to Lease dated 1 March 2013 entered between AME Development Sdn Bhd ("the Lessor") and Heraeus Materials Malaysia Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years.

By a lease renewal letter dated 11 April 2018, both parties have mutually agreed amongst others whereby: -

- (a) a further Renewed Period of five (5) years ("First Renewed Period");
- (b) Subject to the Lessee being in compliance with all its obligations, under the Lease Agreement, the Lessor thereby agreed to grant to the Lessee a Second Option to Renew for five (5) years ("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 of the First Renewed Period.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM14,000,000/-
Comparison Approach	RM15,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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10. No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265R/21/KZX)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory
Address	:	No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	HSD 64402
Lot No.	:	PTD 107908, Mukim of Kulai, District of Kulai, Johor
Land Area	:	0.5247 hectare (5,247 square metres / 1.296 acres)
Gross Floor Area	:	3,002 square metres (32,313 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

Note :

* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/09-116 dated 14 December 2016 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).

Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has ground to eaves height of about 12.0-metre whilst the floor loads are 20kN/m² and 2.5kN/m² for the factory and office areas respectively.

The bin centre is basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting with reinforced concrete flat roof.

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/1565 dated 27 July 2017. The buildings are approximately 4 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Bericap Malaysia Sdn Bhd.

Vide the Lease Agreement dated 23 January 2017 entered between Axis AME IP Sdn Bhd ("the Lessor") and Bericap Malaysia Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years and two (2) months.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

The Lessor agreed 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate to be mutually agreed upon by the parties in writing.

By a Sale and Purchase Agreement and Power of Attorney dated 15 December 2016 entered into between Axis AME IP Sdn Bhd ("the Developer / Donor") and AME Development Sdn Bhd ("the Purchaser / Donee") to attorn, transfer and assign absolutely to the Purchaser all the Vendor's rights, title and interest under the Lease Agreement and the full benefits and advantages granted thereby together with the transfer of all liabilities and obligations and all stipulations therein contained.

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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, negative factor, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM315 psf	RM297 psf	RM286 psf	RM292 psf

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM315 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 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)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to sell, lease, transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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11. No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265S/21/ABL)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75859
Lot No.	:	PTD 112746, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7348 hectare (7,348.3 square metres / 1.816 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/2017 dated 15 January 2019. The age of the buildings is approximately 2 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Mytech & Assembly Sdn Bhd.

Vide the Tenancy Agreement dated 15 October 2018 entered between Ipark Development Sdn Bhd ("the Landlord") and Mytech & Assembly Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of three (3) years ("Renewed Period") and both parties have mutually agreed a further Renewed Period of one (1) year vide a tenancy renewal letter dated 20 July 2020.

PLANNING PROVISION

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

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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12. No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265T/21/ABL)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75860
Lot No.	:	PTD 112747, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7348 hectare (7,348.3 square metres / 1.816 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/2018 dated 15 November 2018. The age of the buildings is approximately 3 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Mytech & Assembly Sdn Bhd.

Vide the Tenancy Agreement dated 15 October 2018 entered between Ipark Development Sdn Bhd ("the Landlord") and Mytech & Assembly Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of three (3) years ("Renewed Period") and both parties have mutually agreed a further Renewed Period of one (1) year and two (2) months vide a tenancy renewal letter dated 20 July 2020.

PLANNING PROVISION

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

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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13. No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265U/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 76888
Lot No.	:	PTD 112829, Mukim of Senai, District of Kulai, Johor
Land Area	:	1.5245 hectares (15,244.9 square metres / 3.767 acres)
Gross Floor Area	:	11,683 square metres (125,755 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a bulk chemical store, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/2050 dated 28 July 2019. The age of the buildings is approximately 2 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Dyson Manufacturing Sdn Bhd.

Vide the Lease Agreement dated 2 October 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and Dyson Manufacturing 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 for a Lease Term of fixed ten (10) years and eighteen (18) weeks.

Subject to the terms and conditions of the agreement and upon request by the Lessee, the Lessor has agreed to provide and install the following facilities at the subject property (collectively "the Systems"):

- (a) HT System; and
- (b) Chilled Water Supply System,

whereby the Lessee has agreed to lease the Systems and the Agreed Rental shall include the monthly rental for the Systems.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing with increment of not more than 15% of the Agreed Rental paid during the last Lease 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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM2.00 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and specification of the building			
Adjusted Value / MFA (RM psf)	RM433 psf	RM363 psf	RM349 psf	RM353 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM349 to RM433 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM355 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM47,000,000/-
Comparison Approach	RM42,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM47,000,000/- (Ringgit Malaysia : Forty Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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14. No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265V/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 596298
Lot No.	:	PTD 203569, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	1.0458 hectares (10,457.7 square metres / 2.584 acres)
Gross Floor Area	:	6,662 square metres (71,709 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/1880 dated 15 January 2019. The age of the buildings is approximately 2 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Lyreco Office Supplies (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 25 April 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and Lyreco Office Supplies (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 for a Lease Term of fixed six (6) years and three (3) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM17,000,000/-
Comparison Approach	RM18,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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15. No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265W/21/ABL)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 604384
Lot No.	:	PTD 204026, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	1.0684 hectares (10,683.7 square metres / 2.640 acres)
Gross Floor Area	:	6,500 square metres (69,965 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/1881 dated 25 April 2019. The age of the buildings is approximately 2 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to DHL Express (Malaysia) Sdn Bhd.

Vide the Premises Lease Agreement [Plot 1B1] and Lease Agreement [Plot 1B3-A1] both dated 3 May 2019 entered between Ipark Development Sdn Bhd ("the Lessor") and DHL Express (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 for a Lease Term of fixed ten (10) years and four (4) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value. Besides, we have also adopted the market rental of RM0.50 per square feet per month for the extra vacant land area based on our market rent survey of similar vacant industrial land.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)**II. COMPARISON APPROACH** (Cont'd)

Location	Land Area	Consideration	Date
PTD 203568, i-Park @ SAC, Senai	96,482 sq. feet	RM7,718,649/-	06/05/20
PTD 204070, i-Park @ SAC, Senai	259,903 sq. feet	RM18,193,054/-	06/12/19
PTD 112758 & PTD 112759, i-Park @ SAC, Senai	85,056 sq. feet	RM6,804,398/-	27/04/19

Based on our survey and analysis, the vacant industrial lands in the vicinity were transacted in the region of RM70 to RM80 per square foot. Therefore, we have adopted the land value of RM80 per square foot for the extra vacant land after adjustments made for differences in time/market condition and size.

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)	RM17,000,000/-
Comparison Approach	RM18,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM17,000,000/- (Ringgit Malaysia : Seventeen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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16. No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
(Our Ref : WTW/04/V/009265X/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 587217
Lot No.	:	PTD 198653, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.9007 hectare (9,006.9 square metres / 2.226 acres)
Gross Floor Area	:	6,983 square metres (75,164 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 9.0-metre whilst the floor loads are 20 to 50kN/m² and 2.5kN/m² for the factory and office areas respectively.

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

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/2290 dated 31 December 2020. The age of the buildings is approximately 1 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to AAC Technologies (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 20 January 2020 entered 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 for a Lease Term of fixed ten (10) years plus two (2) months rent free period.

Upon request by the Lessee, the Lessor has provided and installed the following additional works at the subject building: -

- Vibration dampener trench;
- 5 ton/m² reinforced concrete flooring;
- Sika floor hardener (Sikafloor®-3 QuartzTop); and
- High Tension (HT) power supply.

Based on the additional works provided by the Lessor and subject to the terms and conditions in the agreement, the Lessee agreed that Agreed Rental shall include the monthly installment for additional works.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both 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.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.80 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM374 psf	RM346 psf	RM333 psf	RM338 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM333 to RM374 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM340 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM23,000,000/-
Comparison Approach	RM23,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM23,000,000/- (Ringgit Malaysia : Twenty Three Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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17. No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265Y/21/ABL)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75867
Lot No.	:	PTD 112754, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7897 hectare (7,896.8 square metres / 1.951 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/1860 dated 22 May 2018. The age of the buildings is approximately 3 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to TEK Automotive Malaysia Sdn Bhd.

Vide the Lease Agreement dated 2 March 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and TEK Automotive 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 for a Lease Term of fixed five (5) years and two (2) months.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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18. No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
(Our Ref : WTW/04/V/009265Z/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75866
Lot No.	:	PTD 112753, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.7348 hectare (7,348.3 square metres / 1.816 acres)
Gross Floor Area	:	5,379 square metres (57,899 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/2025 dated 29 May 2019. The age of the buildings is approximately 2 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Weidmuller (Malaysia) Sdn Bhd.

Vide the Tenancy Agreement dated 8 October 2018 entered between Ipark Development Sdn Bhd ("the Landlord") and Weidmuller (Malaysia) Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further terms ("Renewed Period") as follows: -

- (a) First Renewed Period - Fixed term of three (3) years
At the prevailing market rate but to be mutually agreed upon by the Parties in writing but any increase shall not exceed 10% of the Agreed Rental paid during the Tenancy Term
- (b) Second Renewed Period - Fixed term of three (3) years
At the prevailing market rate but to be mutually agreed upon by the Parties in writing but any increase shall not exceed 10% of the Agreed Rental paid during the First Renewed Period
- (c) Third Renewed Period - Fixed term of one (1) year
According to the Agreed Rental paid during the Second Renewed Period

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

The option to renew for the First Renewed Period and Second Renewed Period shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the expiry of the Tenancy Term ("First Notice of Renewal") and First Renewed Period ("Second Notice of Renewal") respectively. Upon the Tenant's exercise of the second option to renew, both parties agreed that the Second Renewed Period shall be automatically renewed for further term of one (1) year each ("Third 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.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM297 psf	RM286 psf	RM292 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM286 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM290 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM14,000,000/-
Comparison Approach	RM15,500,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM14,000,000/- (Ringgit Malaysia : Fourteen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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19. No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265AA/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 580789
Lot No.	:	PTD 196174, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.3999 hectare (3,998.5 square metres / 0.988 acre)
Gross Floor Area	:	2,946 square metres (31,710 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/1697 dated 28 May 2018. The age of the buildings is approximately 3 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Polycore Optical (Malaysia) Sdn Bhd.

Vide the Tenancy Agreement dated 13 June 2018 entered between Ipark Development Sdn Bhd ("the Landlord") and Polycore Optical (Malaysia) Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed four (4) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of fixed two (2) years ("Renewed Period"). The option to renew shall be exercised by the Tenant by written notice to the Landlord 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 as may be mutually agreed by both Parties in writing.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM8,000,000/-
Comparison Approach	RM9,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM8,000,000/- (Ringgit Malaysia : Eight Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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20. No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265AB/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 580788
Lot No.	:	PTD 196173, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.3999 hectare (3,998.5 square metres / 0.988 acre)
Gross Floor Area	:	2,753 square metres (29,633 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office and a guard house.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered 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/1903 dated 4 November 2018. The age of the buildings is approximately 3 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Federal Express Services (M) Sdn Bhd.

Vide the Lease Agreement dated 27 March 2018 entered between Ipark Development Sdn Bhd ("the Lessor") and Federal Express Services (M) 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 for a Lease Term of fixed ten (10) years.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM7,000,000/-
Comparison Approach	RM8,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM7,000,000/- (Ringgit Malaysia : Seven Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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21. No. 13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265AC/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 580795
Lot No.	:	PTD 196180, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	0.3999 hectare (3,998.5 square metres / 0.988 acre)
Gross Floor Area	:	2,946 square metres (31,710 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/1862 dated 31 May 2018. The age of the buildings is approximately 3 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to PPC Moulding Services (Malaysia) Sdn Bhd.

Vide the Lease Agreement dated 23 December 2019 entered between Ipark Development Sdn Bhd ("the Lessor") and PPC Moulding Services (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 for a Lease Term of fixed six (6) years.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	lpark Development Sdn Bhd	Symphony Square Sdn Bhd	lpark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM8,000,000/-
Comparison Approach	RM9,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM8,000,000/- (Ringgit Malaysia : Eight Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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22. No. 40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265AD/21/ABL)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 75873
Lot No.	:	PTD 112760, Mukim of Senai, District of Kulai, Johor
Land Area	:	0.3951 hectare (3,950.9 square metres / 0.9763 acre)
Gross Floor Area	:	2,891 square metres (31,118 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

Note :

* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/09/163 dated 20 January 2021 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).

Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/2329 dated 25 November 2020. The age of the buildings is approximately 1 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Hochuen Medical Sdn Bhd.

Vide the Lease Agreement dated 25 February 2021 entered between Ipark Development Sdn Bhd ("the Lessor") and Hochuen Medical 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 for a Lease Term of fixed twelve (12) years and three (3) months.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both 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.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.60 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM354 psf	RM330 psf	RM317 psf	RM323 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM317 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM325 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM8,000,000/-
Comparison Approach	RM9,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to sell, lease, transfer and free from all encumbrances at **RM8,000,000/- (Ringgit Malaysia : Eight Million Only).**

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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23. Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
 (Our Ref : WTW/04/V/009265B/21/GKN)

PROPERTY IDENTIFICATION

The Subject Property	:	Two (2) contiguous units of single storey detached factory with 3-storey office and other ancillary buildings
Address	:	Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Title Nos.	:	HSD 535650 & HSD 535652 respectively
Lot Nos.	:	PTD 7669 & PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor
Land Area	:	0.504 hectare (5,040 square metres / 1.245 acres) each
Gross Floor Area	:	4,249 square metres (45,736 square feet) each
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietors	:	<u>PTD 7669</u> Symphony Square Sdn Bhd <u>PTD 7670</u> Twin Sunrich Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises two (2) contiguous units of single storey detached factory with 3-storey office and other ancillary buildings.

The single storey detached factory with 3-storey office are basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. The buildings have ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m², 10kN/m² and 2.5kN/m² for the factory, production and office areas respectively.

Other ancillary buildings include a TNB sub-station and a guard house. These buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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 Nos. LJM/J/1114 and LJM/J/1177 dated 31 May 2015 and 30 August 2015 respectively. The age of the buildings is approximately 6 years old.

OCCUPATION

At the time of our inspection, the subject property was leased to Westrock Coffee & Tea Malaysia Sdn Bhd.

Vide the Agreement to Lease both dated 21 January 2021 entered between Symphony Square Sdn Bhd & Twin Sunrich Sdn Bhd ("the Proprietors"), AME Development Sdn Bhd ("the Lessor") and Westrock Coffee & Tea Malaysia Sdn Bhd ("the Lessee"), the Proprietor and the Lessor thereby agreed to grant to the Lessee and the Lessee thereby agreed to accept from the Proprietor and the Lessor, a lease of the subject property for a lease term of fixed five (5) years and two (2) months.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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 agreed to grant to the Lessee an option to renew the Lease Term for two (2) further term for a fixed period of five (5) years each ("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 follows: -

- (a) Year 6 to 10 at the prevailing market rate to be mutually agreed upon by the Parties but any increase shall not exceed 15% of the Agreed Rental paid during Year 3 to 5; and
- (b) Year 11 to 15 at the prevailing market rate to be mutually agreed upon by the Parties but any increase shall not exceed 15% of the Agreed Rental paid during Year 6 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.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.70 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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 150565, Mukim of Pulai, District of Johor Bahru, Johor	PTD 4487, PTD 4486 & PTD 4485, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 4475, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 7668, Mukim of Jelutong, District of Johor Bahru, Johor
Address	No. 5, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang	Nos. 1, 3 & 5, Jalan Teknologi Perintis 1, Taman Teknologi Nusajaya	No. 14, Jalan Teknologi Perintis 1/3, Taman Teknologi Nusajaya	No. 21, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	5,719 sqm	14,674 sqm	6,585 sqm	5,040 sqm
Main Floor Area	3,214 sqm	9,726 sqm	3,908 sqm	4,009 sqm
Date	11/05/2020	13/08/2019	13/08/2019	31/07/2019
Vendor	AME Manufacturing Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Symphony Square Sdn Bhd
Purchaser	Intec Precision Engineering Sdn Bhd	RHB Trustees Berhad	RHB Trustees Berhad	Owen Mumford Sdn Bhd
Consideration	RM10,200,000/-	RM42,000,000/-	RM13,800,000/-	RM14,300,000/-
Analysis Value / MFA (RM psm)	RM3,174 psm	RM4,318 psm	RM3,531 psm	RM3,567 psm
Analysis Value / MFA (RM psf)	RM295 psf	RM401 psf	RM328 psf	RM331 psf
Adjustments	Adjustments are made on time/market condition, location/accessibility, size, age & condition of the building			
Adjusted Value / MFA (RM psf)	RM324 psf	RM343 psf	RM265 psf	RM315 psf

VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)**II. COMPARISON APPROACH (Cont'd)**

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM265 to RM343 per square foot. We have placed greater emphasis on Comparable Nos. 1, 2 and 4 as they are among the latest transactions and located in close vicinity 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)	RM24,000,000/-
Comparison Approach	RM28,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM24,000,000/- (Ringgit Malaysia : Twenty Four Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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24. No. 12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
 (Our Ref : WTW/04/V/009265C/21/JTZ)

TERMS OF REFERENCE

Vide the Sale and Purchase Agreement to be entered between AME Development Sdn Bhd ("Vendor") and RHB Trustees Berhad ("Purchaser"), the Purchaser is desirous of acquiring the AME Properties, which include amongst others, the subject property from the Vendor upon the terms therein in conjunction with the establishment of AME REIT.

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 B ("Approved Building Plans") and with CCC obtained;
- (iii) without vacant possession on the basis that the Subject Property is built in accordance with the specifications and requirements as agreed upon in the Tenancy between the Vendor and the Tenant;
- (iv) to be occupied by the Tenant with all its rights, benefits and obligations remaining intact;
- (v) free from Encumbrances save for the Tenancy and such Encumbrances which the Parties acknowledge shall continue to subsist after Completion and as disclosed in Section 1 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 end December 2021.

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 CCC BY THE RELEVANT AUTHORITIES.

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON THE ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580207 (Formerly HSD 62252)
Lot No.	:	Lot 98834 (Formerly PTD 106938), Mukim of Kulai, District of Kulai, Johor
Land Area	:	1.2665 hectares (12,665 square metres or 3.130 acres)
Gross Floor Area	:	8,472 square metres (91,192 square feet)
Tenure	:	Freehold / Term In Perpetuity

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PROPERTY IDENTIFICATION (Cont'd)

Registered Proprietor : AME Development Sdn Bhd

Category of Land Use : Perusahaan / Perindustrian

Title Status : Lot Untuk Bumiputra *

Note :

* *The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/09-87 dated 9 August 2017 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.*

Following the Johor state practice, no application will be made to the relevant land offices to remove the restriction-in-interest as well as Bumiputra endorsement on the document of title. The Bumiputra units are allow to be transferred to the Non-Bumiputra once the Bumiputra release approval letter is obtained from the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan).

Our enquiries with the Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) clarified that the units referred to in the approval letter caters for both vacant lands and developed units.

GENERAL DESCRIPTION

The subject property will comprise a single storey detached factory with mezzanine office, a TNB sub-station, a guard house and a bin centre.

The single storey detached factory with mezzanine office will be constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. 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, plastered brickwalls supporting a concrete flat roof / metal pitched roof.

At the time of our inspection, we noted that the subject site was undergoing building construction works. We further noted that a TNB sub-station was erected at the south-western edge of the subject site.

OCCUPATION

Vide the Lease Agreement dated 27 July 2021 entered between AME Development Sdn Bhd ("the Lessor") and Bericap Malaysia Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed six (6) years.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed three (3) 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 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 light 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 CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.45 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent and estimated expenses for assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, land use, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM236 psf	RM231 psf	RM222 psf	RM230 psf

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM222 to RM236 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM230 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)	RM21,000,000/-
Comparison Approach	RM21,000,000/-

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/tenancy with the lessee/tenant, 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 / ADDITIONAL ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to sell, lease, transfer and free from all encumbrances at **RM21,000,000/- (Ringgit Malaysia : Twenty One Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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25. No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
 (Our Ref : WTW/04/V/009265D/21/GKN)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with 3-storey office and other ancillary buildings
Address	:	No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Title No.	:	HSD 535654
Lot No.	:	PTD 7672, Mukim of Jelutong, District of Johor Bahru, Johor
Land Area	:	0.524 hectare (5,040 square metres / 1.245 acres)
Gross Floor Area	:	4,249 square metres (45,736 square feet) each
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Twin Sunrich Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with 3-storey office and other ancillary buildings.

The single storey detached factory with 3-storey office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. The building has ground to eaves height of about 9.0-metre whilst the floor loads are 20kN/m², 10kN/m² and 2.5kN/m² for the factory, production and office areas respectively.

Other ancillary buildings include a TNB sub-station and a guard house. These buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/1177 dated 30 August 2015 respectively. The age of the buildings is approximately 6 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Ametalin Sdn Bhd.

Vide the Tenancy Agreement dated 13 August 2015 entered between Twin Sunrich Sdn Bhd ("the Landlord") and Ametalin Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

By a tenancy renewal letter dated 21 September 2018, both parties have mutually agreed among others the Tenancy Term shall be renewed for further term of fixed three (3) years ("Renewed Period").

Subsequently vide another letter dated 16 January 2021, the Landlord thereby agreed to grant to the Tenant a further option to renew the First Renewed Period and revised the Tenancy Agreement to incorporate the following: -

- (a) Second Option To Renew for a fixed term of one (1) year ("Second Renewed Period");
- (b) Third Option To Renew for a fixed term of one (1) year ("Third Renewed Period"); and
- (c) Fourth Option To Renew for a fixed term of one (1) year ("Fourth Renewed Period").

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

Whereby the Second, Third and Fourth Option To Renew shall be deemed as exercised by the Tenant and automatically renewed unless a written notice of non-renewal is issued by the Tenant and received by the Landlord at least six (6) months prior to the expiry of the Second, Third and Fourth Renewed Period respectively.

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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.70 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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 150565, Mukim of Pulai, District of Johor Bahru, Johor	PTD 4487, PTD 4486 & PTD 4485, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 4475, Mukim of Tanjung Kupang, District of Johor Bahru, Johor	PTD 7668, Mukim of Jelutong, District of Johor Bahru, Johor
Address	No. 5, Jalan Mega 1/9, Taman Perindustrian Nusa Cemerlang	Nos. 1, 3 & 5, Jalan Teknologi Perintis 1, Taman Teknologi Nusajaya	No. 14, Jalan Teknologi Perintis 1/3, Taman Teknologi Nusajaya	No. 21, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	5,719 sqm	14,674 sqm	6,585 sqm	5,040 sqm
Main Floor Area	3,214 sqm	9,726 sqm	3,908 sqm	4,009 sqm
Date	11/05/2020	13/08/2019	13/08/2019	31/07/2019
Vendor	AME Manufacturing Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Nusajaya Tech Park Sdn Bhd	Symphony Square Sdn Bhd
Purchaser	Intec Precision Engineering Sdn Bhd	RHB Trustees Berhad	RHB Trustees Berhad	Owen Mumford Sdn Bhd
Consideration	RM10,200,000/-	RM42,000,000/-	RM13,800,000/-	RM14,300,000/-
Analysis Value / MFA (RM psm)	RM3,174 psm	RM4,318 psm	RM3,531 psm	RM3,567 psm
Analysis Value / MFA (RM psf)	RM295 psf	RM401 psf	RM328 psf	RM331 psf
Adjustments	Adjustments are made on time/market condition, location/accessibility, size, age & condition of the building			
Adjusted Value / MFA (RM psf)	RM324 psf	RM343 psf	RM265 psf	RM315 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM265 to RM343 per square foot. We have placed greater emphasis on Comparable Nos. 1, 2 and 4 as they are among the latest transactions and located in close vicinity to the subject property.

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

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM13,000,000/-
Comparison Approach	RM14,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM13,000,000/- (Ringgit Malaysia : Thirteen Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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26. No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265E/21/MNH)
PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory together with an office annex and other ancillary buildings
Address	:	No. 18, Jalan Kargo 2, Senai Airport City, 814000 Senai, Johor
Title No.	:	HSD 569755
Lot No.	:	PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor
Land Area	:	1.978 hectares (19,776.797 square metres / 4.887 acres)
Gross Floor Area	:	12,084 square metres (130,071 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory together with an office annex, a guard house, a TNB sub-station, a bin centre and a pump room.

The single storey detached factory together with an office annex is basically constructed of steel portal framework with concrete floors, plastered brickwalls topped with metal cladding supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has ground to eaves height of about 12.0-metre whilst the warehouse floor load is 30kN/m².

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

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/2148 dated 5 July 2020. The buildings are approximately 1 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted/leased to Agility Logistics Sdn Bhd and GN Resound (Malaysia) Sdn Bhd.

a. Agility Logistics Sdn Bhd

Vide the Tenancy Agreement dated 15 April 2021 entered between AME Development Sdn Bhd ("the Landlord") and Agility Logistics Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property as more particularly identified as Plot B in the Layout Plan for a Tenancy Term of fixed three (3) years from the Tenancy Commencement Date (upon the Vacant Possession Date).

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for for further term of not less than two (2) years and up to three (3) years ("Renewed Period").

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)b. GN Resound (Malaysia) Sdn Bhd

Vide the Lease Agreement dated 11 November 2019 entered between AME Development Sdn Bhd ("the Lessor") and GN Resound (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 as more particularly identified as Plot C for Lease Term is for fixed ten (10) years from the Lease Commencement Date (upon the Vacant Possession Date).

The Lessor agreed to grant to the Lessee an option to renew the Lessee Term for further term of three (3) years ("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.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.80 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM313 psf	RM301 psf	RM307 psf

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM301 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM305 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)	RM38,000,000/-
Comparison Approach	RM40,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM38,000,000/- (Ringgit Malaysia : Thirty Eight Million Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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27. Lot 98833, Jalan Seroja 28/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
(Our Ref : WTW/04/V/009265F/21/JTZ)

TERMS OF REFERENCE

Vide the Sale and Purchase Agreement to be entered between AME Development Sdn Bhd ("Vendor") and RHB Trustees Berhad ("Purchaser"), the Purchaser is desirous of acquiring the AME Properties, which include amongst others, the subject property from the Vendor upon the terms therein in conjunction with the establishment of AME REIT.

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 B ("Approved Building Plans") and with CCC obtained;
- (iii) without vacant possession on the basis that the Subject Property is built in accordance with the specifications and requirements as agreed upon in the Tenancy between the Vendor and the Tenant;
- (iv) to be occupied by the Tenant with all its rights, benefits and obligations remaining intact;
- (v) free from Encumbrances save for the Tenancy and such Encumbrances which the Parties acknowledge shall continue to subsist after Completion and as disclosed in Section 1 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 in May 2022.

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 CCC BY THE RELEVANT AUTHORITIES.

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON THE ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)

PROPERTY IDENTIFICATION

The Subject Property	:	A parcel of building land built upon with two (2) blocks of 5-storey walk-up workers' dormitory, a 2-storey facilities block and other ancillary buildings
Location	:	Along Jalan Seroja 28/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
Title No.	:	GRN 580206 (Formerly HSD 62251)
Lot No.	:	Lot 98833 (Formerly PTD 106937), Mukim of Kulai, District of Kulai, Johor
Land Area	:	12,864 square metres (138,467 square feet or 3.179 acres)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	AME Development Sdn Bhd
Category of Land Use	:	Building

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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GENERAL DESCRIPTION

The subject property will comprise two (2) blocks of 5-storey walk-up workers' dormitory, a 2-storey facilities block and other ancillary buildings, i.e. a guard house, a TNB sub-station, two (2) bin centres and a police pit.

The 5-storey walk-up workers' dormitory and 2-storey facilities block will be constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel purlins / metal pitched roof covered over with metal roofing sheets.

Each dorm unit has an approximate gross floor area of 97 square metres and 77 square metres for Type A/A1 and Type B/B1 respectively. The number of dorms unit and gross floor area of each block are summarised as follows: -

Block	No. of Dorms Unit		Gross Floor Area (square metre)
	Type A / A1	Type B / B1	
A1	39	8	10,357
A2	39	9	
B1	50	-	10,858
B2	50	-	
Total	195		21,215

The ancillary buildings will be constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a concrete flat roof / metal pitched roof.

At the time of our inspection, we noted that the subject site was undergoing building construction works. We further noted that the southern edge of the subject site has been improved and erected upon a police pit.

OCCUPATION

Vide the Tenancy Agreement dated 23 July 2021 entered between AME Development Sdn Bhd ("the Landlord") and I-Stay Management Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (i) Three (3) years from expiration of the Tenancy Term ("First Renewed Period");
- (ii) Three (3) years from expiration of the First Renewed Period ("Second Renewed Period"); and
- (iii) Three (3) years from expiration of the Second Renewed Period ("Third Renewed Period").

The option to renew shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the Expiration Date Provided Always the Agreed Rental for the Renewed Period shall be renegotiated and mutually agreed upon at least three (3) months prior to the Expiration Date.

PLANNING PROVISION

The subject property is designated for commercial / workers' dormitory 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 and Cost Approach are used as a check.

VALUATION CERTIFICATES (Cont'd)



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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.
Reversionary Rental	We have adopted a gross market rental rate of RM130 per bed (master lease arrangement) which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent and estimated expenses for assessment and fire insurance premium whilst for the costs of repair as well as maintenance and property management fees are based on 5% and 2% of gross annual rental respectively which is in line with the market analysis.
Void	We have adopted 10% 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 5.2% to 6.8%. Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, usage, age, size and quality of the building, we have adopted the reversionary yield of 6.50% whilst the adopted term yield is 6.00% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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 and Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot 46767(M1/3/13), Mukim of Senai, District of Kulai, Johor	Lot 46767(M3/3/114), Mukim of Senai, District of Kulai, Johor	Lot 31961(M4/5/347), Mukim of Kulai, District of Kulai, Johor
Address	Unit A-2-7, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit C-2-132, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit E4-09, Jalan Sri Putri 11/6, Rosevilla Apartment, Taman Puteri Kulai
Type	5-storey walk-up apartment		
Tenure	Freehold / Term in perpetuity		
Built-Up Area (sq. m)	82 sqm		
Built-Up Area (sq. ft)	883 sq ft		
Date	22/12/2020	22/09/2020	05/01/2021
Vendor	Chin Li Shan	Yu Chin Hui	Low Siau Yun
Purchaser	Dayana Zubaidah Bt Mohd Zin	Mohammad Firdaus Bin Nor Arifin + 1	Ho Qi Yang
Consideration	RM180,000/-	RM190,000/-	RM160,000/-
Analysis Value (RM psm)	RM2,195 psm	RM2,317 psm	RM1,951 psm
Analysis Value (RM psf)	RM204 psf	RM215 psf	RM181 psf
Adjustments	Adjustments are made on location/accessibility and amenities provided		
Adjusted Value (RM psf)	RM224 psf	RM237 psf	RM236 psf

The ancillary buildings, i.e., TNB sub-station, bin centres and guard house are considered as supporting infrastructures to the main development, viz. workers' dormitory. Therefore, these buildings have been valued as part and parcel of the main development and no separate values are attached.

Whilst for the 2-storey facilities block, treatment room and quarantine room, these buildings have been considered as features and amenities provided within the development. Upward adjustment was made to all the comparables with no additional features and amenities available within their respective development.

The adjusted values over built-up area derived from the above comparables range from RM224 to RM237 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM230 per square foot over the built-up area or RM210,000/- per unit for the subject property, i.e., 195 dorm units with an average built-up area of 87 square metres (935 square feet) each, as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)**III. COST APPROACH**

We have also considered the Cost Approach in our valuation by virtue of the subject property, i.e., a purpose-built workers' dormitory is a property that is rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

In assessing the market value of the subject land, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Lot No., Mukim, District and State	PTD 113813, Mukim of Kulai, District of Kulai, Johor	PTD 203568, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 107905 & PTD 107906, Mukim of Kulai, District of Kulai, Johor	PTD 112758 & PTD 112759, Mukim of Senai, District of Kulai, Johor
Address	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC
Type	Vacant industrial land			
Tenure	Freehold / Term in perpetuity			
Land Area (sq. m)	42,412.50 sqm	8,963.50 sqm	33,770.00 sqm	7,902.00 sqm
Land Area (sq. ft)	456,524 sq ft	96,482 sq ft	363,497 sq ft	85,056 sq ft
Date	23/09/2020	06/05/2020	06/09/2019	27/04/2019
Vendor	AME Industrial Park Sdn Bhd	Ipark Development Sdn Bhd	Axis AME IP Sdn Bhd	Ipark Development Sdn Bhd
Purchaser	United Kotak Berhad	Vulcan Access Solutions Sdn Bhd	Jstar Motion Sdn Bhd	YKK (Malaysia) Sdn Bhd
Consideration	RM27,390,528/-	RM7,718,649/-	RM19,569,117/-	RM6,804,398/-
Analysis Value (RM psm)	RM646 psm	RM861 psm	RM579 psm	RM861 psm
Analysis Value (RM psf)	RM60 psf	RM80 psf	RM54 psf	RM80 psf
Adjustments	Adjustments are made on time/market condition, size and land use			
Adjusted Value (RM psf)	RM75 psf	RM88 psf	RM61 psf	RM84 psf

There is a dearth of recent transactions of workers' dormitory land in and around the subject locality. In arriving at the value of the subject land, we have considered the vacant industrial land located within the subject locality.

Followed by the recent amendment to Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), the act gives the companies no leeway but to solve the issue of workers' accommodation. In the process of rectifying these issues, it is expected to be a boon for property developers and construction industry players.

We are of the view that with more employers looking into better accommodation for the workers, there will be higher rental demand for workers' dormitories in the short and medium term. We also expect that there will be more developers or employers heading to this space to provide workers' dormitories to meet the new requirements.

Having regard to the above, an upward adjustment of 10% was made on the land use for the comparables to reflect the surging demand of workers' dormitory land in the market.

The adjusted land values derived from the above comparables range from RM61 to RM88 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions.

We have adopted the land value at RM80 per square foot for the subject property as a fair representation.

The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation. The original development cost of the subject property as provided by AME Development Sdn Bhd is RM23,353,666/- (analysed at the rate of about RM102 per square foot over the total floor area of the dorm unit).

The replacement cost new adopted for the main building at RM140 per square foot is arrived at based on the total construction cost over the area of the main building, and after having made reference to all the contracts awarded (for all the components of the dormitory complex), enquiries with the contractors and quantity surveyors and made reference to JUBM & Arcadis Construction Cost Handbook Malaysia 2021 compiled by JUBM Sdn Bhd, Arcadis (Malaysia) Sdn Bhd and Arcadis Projek Sdn Bhd.

The ancillary buildings have been valued as part and parcel of the main development, viz. workers' dormitory.

VALUATION CERTIFICATES (Cont'd)



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RECONCILIATION OF VALUE

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

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM45,000,000/-
Comparison Approach	RM40,950,000/-
Cost Approach	RM43,000,000/-

Taking into consideration that the subject property is an income generating property (a purpose-built workers' dormitory), we have adopted the market value as derived from the Income Approach (Investment Method) as a more reliable and appropriate method of valuation. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS / ADDITIONAL ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to sell, transfer and free from all encumbrances at **RM45,000,000/- (Ringgit Malaysia : Forty Five Million Only)**.

VALUATION CERTIFICATES (Cont'd)



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28. PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor
(Our Ref : WTW/04/V/009265G/21/JTZ)

PROPERTY IDENTIFICATION

The Subject Property : A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory and other ancillary buildings

Address : PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor

Title No. : GRN 580210 (Formerly HSD 62255)

Lot No. : Lot 98837 (Formerly PTD 106941), Mukim of Kulai, District of Kulai, Johor

Land Area : 12,461 square metres (134,129 square feet / 3.079 acres)

Tenure : Freehold / Term In Perpetuity

Registered Proprietor : AME Development Sdn Bhd

Category of Land Use : Building

GENERAL DESCRIPTION

The subject property comprises five (5) blocks of 5-storey walk-up workers' dormitory, a guard house, three (3) bin centres and two (2) pump rooms.

The 5-storey walk-up workers' dormitory is basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel purlins covered over with metal roofing sheets.

Each dorm unit has an approximate gross floor area of 82 square metres. The number of dorms unit and gross floor area of each block are summarised as follows: -

Block	No. of Dorms Unit	Gross Floor Area (square metre)
Block A	50	4,760.30
Block B	44	4,760.30
Block C	45	4,266.48
Block D	45	4,266.48
Block E	45	4,266.48
Total	229	22,320.04

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

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

The buildings have been issued with Certificates of Completion and Compliance ("CCC") bearing LJM/J/4534 and LJM/J/4537 dated 31 December 2013 and 15 April 2015 respectively. The buildings are approximately 6 to 8 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to I-Stay Management Sdn Bhd.

Vide the Tenancy Agreement dated 13 June 2020 entered between AME Development Sdn Bhd ("the Landlord") and I-Stay Management Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of two (2) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (iii) Three (3) years from expiration of the Tenancy Term ("First Renewed Period");
- (iv) Three (3) years from expiration of the First Renewed Period ("Second Renewed Period"); and

VALUATION CERTIFICATES (Cont'd)



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OCCUPATION (Cont'd)

(v) Three (3) years from expiration of the Second Renewed Period ("Third Renewed Period").

The option to renew shall be exercised by the Tenant by written notice to the Landlord at least six (6) months prior to the Expiration Date Provided Always the Agreed Rental for the Renewed Period shall be renegotiated and mutually agreed upon at least three (3) months prior to the Expiration Date.

PLANNING PROVISION

The subject property is designated for workers' dormitory 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 and Cost Approach are used as a check.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM130 per bed (master lease arrangement) which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of repair as well as maintenance and property management fees are based on 5% and 2% of gross annual rental respectively which is in line with the market analysis.
Void	We have adopted 10% 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 5.2% to 6.8%. Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, usage, age, size and quality of the building, we have adopted the reversionary yield of 6.50% whilst the adopted term yield is 6.00% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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 and Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot 46767(M1/3/13), Mukim of Senai, District of Kulai, Johor	Lot 46767(M3/3/114), Mukim of Senai, District of Kulai, Johor	Lot 31961(M4/5/347), Mukim of Kulai, District of Kulai, Johor
Address	Unit A-2-7, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit C-2-132, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit E4-09, Jalan Sri Putri 11/6, Rosevilla Apartment, Taman Puteri Kulai
Type	5-storey walk-up apartment		
Tenure	Freehold / Term in perpetuity		
Built-Up Area (sq. m)	82 sqm		
Built-Up Area (sq. ft)	883 sq ft		
Date	22/12/2020	22/09/2020	05/01/2021
Vendor	Chin Li Shan	Yu Chin Hui	Low Siau Yun
Purchaser	Dayana Zubaidah Bt Mohd Zin	Mohammad Firdaus Bin Nor Arifin + 1	Ho Qi Yang
Consideration	RM180,000/-	RM190,000/-	RM160,000/-
Analysis Value (RM psm)	RM2,195 psm	RM2,317 psm	RM1,951 psm
Analysis Value (RM psf)	RM204 psf	RM215 psf	RM181 psf
Adjustments	Adjustments are made on location/accessibility and amenities provided		
Adjusted Value (RM psf)	RM224 psf	RM237 psf	RM236 psf

The ancillary buildings, i.e., pump rooms, bin centres and guard house are considered as supporting infrastructures to the main development, viz. workers' dormitory. Therefore, these buildings have been valued as part and parcel of the main development and no separate values are attached.

Whilst for the retail units and First-Aid room, these buildings have been considered as features and amenities provided within the development. Upward adjustment was made to all the comparables with no additional features and amenities available within their respective development.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over built-up area derived from the above comparables range from RM224 to RM237 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM230 per square foot over the built-up area or RM200,000/- per unit for the subject property, i.e., 229 dorm units with built-up area of 82 square metres (883 square feet) each, as a fair representation.

III. COST APPROACH

We have also considered the Cost Approach in our valuation by virtue of the subject property, i.e., a purpose-built workers' dormitory is a property that is rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

In assessing the market value of the subject land, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Lot No., Mukim, District and State	PTD 113813, Mukim of Kulai, District of Kulai, Johor	PTD 203568, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 107905 & PTD 107906, Mukim of Kulai, District of Kulai, Johor	PTD 112758 & PTD 112759, Mukim of Senai, District of Kulai, Johor
Address	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC
Type	Vacant industrial land			
Tenure	Freehold / Term in perpetuity			
Land Area (sq. m)	42,412.50 sqm	8,963.50 sqm	33,770.00 sqm	7,902.00 sqm
Land Area (sq. ft)	456,524 sq ft	96,482 sq ft	363,497 sq ft	85,056 sq ft
Date	23/09/2020	06/05/2020	06/09/2019	27/04/2019
Vendor	AME Industrial Park Sdn Bhd	Ipark Development Sdn Bhd	Axis AME IP Sdn Bhd	Ipark Development Sdn Bhd
Purchaser	United Kotak Berhad	Vulcan Access Solutions Sdn Bhd	Jstar Motion Sdn Bhd	YKK (Malaysia) Sdn Bhd
Consideration	RM27,390,528/-	RM7,718,649/-	RM19,569,117/-	RM6,804,398/-
Analysis Value (RM psm)	RM646 psm	RM861 psm	RM579 psm	RM861 psm
Analysis Value (RM psf)	RM60 psf	RM80 psf	RM54 psf	RM80 psf
Adjustments	Adjustments are made on time/market condition, size and land use			
Adjusted Value (RM psf)	RM75 psf	RM88 psf	RM61 psf	RM84 psf

There is a dearth of recent transactions of workers' dormitory land in and around the subject locality. In arriving at the value of the subject land, we have considered the vacant industrial land located within the subject locality.

Followed by the recent amendment to Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), the act gives the companies no leeway but to solve the issue of workers' accommodation. In the process of rectifying these issues, it is expected to be a boon for property developers and construction industry players.

We are of the view that with more employers looking into better accommodation for the workers, there will be higher rental demand for workers' dormitories in the short and medium term. We also expect that there will be more developers or employers heading to this space to provide workers' dormitories to meet the new requirements.

Having regard to the above, an upward adjustment of 10% was made on the land use for the comparables to reflect the surging demand of workers' dormitory land in the market.

The adjusted land values derived from the above comparables range from RM61 to RM88 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions.

We have adopted the land value at RM80 per square foot for the subject property as a fair representation.

The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation. The original development cost of the subject property which was completed in 2013 and 2015 as provided by AME Development Sdn Bhd is RM20,160,323/- (analysed at the rate of about RM90 per square foot over the total floor area of the dorm unit).

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The replacement cost new adopted for the main building at RM140 per square foot is arrived at based on the total construction cost over the area of the main building, and after having made reference to all the contracts awarded (for all the components of the dormitory complex), enquiries with the contractors and quantity surveyors and made reference to JUBM & Arcadis Construction Cost Handbook Malaysia 2021 compiled by JUBM Sdn Bhd, Arcadis (Malaysia) Sdn Bhd and Arcadis Projek Sdn Bhd.

The ancillary buildings have been valued as part and parcel of the main development, viz. workers' dormitory.

We have adopted the straightline depreciation at a rate of 2% per annum taking into consideration estimated life span of the building of 60 years as per the practise in the industry for similar type of properties, which is fair representation.

RECONCILIATION OF VALUE

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

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM45,000,000/-
Comparison Approach	RM45,800,000/-
Cost Approach	RM39,000,000/-

Taking into consideration that the subject property is an income generating property (a purpose-built workers' dormitory), we have adopted the market value as derived from the Income Approach (Investment Method) as a more reliable and appropriate method of valuation. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, transfer and free from all encumbrances at **RM45,000,000/- (Ringgit Malaysia : Forty Five Million Only)**.

VALUATION CERTIFICATES (Cont'd)



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29. No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265AE/21/JTZ)

PROPERTY IDENTIFICATION

The Subject Property : A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory, a 2-storey shop and other ancillary buildings

Address : No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor

Title No. : HSD 75887

Lot No. : PTD 112778, Mukim of Senai, District of Kulai, Johor

Land Area : 11,945.4 square metres (128,579 square feet or 2.952 acres)

Tenure : Freehold / Term In Perpetuity

Registered Proprietor : AME Development Sdn Bhd

Category of Land Use : Building

GENERAL DESCRIPTION

The subject property comprises five (5) blocks of 5-storey walk-up workers' dormitory, a 2-storey shop, a TNB substation, a pump house, a bin centre, a guard house and a first-aid room.

The 5-storey walk-up workers' dormitory is basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel purlins covered over with metal deck roofing sheets.

Each dorm unit has an approximate gross floor area of 86 square metres. The number of dorms unit and gross floor area of each block are summarised as follows: -

Block	No. of Dorms Unit	Gross Floor Area (square metre)
Block A	38	4,334.94
Block B	39	4,324.83
Block C	39	4,324.83
Block D	39	4,324.83
Block E	30	3,414.00
Total	185	20,723.43

The ancillary buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls supporting a reinforced concrete flat roof.

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

The buildings have been issued with Certificates of Completion and Compliance ("CCC") bearing LAM/J/Nos. 12174 and 12189 dated 7 March 2019 and 18 June 2019 respectively. The buildings are approximately 2 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to I-Stay Management Sdn Bhd.

Vide the Tenancy Agreement dated 28 May 2018 and Tenancy Renewal Letter dated 30 December 2020 entered between AME Development Sdn Bhd ("the Landlord") and I-Stay Management Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of one (1) year and nine (9) months.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term as follows: -

- (iv) Three (3) years from expiration of the Tenancy Term ("First Renewed Period");
- (v) Three (3) years from expiration of the First Renewed Period ("Second Renewed Period"); and

VALUATION CERTIFICATES (Cont'd)



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OCCUPATION (Cont'd)

(vi) Three (3) years from expiration of the Second Renewed Period ("Third Renewed Period").

The option to renew for the First Renewed Period shall deemed to be automatically exercised by the Tenant.

The option to renew for the Second Renewed Period and Third Renewed Period shall be exercised by the Tenant by written notice to the Landlord at least three (3) months prior to the Expiration Date of the First Renewed Period ("Renewal Notice") and Second Renewed Period ("the Subsequent Renewal Notice") respectively. The Agreed Rental for the Second Renewed Period and Third Renewed Period shall be at the prevailing market rate as may be agreed upon by both Parties in writing and shall not be less than the Agreed Rental for the First Renewed Period.

PLANNING PROVISION

The subject property is designated for workers' dormitory 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 and Cost Approach are used as a check.

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.
Reversionary Rental	We have adopted a gross market rental rate of RM145 per bed (master lease arrangement) which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of repair as well as maintenance and property management fees are based on 5% and 2% of gross annual rental respectively which is in line with the market analysis.
Void	We have adopted 10% 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 5.2% to 6.8%. Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, usage, age, size and quality of the building, we have adopted the reversionary yield of 6.50% whilst the adopted term yield is 6.00% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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 and Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot 46767(M1/3/13), Mukim of Senai, District of Kulai, Johor	Lot 46767(M3/3/114), Mukim of Senai, District of Kulai, Johor	Lot 31961(M4/5/347), Mukim of Kulai, District of Kulai, Johor
Address	Unit A-2-7, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit C-2-132, Jalan Meranti 7, Sri Putra Apartment, Bandar Putra	Unit E4-09, Jalan Sri Putri 11/6, Rosevilla Apartment, Taman Puteri Kulai
Type	5-storey walk-up apartment		
Tenure	Freehold / Term in perpetuity		
Built-Up Area (sq. m)	82 sqm		
Built-Up Area (sq. ft)	883 sq ft		
Date	22/12/2020	22/09/2020	05/01/2021
Vendor	Chin Li Shan	Yu Chin Hui	Low Siau Yun
Purchaser	Dayana Zubaidah Bt Mohd Zin	Mohammad Firdaus Bin Nor Arifin + 1	Ho Qi Yang
Consideration	RM180,000/-	RM190,000/-	RM160,000/-
Analysis Value (RM psm)	RM2,195 psm	RM2,317 psm	RM1,951 psm
Analysis Value (RM psf)	RM204 psf	RM215 psf	RM181 psf
Adjustments	Adjustments are made on location/accessibility and amenities provided		
Adjusted Value (RM psf)	RM235 psf	RM248 psf	RM245 psf

The ancillary buildings, i.e., TNB sub-station, pump room, bin centre and guard house are considered as supporting infrastructures to the main development, viz. workers' dormitory. Therefore, these buildings have been valued as part and parcel of the main development and no separate values are attached.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Whilst for the 2-storey shop and First-Aid room, these buildings have been considered as features and amenities provided within the development. Upward adjustment was made to all the comparables with no additional features and amenities available within their respective development.

The adjusted values over built-up area derived from the above comparables range from RM235 to RM248 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM240 per square foot over the built-up area or RM220,000/- per unit for the subject property, i.e., 185 dorm units with built-up area of 86 square metres (926 square feet) each, as a fair representation.

III. COST APPROACH

We have also considered the Cost Approach in our valuation by virtue of the subject property, i.e., a purpose-built workers' dormitory is a property that is rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

In assessing the market value of the subject land, we have considered the following market evidences: -

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Valuation and Property Services Department (JPPH)			
Lot No., Mukim, District and State	PTD 113813, Mukim of Kulai, District of Kulai, Johor	PTD 203568, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 107905 & PTD 107906, Mukim of Kulai, District of Kulai, Johor	PTD 112758 & PTD 112759, Mukim of Senai, District of Kulai, Johor
Address	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC	Along Jalan i-Park 1/10, Kawasan Perindustrian i-Park, Bandar Indahpura	Along Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC
Type	Vacant industrial land			
Tenure	Freehold / Term in perpetuity			
Land Area (sq. m)	42,412.50 sqm	8,963.50 sqm	33,770.00 sqm	7,902.00 sqm
Land Area (sq. ft)	456,524 sq ft	96,482 sq ft	363,497 sq ft	85,056 sq ft
Date	23/09/2020	06/05/2020	06/09/2019	27/04/2019
Vendor	AME Industrial Park Sdn Bhd	Ipark Development Sdn Bhd	Axis AME IP Sdn Bhd	Ipark Development Sdn Bhd
Purchaser	United Kotak Berhad	Vulcan Access Solutions Sdn Bhd	Jstar Motion Sdn Bhd	YKK (Malaysia) Sdn Bhd
Consideration	RM27,390,528/-	RM7,718,649/-	RM19,569,117/-	RM6,804,398/-
Analysis Value (RM psm)	RM646 psm	RM861 psm	RM579 psm	RM861 psm
Analysis Value (RM psf)	RM60 psf	RM80 psf	RM54 psf	RM80 psf
Adjustments	Adjustments are made on time/market condition, size and land use			
Adjusted Value (RM psf)	RM75 psf	RM88 psf	RM61 psf	RM84 psf

There is a dearth of recent transactions of workers' dormitory land in and around the subject locality. In arriving at the value of the subject land, we have considered the vacant industrial land located within the subject locality.

Followed by the recent amendment to Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), the act gives the companies no leeway but to solve the issue of workers' accommodation. In the process of rectifying these issues, it is expected to be a boon for property developers and construction industry players.

We are of the view that with more employers looking into better accommodation for the workers, there will be higher rental demand for workers' dormitories in the short and medium term. We also expect that there will be more developers or employers heading to this space to provide workers' dormitories to meet the new requirements.

Having regard to the above, an upward adjustment of 10% was made on the land use for the comparables to reflect the surging demand of workers' dormitory land in the market.

The adjusted land values derived from the above comparables range from RM61 to RM88 per square foot. We have placed greater emphasis on Comparable Nos. 1 and 2 as they are among the latest transactions.

We have adopted the land value at RM80 per square foot for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



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VALUE CONSIDERATION (Cont'd)

The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation. The original development cost of the subject property which was completed in 2019 as provided by AME Development Sdn Bhd is RM24,636,875/- (analysed at the rate of about RM110 per square foot over the total floor area of the dorm unit).

The replacement cost new adopted for the main building at RM140 per square foot is arrived at based on the total construction cost over the area of the main building, and after having made reference to all the contracts awarded (for all the components of the dormitory complex), enquiries with the contractors and quantity surveyors and made reference to JUBM & Arcadis Construction Cost Handbook Malaysia 2021 compiled by JUBM Sdn Bhd, Arcadis (Malaysia) Sdn Bhd and Arcadis Projek Sdn Bhd.

The ancillary buildings have been valued as part and parcel of the main development, viz. workers' dormitory.

We have adopted the straightline depreciation at a rate of 2% per annum taking into consideration estimated life span of the building of 60 years as per the practise in the industry for similar type of properties, which is fair representation.

RECONCILIATION OF VALUE

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

Valuation Approach	Derivation of Value
Income Approach (Investment Method)	RM45,000,000/-
Comparison Approach	RM40,700,000/-
Cost Approach	RM40,000,000/-

Taking into consideration that the subject property is an income generating property (a purpose-built workers' dormitory), we have adopted the market value as derived from the Income Approach (Investment Method) as a more reliable and appropriate method of valuation. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, transfer and free from all encumbrances at **RM45,000,000/- (Ringgit Malaysia : Forty Five Million Only)**.

VALUATION CERTIFICATES (Cont'd)



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30. No. 48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 81400 Senai, Johor
 (Our Ref : WTW/04/V/009265AF/21/ABL)

PROPERTY IDENTIFICATION

The Subject Property	:	A single storey detached factory with mezzanine office and other ancillary buildings
Address	:	No. 48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 814000 Senai, Johor
Title No.	:	HSD 77659
Lot No.	:	PTD 112781, Mukim of Senai, District of Kulai, Johor
Land Area	:	1.2748 hectares (12,748 square metres / 3.15 acres)
Gross Floor Area	:	7,610 square metres (81,913 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Ipark Development Sdn Bhd
Category of Land Use	:	Perusahaan / Perindustrian

GENERAL DESCRIPTION

The subject property comprises a single storey detached factory with mezzanine office, a guard house, a TNB sub-station and a bin centre.

The single storey detached factory with mezzanine office is basically constructed of steel portal framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with translucent sheet on aluminium foil and wire mesh. It has 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 basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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/2294 dated 15 March 2021. The buildings are newly completed.

OCCUPATION

At the time of our inspection, the subject property was leased to a Malaysian subsidiary of a foreign multinational electronics manufacturing services company.

Vide the Lease Agreement dated 16 June 2020 entered between Ipark Development Sdn Bhd ("the Lessor") and the foreign multinational electronics manufacturing services company ("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 for a Lease Term of fixed five (5) years.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further terms ("Renewed Period") as follows: -

- (a) First Renewed Period - Fixed three (3) years
To be mutually agreed upon by the parties in writing at the prevailing market rate but any increase shall not exceed 10% of the Agreed Rental paid during the Lease Term; and
- (b) Second Renewed Period - Fixed three (3) years
To be mutually agreed upon by the parties in writing at the prevailing market rate but any increase shall not exceed 10% of the Agreed Rental paid during the First Renewed Period.

VALUATION CERTIFICATES (Cont'd)



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OCCUPATION (Cont'd)

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.

Vide the Deed of Novation dated 27 November 2020 entered between Ipark Development Sdn Bhd ("the Lessor"), the foreign multinational electronics manufacturing services company ("the Lessee") and the Malaysian subsidiary of the foreign multinational electronics manufacturing services company ("the New Lessee"), the Lessee with consent of the Lessor, is desirous to novate, transfer and assign to the New Lessee all the rights, title, interest, benefits, liabilities and obligations in the Lease and under the Lease Agreement upon the terms and conditions as set out thereafter.

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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.50 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value. Besides, we have also adopted the market rental of RM0.50 per square feet per month for the extra vacant land area based on our market rent survey of similar vacant industrial land.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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	Comparable 4
Source	Sale & Purchase Agreement	Valuation & Property Services Department	Sale & Purchase Agreement	Valuation & Property Services Department
Lot No., Town, District and State	PTD 196205, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196172, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 196183, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 106945, Mukim of Kulai, District of Kulai, Johor
Address	Plot 65, Taman Perindustrian i-Park SAC	No. 5, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC	No. 16, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC	No. 20, Jalan i-Park 1/2, Kawasan Perindustrian i-Park
Type	Single storey detached factory with 2-storey office annex			
Tenure	Freehold / Term in perpetuity			
Land Area	6,481.80 sqm	4,360.00 sqm	3,998.30 sqm	4,050.00 sqm
Main Floor Area	3,728 sqm	2,603 sqm	2,603 sqm	2,442 sqm
Date	28/08/2020	09/01/2020	03/04/2019	03/04/2019
Vendor	Ipark Development Sdn Bhd	Symphony Square Sdn Bhd	Ipark Development Sdn Bhd	Juang Kuang Holdings Sdn Bhd
Purchaser	V.S. Industry Berhad	Top Brilliance Asia Holdings Sdn Bhd	Union Well Asia Holdings Sdn Bhd	Oriental Inchaway Sdn Bhd
Consideration	RM15,800,000/-	RM9,733,151/-	RM9,360,600/-	RM8,500,000/-
Analysis Value / MFA (RM psm)	RM4,239 psm	RM3,739 psm	RM3,596 psm	RM3,481 psm
Analysis Value / MFA (RM psf)	RM394 psf	RM347 psf	RM334 psf	RM323 psf
Adjustments	Adjustments are made on time/market condition, size, age & condition and design of the building			
Adjusted Value / MFA (RM psf)	RM335 psf	RM280 psf	RM270 psf	RM276 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM270 to RM335 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM275 per square foot over the main floor area for the subject property as a fair representation.

Location	Land Area	Consideration	Date
PTD 203568, i-Park @ SAC, Senai	96,482 sq. feet	RM7,718,649/-	06/05/20
PTD 204070, i-Park @ SAC, Senai	259,903 sq. feet	RM18,193,054/-	06/12/19
PTD 112758 & PTD 112759, i-Park @ SAC, Senai	85,056 sq. feet	RM6,804,398/-	27/04/19

Based on our survey and analysis, the vacant industrial lands in the vicinity were transacted in the region of RM70 to RM80 per square foot. Therefore, we have adopted the land value of RM80 per square foot for the extra vacant land after adjustments made for differences in time/market condition and size.

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)	RM21,000,000/-
Comparison Approach	RM21,000,000/-

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/tenancy with the lessee/tenant, 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 with permission to transfer and free from all encumbrances at **RM21,000,000/- (Ringgit Malaysia : Twenty One Million Only).**

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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31. No. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
 (Our Ref : WTW/04/V/009265AG/21/GKN)

PROPERTY IDENTIFICATION

The Subject Property	:	Two (2) adjoining units of 1½ storey semi-detached factory									
Address	:	Nos. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor									
Title Nos., Lot Nos. & Land Area	:	<table border="1"> <thead> <tr> <th>Title No.</th><th>Lot No.</th><th>Land Area (hectare)</th></tr> </thead> <tbody> <tr> <td>HSD 516443</td><td>PTD 7376</td><td>0.1825</td></tr> <tr> <td>HSD 516444</td><td>PTD 7377</td><td>0.2003</td></tr> </tbody> </table>	Title No.	Lot No.	Land Area (hectare)	HSD 516443	PTD 7376	0.1825	HSD 516444	PTD 7377	0.2003
Title No.	Lot No.	Land Area (hectare)									
HSD 516443	PTD 7376	0.1825									
HSD 516444	PTD 7377	0.2003									
		Mukim of Jelutong, District of Johor Bahru, Johor									
Gross Floor Area	:	1,130 square metres (12,163 square feet) each									
Tenure	:	Freehold / Term In Perpetuity									
Registered Proprietor	:	AME Development Sdn Bhd									
Category of Land Use	:	Perusahaan / Perindustrian									
Title Status	:	Lot Untuk Bumiputra *									

Note:

* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/0108(10) dated 20 February 2014 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

GENERAL DESCRIPTION

The subject property comprises two (2) adjoining units of 1½ storey semi-detached factory.

The buildings are basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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.

Other ancillary buildings include a TNB sub-station and a guard house. These buildings are basically constructed of reinforced concrete framework with concrete floor, plastered brickwalls and covered with metal deck roofing sheets / reinforced concrete flat roof.

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

The buildings have been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0765 dated 17 May 2013. The buildings are approximately 8 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Lightpack Food Industries Sdn Bhd.

Vide the Agreement to Lease dated 30 July 2013 entered between AME Development Sdn Bhd ("the Lessor") and Lightpack Food Industries Sdn Bhd ("the Lessee"), the Lessor agreed to grant and the Lessee agreed to accept, a lease of the subject property for a Lease Term of fixed five (5) years.

By a lease renewal letter dated 2 May 2018, the Lessor and the Lessee have mutually agreed amongst others whereby a further term of fixed five (5) years ("Renewed Period").

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PLANNING PROVISION

The subject property is designated for light 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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.65 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	PTD 200725, Mukim of Pulai, District of Johor Bahru, Johor	PTD 200765, Mukim of Pulai, District of Johor Bahru, Johor	PTD 7380, Mukim of Jelutong, District of Johor Bahru, Johor	PTD 189094, Mukim of Pulai, District of Johor Bahru, Johor
Address	No. 35, Jalan SiLC 2/3, Kawasan Perindustrian SiLC	No. 29, Jalan SiLC 2/19, Kawasan Perindustrian SiLC	No. 14, Jalan SiLC 1/6, Kawasan Perindustrian SiLC	No. 15, Jalan SiLC 2/7, Kawasan Perindustrian SiLC
Type	1½ storey semi-detached factory			
Tenure	Freehold / Term in perpetuity			
Land Area	890 sqm	790 sqm	1,830 sqm	1,760 sqm
Main Floor Area	823 sqm	784 sqm	1,186 sqm	1,017 sqm
Date	02/11/2020	26/08/2019	01/07/2019	15/03/2019
Vendor	Soh Chye Guan	Yeoh Boon Kang	BHG Capital Sdn Bhd	Hydro Sealing Technology Sdn Bhd
Purchaser	Jekirk Design Sdn Bhd	Ecolite Vision Sdn Bhd	Litan Titan Sdn Bhd	Bengkel Kendaraan Song Lim Sdn Bhd
Consideration	RM3,300,000/-	RM2,800,000/-	RM3,660,000/-	RM3,150,000/-
Analysis Value / MFA (RM psm)	RM4,012 psm	RM3,570 psm	RM3,086 psm	RM3,098 psm
Analysis Value / MFA (RM psf)	RM373 psf	RM332 psf	RM287 psf	RM288 psf
Adjustments	Adjustments are made on time/market condition and size			
Adjusted Value / MFA (RM psf)	RM354 psf	RM299 psf	RM272 psf	RM273 psf

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM272 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM280 per square foot over the main floor area for the subject property as a fair representation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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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)	RM6,500,000/-
Comparison Approach	RM6,500,000/-

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/tenancy with the lessee/tenant, 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 with permission to sell, lease, transfer and free from all encumbrances at **RM6,500,000/- (Ringgit Malaysia : Six Million And Five Hundred Thousand Only)**.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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32. No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
(Our Ref : WTW/04/V/009265AI/21/GKN)

PROPERTY IDENTIFICATION

The Subject Property	:	A 1½ storey semi-detached factory
Address	:	No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor
Title No.	:	HSD 516446
Lot No.	:	PTD 7379, Mukim of Jelutong, District of Johor Bahru, Johor
Land Area	:	0.1825 hectare (1,825.2 square metres / 0.451 acre)
Gross Floor Area	:	1,205 square metres (12,970 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	LKL Industries Sdn. Bhd.
Category of Land Use	:	Perusahaan / Perindustrian
Title Status	:	Lot Untuk Bumiputra *

Note:

* The Bumiputra Release Approval Letter issued by Pejabat Setiausaha Kerajaan Johor (Bahagian Perumahan) bearing ref no. SUKJ.P.606/02-2108(10) dated 31 December 2013 expressly stated that the subject property has been approved for release to public purchaser upon payment of contribution and other terms and conditions set out in the letter thereof.

GENERAL DESCRIPTION

The building is basically constructed of reinforced concrete framework with concrete floors, plastered brickwalls supporting steel trussed roofwork covered over with metal deck roofing sheets insulated with fibreglass wool on aluminium foil and wire mesh. It has 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.

At the time of our inspection, the building was generally in a fairly good state of repair and maintenance.

The building has been issued with a Certificate of Completion and Compliance ("CCC") bearing Serial No. LJM/J/0765 dated 17 May 2013. The building is approximately 8 years old.

OCCUPATION

At the time of our inspection, the subject property was tenanted to Lightpack Food Industries Sdn Bhd.

Vide the Tenancy Agreement dated 3 November 2014 entered between AME Development Sdn Bhd ("the Landlord") and Lightpack Food Industries Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed two (2) years.

Subject to the Tenant being in compliance with all its covenants, obligations, responsibilities and/or liabilities therein and not being in breach of any provisions therein, the Landlord thereby agreed to grant to the Tenant an option to renew the Tenancy Term for a further term of three (3) years.

Vide the Novation Agreement dated 22 January 2016 entered between AME Development Sdn Bhd ("the Vendor"), Lightpack Food Industries Sdn Bhd ("the Tenant") and LKL Industries Sdn Bhd ("the Purchaser"), the Vendor agreed to novate absolutely to the Purchaser all the Vendor's right, title and interest under the Tenancy Agreement and the full benefits and advantages granted thereby together with all liabilities and obligations and all stipulations therein contained and all remedies for enforcing the same as if the Purchaser was the person named in place of the Vendor under the Tenancy Agreement.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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OCCUPATION (Cont'd)

Based on the Supplementary Letter dated 8 September 2016, the Tenant and New Landlord were agreed to renew the Tenancy Term for a revised Renewed Period of 1 year and 10 months ("Revised Renewed Period") and upon the same terms and conditions of the Tenancy Agreement.

By a tenancy renewal letter dated 28 April 2018, the Landlord and the Tenant have mutually agreed amongst others whereby: -

- (a) upon expiry of the Revised Renewed Period, a further Renewed Period of two (2) years (Second Renewed Period);
- (b) upon expiry of the Second Renewed Period, a further Renewed Period of three (3) years ("Third Renewed Period").

PLANNING PROVISION

The subject property is designated for light 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**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.
Reversionary Rental	We have adopted a gross market rental rate of RM1.65 per square foot per month exclusive of the Gated Development Service Charges which in our opinion to be fair after taking into consideration market rental comparison and made diligent adjustments for the factors which affecting value.
Monthly Outgoings	We have adopted the actual expenses for quit rent, assessment and fire insurance premium whilst for the costs of upkeep and maintenance as well as property management fees are based on 2% of gross annual rental which is in line with the market standard.
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 5.2% to 6.8%. 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 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income.

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	PTD 200725, Mukim of Pulai, District of Johor Bahru, Johor	PTD 200765, Mukim of Pulai, District of Johor Bahru, Johor	PTD 7380, Mukim of Jelutong, District of Johor Bahru, Johor	PTD 189094, Mukim of Pulai, District of Johor Bahru, Johor
Address	No. 35, Jalan SiLC 2/3, Kawasan Perindustrian SiLC	No. 29, Jalan SiLC 2/19, Kawasan Perindustrian SiLC	No. 14, Jalan SiLC 1/6, Kawasan Perindustrian SiLC	No. 15, Jalan SiLC 2/7, Kawasan Perindustrian SiLC
Type	1½ storey semi-detached factory			
Tenure	Freehold / Term in perpetuity			
Land Area	890 sqm	790 sqm	1,830 sqm	1,760 sqm
Main Floor Area	823 sqm	784 sqm	1,186 sqm	1,017 sqm
Date	02/11/2020	26/08/2019	01/07/2019	15/03/2019
Vendor	Soh Chye Guan	Yeoh Boon Kang	BHG Capital Sdn Bhd	Hydro Sealing Technology Sdn Bhd
Purchaser	Jekirk Design Sdn Bhd	Ecolite Vision Sdn Bhd	Litan Titan Sdn Bhd	Bengkel Kenderaan Song Lim Sdn Bhd
Consideration	RM3,300,000/-	RM2,800,000/-	RM3,660,000/-	RM3,150,000/-
Analysis Value / MFA (RM psm)	RM4,012 psm	RM3,570 psm	RM3,086 psm	RM3,098 psm
Analysis Value / MFA (RM psf)	RM373 psf	RM332 psf	RM287 psf	RM288 psf
Adjustments	Adjustments are made on time/market condition and size			
Adjusted Value / MFA (RM psf)	RM354 psf	RM299 psf	RM272 psf	RM273 psf

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The adjusted values over main floor area ("MFA") derived from the above comparables range from RM272 to RM354 per square foot. We have placed greater emphasis on Comparable Nos. 2 to 4 as they are among the latest transactions and located in close vicinity to the subject property.

We have adopted RM280 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)	RM3,500,000/-
Comparison Approach	RM3,500,000/-

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/tenancy with the lessee/tenant, 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 with permission to sell, lease, transfer and free from all encumbrances at **RM3,500,000/- (Ringgit Malaysia : Three Million And Five Hundred Thousand Only).**

VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (19740100109B)
(formerly known as C H Williams Talhar & Wang Sdn Bhd)

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

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

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

Report and Valuation

8 July 2022

PRIVATE & CONFIDENTIAL

The Board of Directors

I REIT MANAGERS SDN BHD

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

Dear Sirs

UPDATE CERTIFICATE OF VALUATION OF THIRTY-FOUR (34) PROPERTIES FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS IN CONJUNCTION WITH THE INITIAL PUBLIC OFFERING AND LISTING OF AME REAL ESTATE INVESTMENT TRUST ("AME REIT") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

We refer to your instructions to review our valuation on the above captioned for the purpose of submission to Securities Commission Malaysia in relation to the initial public offering and listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad.

For all intents and purposes, this Update Valuation Certificate should be read in conjunction with the full Reports and Valuation and Master Valuation Certificate dated 16 August 2021 with a material date of valuation of 2 August 2021. We have relied on the legal and building details as described in the respective full Reports and Valuation bearing reference nos. WTW/04/V/009265A/21 to WTW/04/V/009265AG/21 and have updated the valuation computation under the Income Approach (Investment Method) based on the updated lease/tenancy status. For Comparison and Cost Approaches, being the cross-checked method, we have adopted the same comparables as per our previous valuation reports as there were no new transactions of equivalent type of property.

We have re-inspected all the properties on 28 February 2022 and a re-inspection of Property No. 27 was conducted on 7 July 2022. The material date of valuation for this update valuation exercise is taken as 7 February 2022.

We have prepared and provided this Update Valuation which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

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.

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 date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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Based on our valuation reports, there are no changes in terms of physical conditions, legal status and ownership of the properties. There is also no significant change in the market condition of industrial sector since our last date of valuation. The changes in valuation computation of the subject properties are mainly due to the movement of lessee/tenant and lease/tenancy period which is common, from the passage of time.

Having considered the above, the followings parameters have remained unchanged for the purpose of this update valuation: -

- Reversionary rental rate;
- Outgoing rate;
- Void factor;
- Capitalisation rate; and
- Comparison Approach as shown in the previous valuation reports are still being taken as valid, where the analysed rate is maintained and no change to the market value derived from the Comparison Approach.

Brief update summary of the properties is as follows: -

PROPERTY & LEGAL IDENTIFICATION

Based on the Private Title Searches conducted at the Registry of Lands and Mines, Kota Iskandar, Iskandar Puteri, Johor on 28 February 2022, we noted that the property and legal identification of the subject properties remained unchanged since our previous valuation reports save for the following information constitute the variations from our previous report for Property No. 10, Property No. 15 and PTD 7669 of Property No. 23: -

Property No. 10

Title No.	:	GRN 601912
Lot No.	:	Lot 101609, Mukim of Kulai, District of Kulai, Johor
Land Area	:	5,242 square metres

Property No. 15

Endorsed with charged to AmBank (M) Berhad vide the Presentation No. 11403/2022 registered on 21 February 2022.

PTD 7669 of Property No. 23

Endorsed with Leased of Entire Land to Westrock Coffee & Tea Malaysia Sdn Bhd for a period of five (5) years and two (2) months commenced on 21 January 2021 and expiring on 20 March 2026 vide Presentation No. 86958/2021 registered on 27 December 2021.

GENERAL DESCRIPTION

As at the date of re-inspection, the physical state of the subject properties has remained unchanged as at the date of our previous valuation reports except for Property Nos. 24 and 27, viz. the buildings of Property Nos. 24 and 27 have been constructed/completed in accordance with the Approved Amended Building Plans and issued with a Certificate of Completion and Compliance bearing Serial No. LJM/J/2576 dated 13 January 2022 and LJM/J/No. 12607 dated 5 July 2022 respectively.

During the course of our re-inspection, we noted that the subject building of Property No. 27 has been constructed / completed in accordance with the approved amended building plan and specifications dated 16 January 2022. The said approved amended building plan involve mainly the changes of internal layout within the apartment units of the dormitory, with no change to total built-up area.

VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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OCCUPATION

As at the date of valuation, the lease/tenancy status of the subject properties remains unchanged since our previous valuation reports, except for the following: -

Property No. 5

Vide the Tenancy Agreement dated 16 November 2021 entered between AME Development Sdn Bhd ("the Landlord") and W & S Plastics (Malaysia) Sdn Bhd ("the Tenant"), the Landlord agreed to grant and the Tenant agreed to accept, a tenancy of the subject property for a Tenancy Term of fixed three (3) years.

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of fixed one (1) year ("Renewed Period"). The option to renew shall be deemed to have been automatically exercised by the Tenant.

Property No. 6

By a letter dated 9 June 2020, the Lessor and the Lessee have mutually agreed among others the revised Agreed Rental for Year 6 to Year 7.

Property No. 10

By a letter dated 24 January 2022, the Lessor and the Lessee have mutually agreed to terminate the Lease Agreement therein referred to on 18 March 2022.

Vide the unexecuted Lease Agreement to be made between AME Development Sdn Bhd ("the Lessor") and W & S Plastics (Malaysia) Sdn Bhd ("the Lessee"), the Lessor agree to grant and the Lessee agree to accept, a lease of the subject property for a Lease Term of fixed four (4) years and two (2) months inclusive of the rent free period of one (1) month from the Lease Commencement Date, i.e., 1 April 2022.

The Lessor agreed to grant to the Lessee an option to renew the Lease Term for further term of fixed four (4) 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 the Agreed Rental for the Renewed Period shall be at the prevailing market rate as may be mutually agreed by both Parties in writing.

Property No. 18

By a tenancy renewal letter dated 7 February 2022, both parties have mutually agreed among others the Tenancy Term shall be renewed for further term of fixed three (3) years ("First Renewed Period").

Property No. 19

By a tenancy renewal letter dated 17 November 2021, the Landlord agreed to revise the Renewed Period to a fixed term of one (1) year.

Property No. 26

Vide the Tenancy Agreement dated 8 February 2022 entered between AME Development Sdn Bhd ("the Landlord") and GWIP Sdn Bhd ("the Tenant"), the Landlord thereby agreed to grant to the Tenant and the Tenant thereby agreed to accept from the Landlord, a tenancy of the subject property as more particularly identified as Plot A in the Layout Plan for a Tenancy Term of fixed three (3) years from the Tenancy Commencement Date (upon the Vacant Possession Date).

The Landlord agreed to grant to the Tenant an option to renew the Tenancy Term for further term of three (3) years ("Renewed Period"). The option to renew shall be exercised by the Tenant by written notice to the Landlord at least three (3) months prior to the Expiration Date.

VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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PLANNING PROVISION

The status of the planning provision as stated in our previous valuation reports remains unchanged, except for the following: -

Property No. 27

Based on the information provided to us by I-Stay Management Sdn Bhd ("I-Stay"), the subject property is estimated to have a total of 2,272 beds in accordance with the approved amended building plan. The bed count capacity was arrived at using the measurement method adopted by the Department of Labour Peninsular Malaysia ("JTKSM") for Property No. 28 and Property No. 29.

Property No. 29

Based on the Certificates of Accommodation ("COA") issued by JTKSM bearing certificate nos. AC/10100/2021/0489 and AC/10100/2021/0490 both dated 21 October 2021, the total bed count capacity of the subject property is 1,828 beds. We have adopted the bed count capacity in accordance with the certificates.

METHOD OF VALUATION

We have adopted the same method of valuation as stated in our previous valuation reports.

MARKET COMMENTARY

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%). Growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP). The improvement also reflected recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth. On the supply side, all economic sectors recorded improvements in growth, led by the services and manufacturing sectors. On the demand side, growth was driven by higher consumption and trade activity. All economic sectors recorded an improvement in the fourth quarter of 2021. Growth in the manufacturing sector recorded a marked improvement of 9.1% (3Q 2021: -0.8%). This was driven by continued strength in export-oriented industries such as E&E and primary-related clusters, and recovery in domestic-oriented industries such as consumer- and construction-related clusters. (Source: Economic and Financial Developments in the Malaysia Economy in the Fourth Quarter of 2021, Central Bank of Malaysia)

We observed that the industrial sector in Johor particularly Iskandar Malaysia is generally remained stable since our previous valuation.

MARKET VALUE

i. Income Approach (Investment Method)

We have reassessed the market value of the subject properties with the updated lease/tenancy status due to the movement of lessee/tenant as well as lease/tenancy period and have adopted the same parameters as per our previous valuation.

ii. Comparison Approach

We have adopted the same comparables as per our previous valuation report dated 16 August 2021 as generally industrial property prices have remained stable since our previous valuation.

iii. Cost Approach

We have adopted the same parameters as per our previous valuation.

RECONCILIATION OF VALUE

We have adopted the same valuation approaches, i.e., Income Approach (Investment Method), Comparison Approach and Cost Approach, and relied on the updated Income Approach (Investment Method) computation to arrive at the respective Market Value of the properties. Notwithstanding, the Comparison Approach and Cost Approach are adopted as guide and supportive methods to ascertain the reasonability of the market value derived from the Income Approach (Investment Method).

VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUATION

No.	Property Details	Market Value
1	Lot 98840 (Formerly PTD 106944), Mukim of Kulai, District of Kulai, Johor [No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
2	Lot 98842 (Formerly PTD 106946), Mukim of Kulai, District of Kulai, Johor [No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
3	Lot 98843 (Formerly PTD 106947), Mukim of Kulai, District of Kulai, Johor [No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
4	Lot 98856 (Formerly PTD 106960), Mukim of Kulai, District of Kulai, Johor [No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
5	Lot No. PTD 107695, Mukim of Kulai, District of Kulai, Johor [No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
6	Lot No. PTD 107694, Mukim of Kulai, District of Kulai, Johor [No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM17,000,000/-
7	PTD 107697, Mukim of Kulai, District of Kulai, Johor [No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM17,000,000/-
8	Lot 98828 (Formerly PTD 106932), Mukim of Kulai, District of Kulai, Johor [No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM14,000,000/-
9	Lot 98827 (Formerly PTD 106931), Mukim of Kulai, District of Kulai, Johor [No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM14,000,000/-
10	Lot 101609 (Formerly PTD 107908), Mukim of Kulai, District of Kulai, Johor [No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM7,000,000/-
11	PTD 112746, Mukim of Senai, District of Kulai, Johor [No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
12	PTD 112747, Mukim of Senai, District of Kulai, Johor [No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
13	PTD 112829, Mukim of Senai, District of Kulai, Johor [No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM47,000,000/-
14	PTD 203569, Mukim of Tebrau, District of Johor Bahru, Johor [No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM17,000,000/-
15	PTD 204026, Mukim of Tebrau, District of Johor Bahru, Johor [No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM17,000,000/-
16	PTD 198653, Mukim of Tebrau, District of Johor Bahru, Johor [No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM23,000,000/-
17	PTD 112754, Mukim of Senai, District of Kulai, Johor [No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
18	PTD 112753, Mukim of Senai, District of Kulai, Johor [No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM14,000,000/-
19	PTD 196174, Mukim of Tebrau, District of Johor Bahru, Johor [No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM8,000,000/-
20	PTD 196173, Mukim of Tebrau, District of Johor Bahru, Johor [No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM7,000,000/-

VALUATION CERTIFICATES (Cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Page 6

VALUATION (Cont'd)

No.	Property Details	Market Value
21	PTD 196180, Mukim of Tebrau, District of Johor Bahru, Johor [No. 13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM8,000,000/-
22	PTD 112760, Mukim of Senai, District of Kulai, Johor [No. 40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM8,000,000/-
23	Lot Nos. PTD 7669 and PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM24,000,000/-
24	Lot 98834 (Formerly PTD 106938), Mukim of Kulai, District of Kulai, Johor [No. 12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM21,000,000/-
25	Lot No. PTD 7672, Mukim of Jelutong, District of Johor Bahru, Johor [No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM13,000,000/-
26	PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor [No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor]	RM38,000,000/-
27	Lot 98833 (Formerly PTD 106937), Mukim of Kulai, District of Kulai, Johor [Along Jalan Seroja 28/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM45,000,000/-
28	Lot 98837 (Formerly PTD 106941), Mukim of Kulai, District of Kulai, Johor [PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]	RM45,000,000/-
29	PTD 112778, Mukim of Senai, District of Kulai, Johor [No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM45,000,000/-
30	PTD 112781, Mukim of Senai, District of Kulai, Johor [No. 48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 81400 Senai, Johor]	RM21,000,000/-
31	Lot Nos. PTD 7376 and PTD 7377, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM6,500,000/-
32	Lot No. PTD 7379, Mukim of Jelutong, District of Johor Bahru, Johor [No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor]	RM3,500,000/-
Grand Total		RM557,000,000/-

Yours faithfully
for and on behalf of

CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr LO KIN WENG

B. (Hons) Estate Mgt. MRICS, MRISM, MPEPS
RICS Registered Valuer
Registered Valuer (V-917)

INDEPENDENT MARKET RESEARCH REPORT

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)
15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date: 22 JUL 2022

The Board of Directors

I REIT Managers Sdn Bhd

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

Dear Sirs/Madam,

Independent Market Research Report on the Industrial Property Market in Malaysia ("IMR Report")

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("SMITH ZANDER") for inclusion in the Prospectus in conjunction with the initial public offering and listing of AME Real Estate Investment Trust ("AME REIT") on Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry and market(s) in which AME REIT operates and to offer a clear understanding of the industry and market dynamics. AME REIT is a real estate investment trust ("REIT") established and managed by I REIT Managers Sdn Bhd that carries a portfolio of industrial properties and dormitories in Johor. The scope of work for this IMR Report will cover the following areas:

- (i) The industrial property market, including the industrial property rental market in Malaysia;
- (ii) The market drivers, risks and challenges;
- (iii) The competitive overview;
- (iv) Overview of AME REIT's portfolio; and
- (v) Prospects and outlook.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants and industry experts. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company(s) or REIT(s) as mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
MANAGING PARTNER

SMITH ZANDER

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The research for this IMR Report was completed on 18 July 2022.

For further information, please contact:

SMITH ZANDER INTERNATIONAL SDN BHD

15-01, Level 15, Menara MBMR

1, Jalan Syed Putra

58000 Kuala Lumpur

Malaysia

Tel: + 603 2732 7537

www.smith-zander.com

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 24 years of experience in market research and strategy consulting, including over 19 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

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1 INDUSTRIAL PROPERTY MARKET IN MALAYSIA

1.1 OVERVIEW

Industrial property is a type of property that is used to house industrial-related activities such as manufacturing, production, processing and storage of goods and products. Examples of industrial properties include factories and warehouses. These industrial properties are in demand from businesses that require industrial space for their operational activities, including businesses in the manufacturing, construction, logistics and transportation as well as trading sectors. The demand for industrial properties is driven by positive economic development which corresponds to increasing business and industrial activities.

Business owners can choose to own or rent/lease industrial properties for their business operations. Owning industrial properties is a preferred option for many business owners as it provides them the certainty in securing premises for their operations and allows them to establish a foothold within a location or region. However, acquiring the required industrial properties often requires extensive capital investment, or established financial track record to obtain bank financing. Due to such financial challenges and commitment, some businesses may prefer to rent/lease industrial properties which provide them with more operational flexibility.

By opting to rent/lease, businesses can focus their cash flow, time and resources on growing revenue, rather than investing in industrial properties which may limit their financial capability to undertake future business opportunities that may arise. Renting/leasing industrial properties provides flexibility to cater for future business expansion when businesses require more space to house increasing business and industrial activities. Apart from requiring more space, these businesses may decide to move their operations to other locations due to changes in areas of business focus, branding purposes and/or preferences over certain locations, amongst others. Hence, it may be ideal for these businesses to rent/lease industrial properties while growing their businesses without being restrained by heavy commitments in owning industrial properties.

Further, leasing industrial properties as opposed to owning them also saves business owners from dealing with matters and costs associated to land and property taxes, security and insurance fees as well as structural maintenance and repair of industrial properties, which are usually part of the landlords' responsibilities depending on the leasing agreements. Additionally, in view of the unprecedented economic uncertainties caused by the Covid-19 pandemic, many business owners tend to be more prudent in spending and investment. Notwithstanding that economic activities are gradually recovering as Malaysia is transitioning into the endemic phase, many businesses are still prudent in the immediate short term to give them the flexibility to adjust their business strategies in anticipation of any potential adverse challenges in the near future. As such, business owners may choose to rent/lease instead of purchasing industrial properties to preserve cash flow for any emergency needs that may arise from the potential adverse impact of the economic and political uncertainty.

Leasing industrial properties is also common amongst foreign companies while setting up manufacturing facilities or branches in Malaysia. These foreign companies may shift their manufacturing facilities or branches to other countries depending on the prevailing global economic landscape and decisions made by the headquarters following the changes in business strategies. Thus, adopting an asset-light approach by leasing industrial properties provides these companies with more flexibility and eliminates the need to go through procedures required to purchase and/or sell their industrial properties.

The demand for renting/leasing of industrial properties has presented opportunities for investors and REITs to increase rental/leasing income by expanding their portfolio of industrial properties. Renting/leasing of industrial properties provides a stable recurring income as renting/leasing is typically secured for a longer duration as compared to the rental of residential properties. This is because businesses are less likely to relocate within a short span of time, or frequently, due to heavy capital involved for the setting up of manufacturing facilities such as acquisition and installation of machinery and equipment as well as other administrative matters involved such as obtaining permits and approvals from the local authorities. Additionally, frequent relocation is disruptive to business operations as it will lead to production downtime which may lead to reputational risk as well as adversely impact business prospects.

In Malaysia, there are several REITs listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") carrying a portfolio of industrial properties as detailed in **Chapter 5.2 – REITs with Industrial Properties in Malaysia**. These REITs mostly carry large industrial properties with built-up area of more than 100,000 square feet ("sq ft") as rental of these large industrial properties are deemed attractive and in demand due to the high acquisition cost and preference of some businesses with asset-light business models. To expand their portfolio of industrial properties, REITs can either acquire ready-built and vacant industrial properties from developers, acquire tenanted industrial properties from investors (i.e. landlords), or bid for building

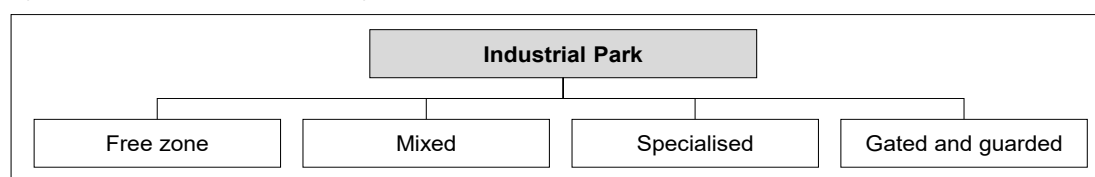
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construction projects from businesses/companies planning for expansion and thereafter acquire vacant land to construct built-to-suit industrial properties for the businesses/companies based on their requirements.

1.2 INDUSTRIAL PARKS IN MALAYSIA

In Malaysia, industrial properties can be categorised into several types, namely terrace, semi-detached, detached, flatted factory, industrial complex and cluster. These industrial properties are typically constructed in industrial parks which are areas zoned for industrial use. Industrial parks can be segmented into free zone, mixed, specialised as well as gated and guarded industrial parks.

Type of industrial parks in Malaysia



Notes:

- This list is not exhaustive.
- Amongst the 31 industrial properties (factories and warehouses) under AME REIT's initial portfolio, 27 are located in gated and guarded industrial parks, 3 are located in a mixed industrial park and 1 is located in free zone industrial park. All these factories and warehouses are located in Johor.

Source: SMITH ZANDER

- ▶ **Free zone industrial park** – An area whereby goods and services may be brought into, produced, manufactured, provided or stored without payment of any customs duty, excise duty, sales tax or service tax. Examples of free zones in Malaysia are Bayan Lepas Free Industrial Zone, Digital Free Trade Zone @ KLIA Aeropolis, Senai Airport Free Zone, Pelabuhan Tanjung Pelepas Free Zone and Port Klang Free Zone.
- ▶ **Mixed industrial park** – A park which consists of various small and medium-sized enterprises from different sectors. Examples of such parks in Johor are i-Parc @ Tanjung Pelepas, Nusa Cemerlang Industrial Park, Taman Industri Jaya, Taman Perindustrian Cemerlang and Taman Perindustrian Murni Senai.
- ▶ **Specialised industrial park** – A park built to cater to the needs of specific industries. Currently, there are several specialised industrial parks in Malaysia, catering to industries such as oil and gas and its related industries (e.g. Pengerang Integrated Petroleum Complex), automotive (e.g. Proton City), maritime (e.g. Tanjung Piai Maritime Industrial Park) and *halal* products and services (e.g. Selangor Halal Hub).
- ▶ **Gated and guarded industrial park** – A park with perimeter fencing and enhanced security features such as visitor management systems, smart card access systems, closed-circuit television surveillance ("CCTV") and guard patrols. Some gated and guarded industrial parks also provide amenities such as workers' dormitories, recreational facilities, landscaping and general maintenance. Examples of gated and guarded industrial parks in Johor are Eco Business Park I, Frontier Park, i-Park @ Indahpura, i-Park @ Senai Airport City ("SAC") ("i-Park @ SAC"), Nusajaya Tech Park and Setia Business Park.

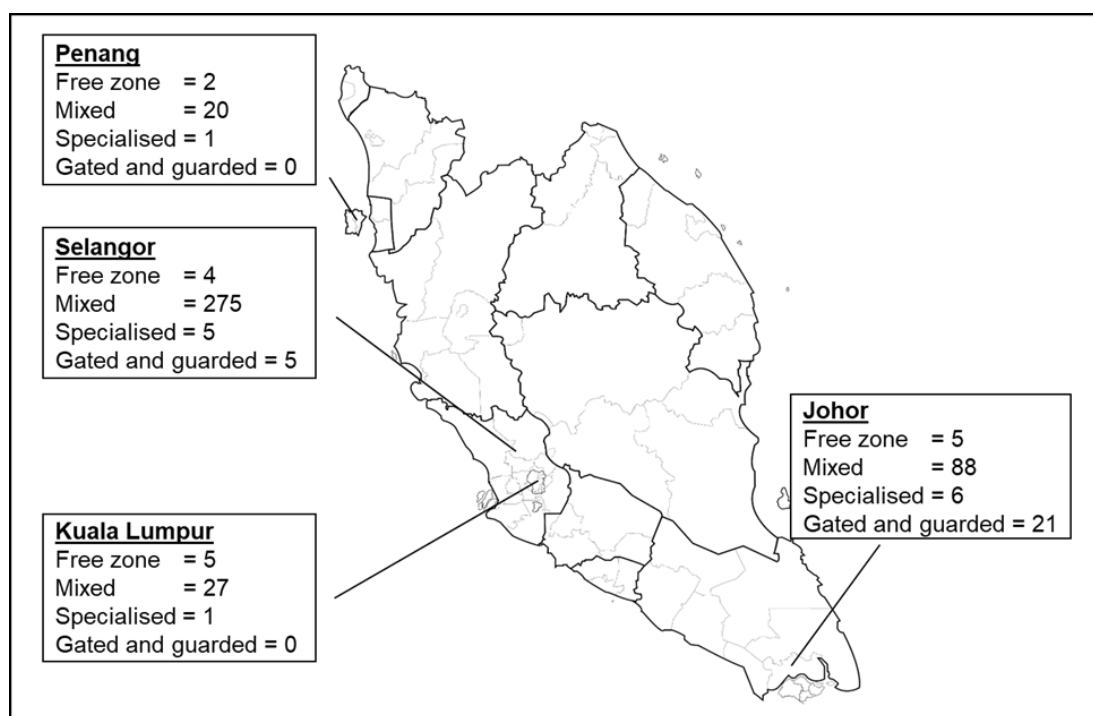
In Malaysia, gated and guarded industrial parks have increasingly become an attractive alternative for both local and foreign companies to set up their facilities as these industrial parks feature modern buildings, well-managed environment and landscaping, as well as more organised infrastructure. Having business facilities set up in well-managed industrial parks enhances companies' corporate images and provides confidence to their customers. Gated and guarded industrial parks also provide a more secure environment for businesses seeking better safety. In addition, some gated and guarded industrial parks are built with dormitories within the industrial parks to accommodate workers who work in the industrial parks. Further details on the dormitories are set out in **Chapter 1.5 – Dormitories in Industrial Parks**. These gated and guarded industrial parks are either managed in-house by the respective developers or by third party management companies appointed by the developer or community, thus ensuring that the parks are well maintained.

In tandem with the increasing popularity and attractiveness of gated and guarded industrial parks due to its enhanced security features and amenities, Malaysia is starting to see the growth of gated and guarded industrial parks.

1.3 INDUSTRIAL PARKS IN SELECTED STATES

There are approximately 670 industrial parks in Peninsular Malaysia. Selangor (289 industrial parks), Johor (120 industrial parks), Kuala Lumpur (33 industrial parks) and Penang (23 industrial parks) are amongst the states with the highest number of industrial parks in Malaysia.

Industrial parks in selected states



Note:

- This list is not exhaustive.

Sources: Economic Planning Unit, Malaysian Investment Development Authority ("MIDA"), State Development Corporation, SMITH ZANDER

SMITH ZANDER has identified 26 gated and guarded industrial parks in Peninsular Malaysia located in Johor and Selangor. Amongst the 26 gated and guarded industrial parks identified, Johor dominated the market with 21, or 80.77%, of the total gated and guarded industrial parks in Peninsular Malaysia. Please refer to **Chapter 5 – Competitive Overview** for further details of selected gated and guarded industrial parks in Peninsular Malaysia.

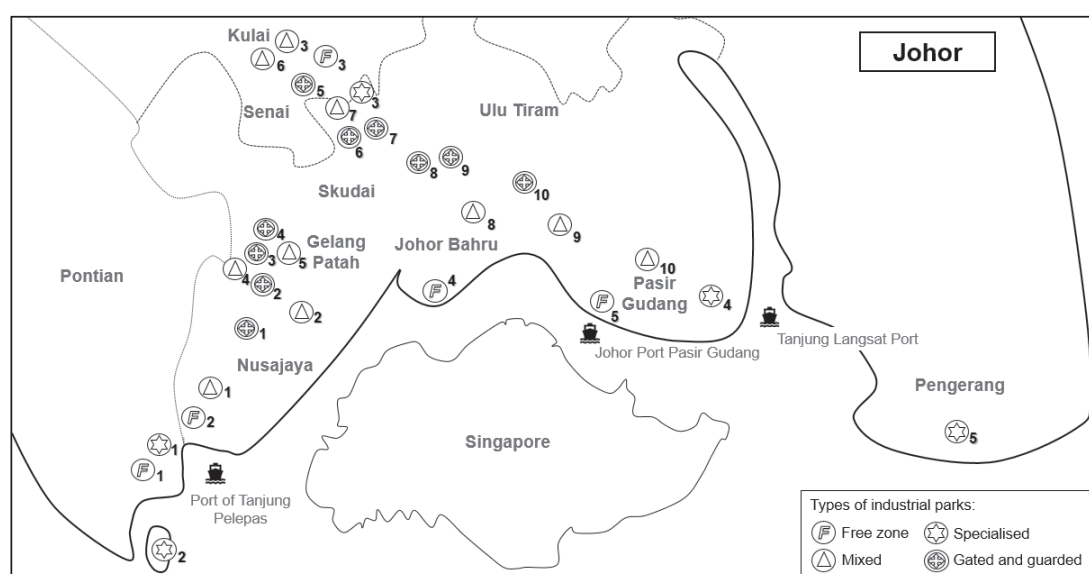
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1.4 INDUSTRIAL PARKS IN JOHOR

Ranking first amongst all states in Peninsular Malaysia that has the most gated and guarded industrial parks, the state of Johor is a key market for commercial and industrial properties in the Southern region. This ranking is due to Johor's strategic location and well-developed infrastructure which has prompted international companies to set up or expand their manufacturing facilities in this state. Please refer to **Chapter 4.1 – Key Market Drivers** for further details on the infrastructure available in Johor.

Iskandar Malaysia, a key economic development region located in Johor, was identified in the Ninth Malaysia Plan as an economic hub and driver for the growth of Malaysia's economy. As such, the region has seen establishment of many industrial parks in tandem with the continuing investments received. Please refer to **Chapter 6.1 – Overview of Iskandar Malaysia** for further details on Iskandar Malaysia.

Examples of industrial parks in Johor



F 1. Tanjung Bin Petrochemical and Maritime Industrial Hub Free Industrial Zone 2. Pelabuhan Tanjung Pelepas Free Zone 3. Senai Airport Free Zone[#] 4. Stulang Laut Free Zone 5. Pasir Gudang Port Free Zone	S 1. Tanjung Bin Petrochemical and Maritime Industrial Centre 2. Tanjung Piai Maritime Industrial Park 3. Senai Hi-Tech Park 4. Tanjung Langsat Industrial Complex 5. Pengerang Integrated Petroleum Complex
M 1. i-Parc @ Tanjung Pelepas 2. Nusa Cemerlang Industrial Park 3. Johor Technology Park 4. District 6 @ SiLC[#] 5. Taman Industri Jaya 6. SME City 7. Taman Perindustrian Murni Senai 8. Tiong Nam Industrial Park @ Tebrau 3 9. Taman Perindustrian Cemerlang 10. Eco Business Park III	G 1. Nusajaya Tech Park 2. Bio-XCell Biotechnology Park 3. i-Park @ SiLC[#] 4. Setia Business Park 5. i-Park @ Indahpura[#] 6. Eco Business Park II 7. i-Park @ SAC[#] 8. Eco Business Park I 9. Setia Business Park II 10. Frontier Park

Notes:

- This list is not exhaustive.

[#] Industrial parks/locations in which AME REIT's subject properties are located.

Sources: Iskandar Regional Development Authority ("IRDA"), Petroliaam Nasional Berhad, Johor Petroleum Development Corporation Berhad, Laws of Malaysia Act 438 (Free Zones Act 1990), SMITH ZANDER

1.5 DORMITORIES IN INDUSTRIAL PARKS

Dormitories are a type of accommodation provided by employers to their workers, especially foreign workers. Traditionally, foreign workers are housed in low-cost houses or shop houses and the living conditions of these places may be cramped and unhygienic, if they are not properly managed and maintained. Employers have to provide transportation for their foreign workers to commute to work if the accommodation facilities provided are not located within walking distance to the workplace. There are also instances whereby foreign workers are housed in shipping containers that do not comply with provisions in the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("Act 446"), thus violating the law on worker's accommodation standards. Given the continuous enforcement of Act 446, there has been an increasing demand for workers' accommodation, including dormitories, that are properly managed and equipped with the necessary facilities to provide suitable living conditions that meet the minimum requirements set out in Act 446.

Dormitories that are developed within the vicinity of industrial areas or within the gated and guarded industrial parks provide easy access for foreign workers to travel, by foot, between their workplace and accommodation. Other benefits of dormitories include easy access to various amenities built in the surrounding areas such as food and beverage outlets, grocery stores and clinics. Some dormitories may also be equipped with recreational facilities such as game rooms, gymnasiums, laundromats, basketball courts, badminton courts and general recreation areas for the welfare of the workers. Dormitories are typically offered in the form of managed accommodation services by property developers or owners of the dormitories. With that, a management body will be appointed to manage the condition of the dormitories and the foreign workers' well-being. As dormitories are managed and maintained by the appointed management body, it ensures comfortable living conditions for foreign workers, meeting the required minimum standards set out in Act 446. Dormitories also provide convenience to employers to house their foreign workers within the same location, or in close proximity to the foreign workers' workplaces for ease of management as well as eliminating the need for transportation arrangements for the foreign workers.

The demand for dormitories is expected to be driven by the increase in manufacturing activities. As manufacturing activities grow, there will be an increasing need for foreign labour which will in turn lead to a higher demand for dormitories.

The outbreak of the Covid-19 pandemic in Malaysia beginning early 2020 led to a slowdown in the manufacturing sector; and from the imposition of the movement restrictions on 18 March 2020 until the re-opening of applications for the hiring of foreign workers on 15 February 2022, foreign workers were not allowed to enter Malaysia. Nevertheless, the Covid-19 pandemic has led to an increased attention on foreign workers' accommodation, highlighting the poor living conditions of many foreign workers in Malaysia which could potentially lead to a higher risk of virus infection amongst the workers.

As such, the Human Resource Ministry published new rules for minimum standards in relation to employers who provide accommodation to foreign workers to ensure proper housing accommodation is provided. The new rules were enforced on 1 September 2020, requiring employers to provide, amongst others, a single bed measuring not less than 1.70 square metres and if a double-decker bed is provided, the space between two beds shall not be less than 0.70 metres; a mattress of at least four inches thick, a pillow and a blanket; and a locked cupboard for the safe custody of the workers' valuables.

Failure to comply with the new regulations will result in a fine of up to RM50,000 and a further fine of RM1,000 a day for each day during which the offence continues. In December 2020, the Human Resource Minister highlighted that approximately 91.10% or 1.40 million foreign workers in the country are still provided with accommodation that does not comply with Act 446. In February 2021, the Emergency (Employees' Minimum Standards of Housing, Accommodations and Amenities) (Amendment) Ordinance 2021, which is an amendment to Act 446, was gazetted to address employees' accommodation issues through stricter enforcement actions, whereby any non-compliance can be fined up to RM200,000 and/or be jailed up to 3 years.

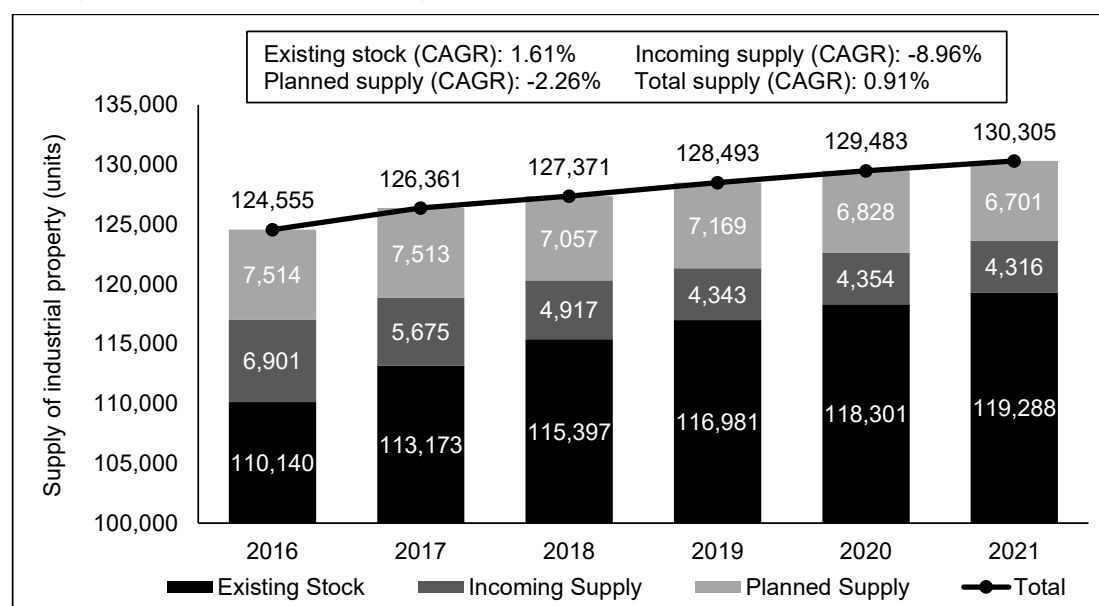
To further promote a conducive living environment for foreign workers, through Safe@Work programme implemented by the Ministry of International Trade and Industry under the Strategic Programme to Empower the People and Economy (PEMERKASA) in 2021, the Government announced a further tax deduction for manufacturing and manufacturing-related service companies on rental expenses of premises used for employees' accommodation in accordance to Safe@Work standard operating procedure and Act 446. The eligible rental expenditure for the tax deduction is limited up to RM50,000 per company and will be applicable from 1 January 2021 to 31 December 2021. The tax reduction incentive was further extended to 31 December 2022, as announced under Budget 2022. Hence, the demand for well-managed and equipped dormitories is expected to increase as employers seek suitable workers' accommodation which meets the standards set out by the Human Resource Ministry, alongside the initiatives provided by the Government.

2 SUPPLY OF INDUSTRIAL PROPERTIES

2.1 SUPPLY OF INDUSTRIAL PROPERTIES IN MALAYSIA

From 2016 to 2021, the total supply of industrial properties in Malaysia increased from 124,555 units to 130,305 units at a compound annual growth rate ("CAGR") of 0.91%. Notwithstanding the increase in total supply, the overall development of industrial properties has slowed down over the years, as witnessed by decreasing incoming supply and planned supply which registered negative CAGRs of -8.96% and -2.26% respectively from 2016 to 2021. This was mainly due to the increasing number of overhang industrial units during the same period as disclosed in **Chapter 2.3 – Overhang of Industrial Properties in Malaysia**, which has caused developers to slow down the launch of industrial properties.

Supply of industrial properties (Malaysia), 2016 – 2021



Source: National Property Information Centre ("NAPIC")

Industrial properties are mostly built in key economic zones in Malaysia such as Selangor in the central region, Johor in the southern region and Penang in the northern region. These states often attract local investments and FDIs, and are favourable for businesses and companies to establish and/or expand their facilities. This is attributed to the well-developed infrastructure and the accessibility to major federal ports of these states. In 2021, out of the total supply of 130,305 units of industrial properties, 74,524 units (57.19%) were located in Selangor, Johor and Penang.

Supply of industrial properties (selected states), 2021

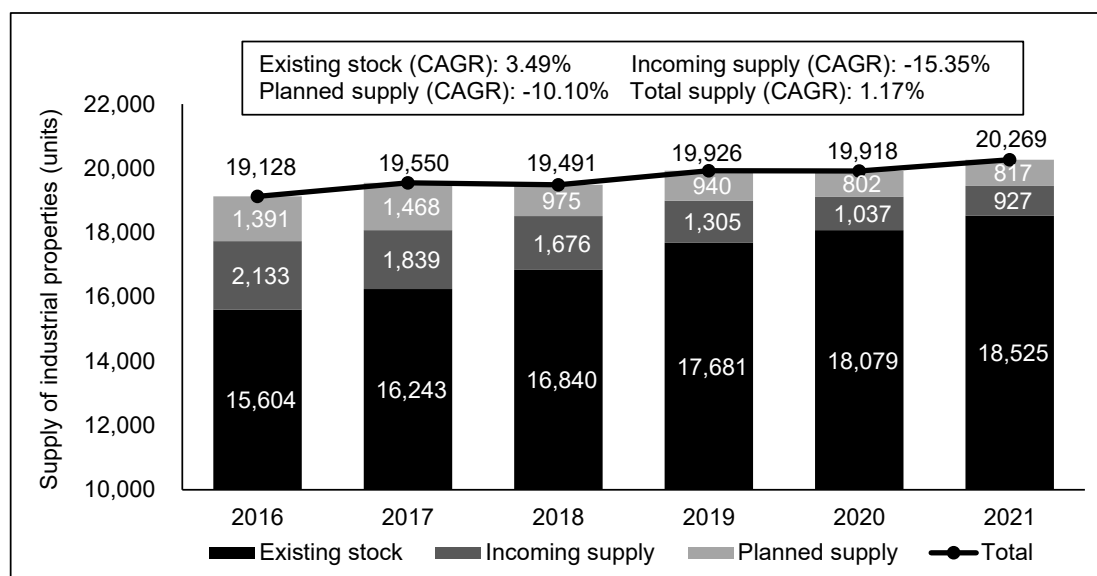
State	Existing stock		Incoming supply		Planned supply		Total supply	
	Unit	%	Unit	%	Unit	%	Unit	%
Selangor	41,339	34.65	1,286	29.80	1,683	25.12	44,308	34.00
Johor	18,525	15.53	927	21.48	817	12.19	20,269	15.56
Penang	9,606	8.05	193	4.47	148	2.21	9,947	7.63
Other states and federal territories	49,818	41.76	1,910	44.25	4,053	60.48	55,781	42.81
Total	119,288	100.00	4,316	100.00	6,701	100.00	130,305	100.00

Source: NAPIC

2.2 SUPPLY OF INDUSTRIAL PROPERTIES IN JOHOR

The total supply of industrial properties in Johor increased from 19,128 units in 2016 to 20,269 units in 2021, with a CAGR of 1.17%. Similar to the overall development of industrial properties in Malaysia, the incoming supply and planned supply of industrial properties in the state experienced a decrease in growth with negative CAGRs of 15.35% and 10.10% respectively from 2016 to 2021. This was mainly due to a drop in total investments for manufacturing projects in the state during the same period, which caused developers to slow down the launch of industrial properties. Total investment for manufacturing projects in Johor dropped from RM26.41 billion in 2016 to RM6.95 billion in 2021, with a negative CAGR of 23.43%.

Supply of industrial properties (Johor), 2016 – 2021



Source: NAPIC

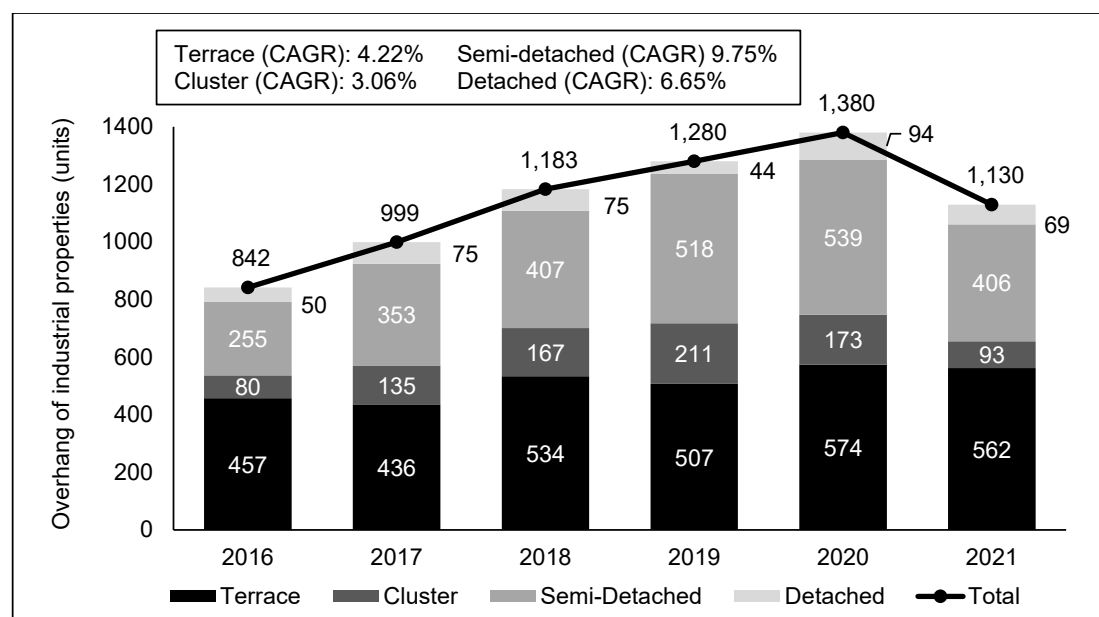
As for the future supply of industrial properties, there are several development projects that contribute to the incoming and planned supply of industrial properties in Johor, such as:

- AME Elite Consortium Berhad has commenced the development of i-Park @ SAC which involves construction of industrial buildings including factories and warehouses spanning across approximately 195.00 acres of land. AME Elite Consortium Berhad has also launched the development of i-TechValley which involves construction of industrial buildings including factories spanning across approximately 170.00 acres of land;
- Eco World Development Group Berhad has launched the development of Eco Business Park II which involves construction of multiple types of factories spanning across approximately 383.00 acres of land;
- Tropicana Corporation Berhad has announced the development of Tropicana Industrial Park which will comprise plots for sale to light and medium industries spanning across approximately 1,188.00 acres of land; and
- TPM Technopark Sdn Bhd, a wholly-owned subsidiary company of Johor Corporation Group, has launched a project named Sedenak Tech Park ("STeP") (previously known as Kulai Iskandar Data Exchange (KIDEX)). STeP will span across approximately 745.00 acres of land with approximately 458.00 acres of leasable areas for the development of data centres. It is expected to be fully operational in 2023.

2.3 OVERHANG OF INDUSTRIAL PROPERTIES IN MALAYSIA

From 2016 to 2021, the number of overhang industrial units¹ increased at a CAGR of 6.06% from 842 units to 1,130 units. Out of the total 1,130 overhang units of industrial property in 2021, terrace factories and semi-detached factories contributed the highest proportion of the total overhang units at 49.73% and 35.93% respectively, followed by cluster factories at 8.23% and detached factories at 6.11%.

Overhang of industrial properties (Malaysia), 2016 – 2021



Source: NAPIC

The overhang industrial units in 2021 were mostly located in Johor (352 units), followed by Sarawak (320 units) and Penang (101 units). Out of the total 352 overhang industrial units in Johor, semi-detached factories and terrace factories accounted for 33.81% and 32.67% respectively, followed by cluster factories at 26.42% and detached factories at 7.10%. Amongst the 31 industrial properties (factories and warehouses) under AME REIT's initial portfolio, 28 of the properties are detached factories/warehouses.

Overhang units of industrial properties (selected states), 2021

State	Terrace	Cluster	Semi-detached	Detached	Total
Johor	115	93	119	25	352
Sarawak	190	-	130	-	320
Penang	17	-	59	25	101
Selangor	19	-	31	-	50
Other states and federal territories	221	-	67	19	307
Total	562	93	406	69	1,130

Source: NAPIC

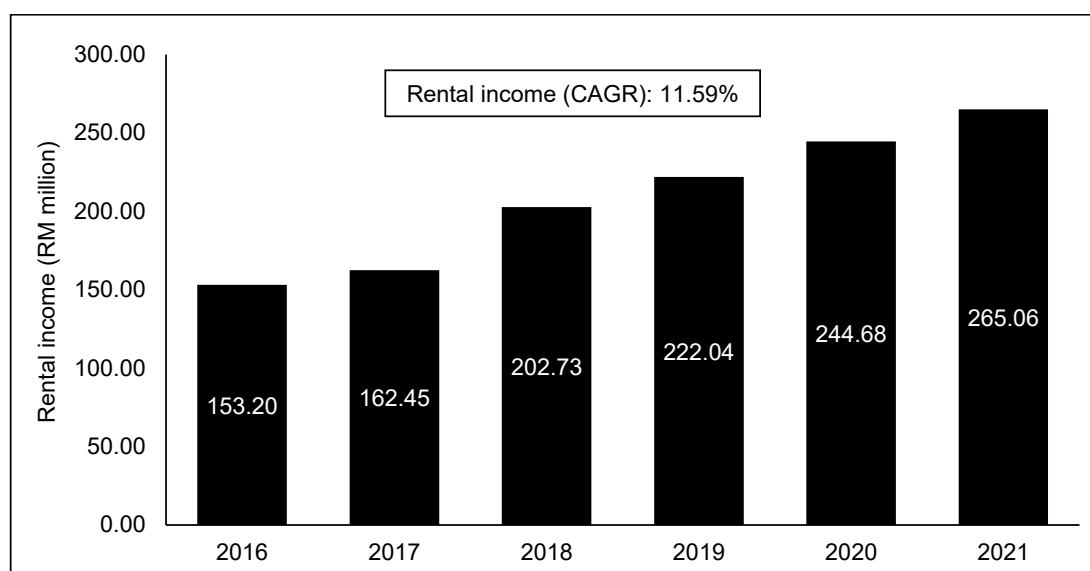
¹ Overhang industrial units refer to industrial units that are completed and issued with Certificate of Completion and Compliance ("CCC") in the review period but remained unsold for more than 9 months. (Source: NAPIC)

3 DEMAND FOR INDUSTRIAL PROPERTIES

3.1 RENTAL MARKET PERFORMANCE OF INDUSTRIAL PROPERTIES IN MALAYSIA

Industrial properties are sold to business owners to carry out industrial-related activities; or to investors or REITs whereby the industrial properties may then be rented/leased to generate rental income. As the income generated from renting/leasing of industrial properties in Malaysia is not publicly available, the rental market performance of industrial properties in this IMR Report is illustrated through the performance of selected REITs in Malaysia which carry industrial properties in their portfolio, namely Al-Salam REIT, Atrium REIT and Axis REIT. Please refer to **Chapter 5.2 – REITs with Industrial Properties in Malaysia** for further details of these 3 REITs. The total rental income generated from renting/leasing of industrial properties by these 3 REITs increased at a CAGR of 11.59% from RM153.20 million in 2016 to RM265.06 million in 2021.

Rental income generated from renting/leasing of industrial properties by Al-Salam REIT, Atrium REIT and Axis REIT, 2016 – 2021



Sources: Various company sources, SMITH ZANDER analysis

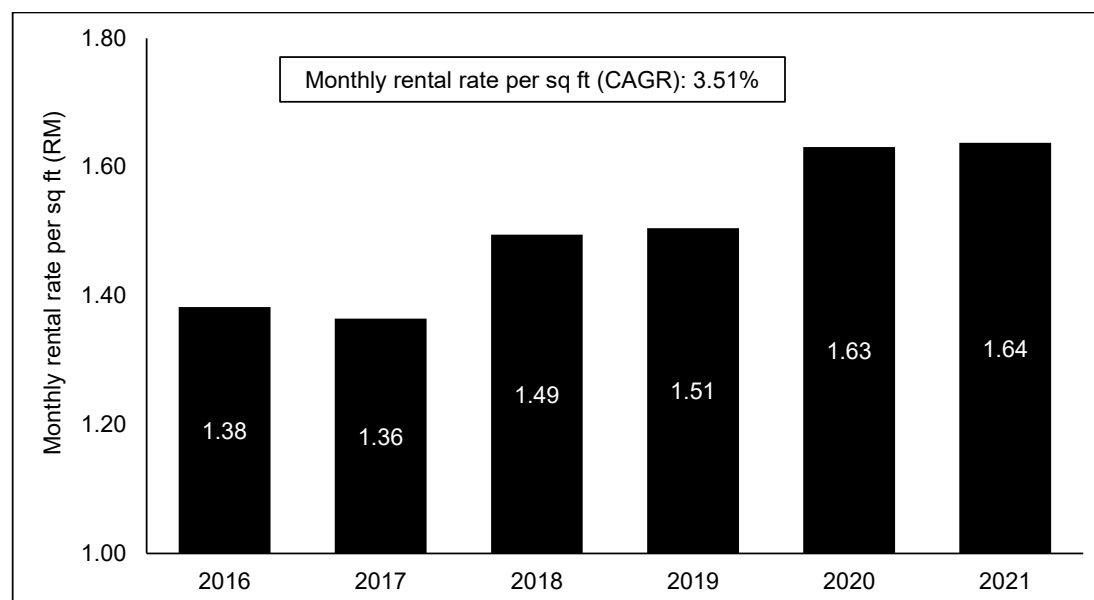
Despite the adverse impact on many economic sectors and industries as a result of the Covid-19 pandemic, the rental income generated from the renting/leasing of industrial properties by the 3 selected REITs recorded a year-on-year ("YOY") growth of 10.20% in 2020 and a YOY growth of 8.33% in 2021.

During the same period, the average monthly rental/leasing rates by these 3 REITs increased at a CAGR of 3.51% from RM1.38 per sq ft in 2016 to RM1.64 per sq ft in 2021. In 2020, the average monthly rental rate recorded a YOY increase of 7.95% from 2019 despite the pandemic, demonstrating the resilience of the industrial property rental market against the pandemic. In 2021, the average monthly rental rate increased slightly at a YOY of 0.61%.

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Average monthly rental/leasing rates of industrial properties by Al-Salam REIT, Atrium REIT and Axis REIT, 2016 – 2021



Sources: Various company sources, SMITH ZANDER analysis

Most of the industrial properties acquired by/carried under the portfolio of REITs are large properties with built-up areas of at least 100,000 sq ft which are costly for businesses to own. The rental of large industrial properties is also preferred by foreign companies which intend to establish regional manufacturing facilities to support regional sales of their products in multiple countries but prefer an asset-light business model.

Further, in general, renting/leasing industrial properties as opposed to purchasing them are preferred by some business owners during the Covid-19 pandemic as part of their prudent spending and investment measures during the unprecedented economic uncertainties caused by the pandemic. Additionally, the process of renting a ready-built industrial property is quicker than the process of acquiring an industrial property. As such, some business owners may have chosen to rent or lease industrial properties to accommodate immediate business expansion plans during the Covid-19 pandemic.

As compared to other property sectors such as properties for the retail industry, the rental market for industrial properties was less impacted during the movement restriction periods as businesses in the manufacturing sector have generally been allowed to operate subject to strict standard operating procedures, except during the first movement control order ("MCO") period in 2020 and certain periods under the National Recovery Plan ("NRP") in 2021. Moving forward as Malaysia is transitioning into the endemic phase and all business and economic activities are allowed to operate as usual, it is expected to drive the recovery of Malaysia's economy, including the manufacturing sector, which will in turn sustain the demand for industrial properties including the demand from the rental market.

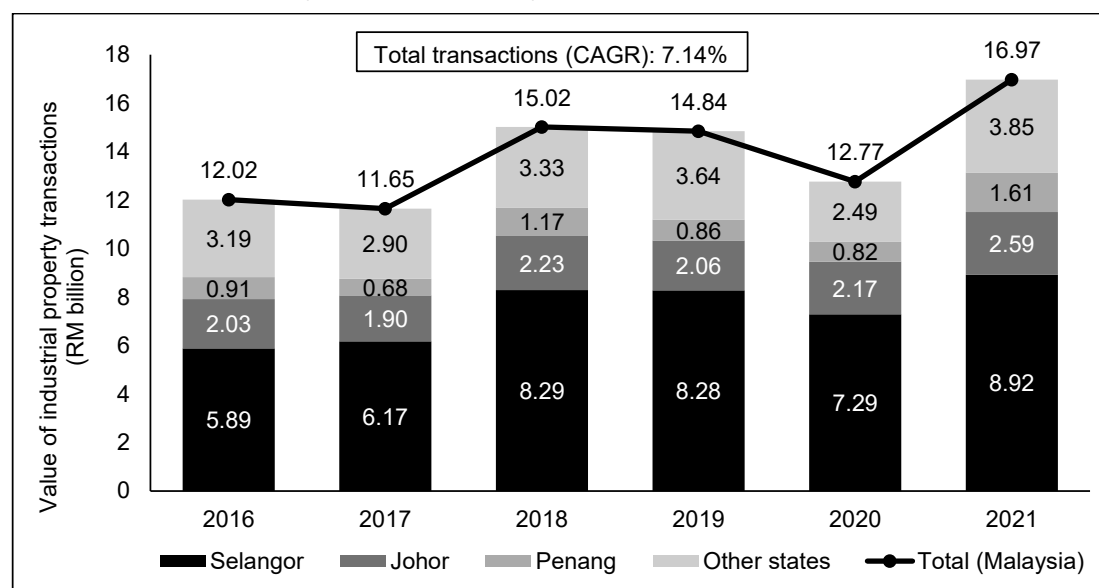
3.2 PERFORMANCE, SIZE AND GROWTH OF INDUSTRIAL PROPERTY MARKET IN MALAYSIA

The demand for industrial properties in Malaysia is represented by the value of industrial property transactions. The total value of industrial property transactions in Malaysia increased from RM12.02 billion in 2016 to RM16.97 billion in 2021, at a CAGR of 7.14%. In 2018, the total value of industrial property transactions achieved a YOY growth of 28.93%, in line with an increase in total approved investments for manufacturing projects at a YOY growth of 37.20% in 2018. Subsequently, the total value of industrial property transactions recorded a YOY decrease of 1.20% in 2019 which was due to a YOY decrease of 5.31% in total approved investments for manufacturing projects in the same year. In 2020, the total value of industrial property transactions further declined at a YOY of 13.95% due to the Covid-19 pandemic which had impacted many economic activities. The Covid-19 pandemic had led to disruptions to many businesses, causing business owners to be more prudent in their investment and business expansion strategies, thus leading to the reduction in the total value of industrial property transactions. The decline was also due to

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the implementation of movement restrictions and standard operating procedures which led to factory visit restrictions with agents, and also land office closures which led to a slowdown in the property acquisition process. The decline in the total value of industrial properties in 2020 was in line with the overall decline in the property market, which recorded a YOY decline of 15.79% in value of transactions. Nevertheless, the total value of industrial property transactions in 2021 registered a strong YOY growth of 32.89% despite the Covid-19 pandemic.

Value of industrial property transactions (Malaysia and selected states), 2016 – 2021



Source: NAPIC

The total value of industrial property transactions in Malaysia between 2016 and 2021 was dominated by transactions in Selangor, followed by Johor between 2016 and 2021. This was due to Selangor and Johor being the key economic zones in Malaysia that are favourable for businesses to establish and/or expand their facilities.

From 2016 to 2021, the total value of industrial property transactions in Johor increased from RM2.03 billion to RM2.59 billion, at a CAGR of 4.99%. Despite the outbreak of the Covid-19 virus in Malaysia, Johor recorded positive YOY growth of 5.34% and 19.35% in the value of industrial property transactions in 2020 and 2021 respectively. The Government has announced attractive tax incentives to attract foreign companies to relocate their operations to Malaysia which include tax incentives for new capital investments in the manufacturing industry as well as special reinvestment allowance for manufacturing companies from year assessment of 2020 to year assessment of 2024.

Further, the on-going effects of the United States ("US") – China trade war has led to some multinational companies diverting their expansion to countries in Southeast Asia, which may include Malaysia, from their original expansion plans in China. With Johor's strategic location and well-developed infrastructure, it is poised to benefit from these events, which led to the increase in value of industrial property transactions in 2020 and 2021 amidst the Covid-19 pandemic.

While the Covid-19 pandemic has adversely impacted many businesses and industries, some industries (e.g. logistics and electronic commerce ("e-commerce") industries) have benefited from booming demand for their products and services due to the adoption of the 'new normal' as a result of movement restrictions put in place by the Government (i.e. MCO, conditional MCO, recovery MCO, enhanced MCO and various phases of NRP). Moving forward, the overall demand for industrial properties in Malaysia, including demand from the rental/leasing market, is dependent on the recovery of economic conditions including the recovery and future growth of the manufacturing sector, growth in e-commerce activities, the development of infrastructure that supports economic activities and the Government's economic plans to drive industrial activities. Please refer to **Chapter 4.1 – Key Market Drivers** for further information on the drivers driving the industrial property market in Malaysia and in Johor.

INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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The table below sets out selected purchases of industrial properties by selected REITs in Malaysia between 2016 and 2021.

Selected industrial property transactions of selected REITs in Malaysia

Year	Purchaser	Type of building ^b	Building location	Net lettable area ("NLA") ^a (sq ft)	Land Tenure	Tenant ^b
2016	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	67,260	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	60,967	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	55,476	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	104,606	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	Kawasan Industri Sungai Choh, Selangor	302,621	Freehold	Shuangfei Wire Harness Sdn Bhd
2017	Amanah Raya REIT	Manufacturing facility	SILC Industrial Park Nusajaya, Johor	62,474	Freehold	RHF Stone Sdn Bhd
	Axis REIT	Logistics warehouse	Kawasan Perindustrian Pasir Gudang	163,000	Leasehold	Kerry Ingredients (Malaysia) Sdn Bhd
	Atrium REIT	Logistics warehouse	Shah Alam Industrial Estate, Selangor	89,468	Freehold	Agility Logistics Sdn Bhd
2018	Axis REIT	Logistics warehouse	Shah Alam, Selangor	254,233	Freehold	J&T Express (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	132,706	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	33,448	Freehold	Oerlikon Balzers Coating Malaysia Sdn Bhd
	Axis REIT	Logistics warehouse	Senawang Industrial Park, Negeri Sembilan	148,011	Freehold	Denso Wiper Systems (Malaysia) Sdn Bhd
2019	Axis REIT	Manufacturing facility	Nusajaya Tech Park, Johor	104,694	Freehold	GKN Engine Systems Component Repair Sdn Bhd
	Axis REIT	Manufacturing facility	Nusajaya Tech Park, Johor	42,068	Freehold	SternMaid Asia Pacific Sdn Bhd
	Atrium REIT	Manufacturing facility	Bayan Lepas Industrial Park, Penang	298,569	Leasehold	Lumileds Malaysia Sdn Bhd

INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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Year	Purchaser	Type of building ^b	Building location	Net lettable area ("NLA") ^a (sq ft)	Land Tenure	Tenant ^b
2020	Axis REIT	Manufacturing facility	Kawasan Perindustrian Nilai II, Negeri Sembilan	246,500	Leasehold	K-Plastics Industries Sdn Bhd
	Axis REIT	Manufacturing facility	Kawasan Perindustrian Bukit Raja, Selangor	149,605	Leasehold	Lion Steelworks Sdn Bhd
	Axis REIT	Logistics warehouse	Distripark B, Tanjung Pelepas, Johor	222,723	Leasehold	Schenker Logistics (Malaysia) Sdn Bhd
	Axis REIT	Logistics warehouse	Shah Alam, Selangor	285,249	Leasehold	One Total Logistics (M) Sdn Bhd
	Axis REIT	Manufacturing facility	Shah Alam, Selangor	41,061	Leasehold	GT-Max Construction Sdn Bhd
	Atrium REIT	Manufacturing facility	Bayan Lepas Industrial Park, Penang	189,932	Leasehold	Lumileds Malaysia Sdn Bhd
2021	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	35,339	Freehold	KES International Sdn Bhd
	Axis REIT	Automobile service centre	i-Park @ Indahpura, Johor	24,950	Freehold	Perodua Sales Sdn Bhd
	Axis REIT	Manufacturing facility	i-Park @ Indahpura, Johor	57,545	Freehold	Beyonics Precision (Malaysia) Sdn Bhd
	Axis REIT	Manufacturing facility	Kawasan Perindustrian Bukit Raja Selatan, Selangor	326,231	Freehold	FIW Steel Sdn Bhd
	Axis REIT	Logistics warehouse	Kawasan Perindustrian Pasir Gudang, Johor	464,613	Leasehold	Xin Hwa Trading & Transport Sdn Bhd
	Atrium REIT	Logistics warehouse	Shah Alam, Selangor	167,431	Leasehold	N/A ^c

Notes:

^a Based on the NLA at the time of acquisition and may not reflect the latest NLA as there may be expansion/renovation works carried out after the acquisition.^b Based on the information in the latest available annual reports of the respective REITs.^c Not applicable. The property is currently being upgraded to a bigger warehouse, which is targeted to be completed in the fourth quarter of 2022. Quantum Solutions International (M) Sdn Bhd signed a tenancy agreement to occupy the whole ground floor and mezzanine floor spaces for a period of 3 years. The tenancy is expected to commence upon the handing over of vacant possession of the upgraded warehouse.

Sources: Various company sources, SMITH ZANDER analysis

4 MARKET DRIVERS, RISKS AND CHALLENGES

4.1 KEY MARKET DRIVERS

- **Recovery of Malaysia's overall economic conditions, including the recovery and future growth of the manufacturing sector, will lead to increasing demand for industrial properties**

From 2016 to 2019, Malaysia's economy, measured by total GDP, increased from RM1.23 trillion to RM1.42 trillion at a CAGR of 4.90%. The manufacturing sector was the second largest contributor to Malaysia's total GDP from 2016 to 2019, after the service sector. The GDP from the manufacturing sector grew from RM273.90 billion to RM316.32 billion during the same period at a CAGR of 4.92%.

Due to the outbreak of the Covid-19 pandemic since early 2020, Malaysia recorded a 5.53% YOY decline in total GDP in 2020, indicating temporary adverse economic conditions for the year. Further, the GDP from the manufacturing sector, which is one of the key sectors driving the demand for industrial properties, also recorded a YOY decline of 2.67% in 2020. Nonetheless, Malaysia's total GDP and the GDP from the manufacturing sector recovered in 2021 and registered a YOY growth of 3.09% and 9.54% respectively.

Total GDP and GDP from the manufacturing sector (Malaysia), 2016 - 2021

Year	Total GDP (RM billion)	YOY growth (%)	GDP from the manufacturing sector (RM billion)	YOY growth (%)
2016	1,229.31	4.45%	273.90	4.39%
2017	1,300.77	5.81%	290.46	6.05%
2018	1,363.77	4.84%	304.84	4.95%
2019	1,423.95	4.41%	316.28	3.75%
2020	1,345.14	-5.53%	307.85	-2.67%
2021	1,386.74	3.09%	337.22	9.54%

Sources: Department of Statistics Malaysia ("DOSM"), SMITH ZANDER analysis

To support the manufacturing sector, the Government has introduced several initiatives through the PENJANA Short-Term Economic Recovery Plan. Amongst some of the government initiatives are:

- Provision of tax incentives (i.e. 0% tax rate) for new capital investments in the manufacturing industry in Malaysia from new companies for a period of up to 10 years or 15 years, depending on the amount of investments, with applications submitted to MIDA by 31 December 2021. Under the Budget 2021, the Government extended the application period for the 10-year tax incentive to 31 December 2022; while under the Budget 2022, the Government further extended the application period for the 15-year tax incentive to 31 December 2022.
- Provision of 100% investment tax allowance for existing companies in Malaysia which relocate their overseas facilities in Malaysia, with application submitted to MIDA by 31 December 2022.
- Provision of special reinvestment allowance given to manufacturing companies from year of assessment 2020 to year of assessment 2022. Under the Budget 2022, the Government extended the special reinvestment allowance to year of assessment 2024.

Further, MIDA has launched the Automation Project Initiatives to promote the adoption of automation amongst Malaysian companies and to assist Malaysian companies to adapt to the new normal in the post-pandemic era. Under the Automation Project Initiatives, a series of webinars involving automation providers and system integrators have been organised to facilitate Malaysian businesses in adopting automation in their operations, particularly those heavily dependent on unskilled or foreign labour.

These initiatives are expected to encourage further investments in the manufacturing sector in Malaysia, which may stimulate the demand for industrial properties, including demand from the rental/leasing market.

Following the transitioning into the endemic phase beginning 1 April 2022, business and economic activities are allowed to operate as usual and international borders have reopened, which is expected to further drive the recovery of economic conditions in Malaysia. According to the latest Economic and Monetary Review published by BNM, BNM expects Malaysia's GDP to grow within the range of 5.30% to 6.30% in 2022, supported by better Covid-19 management and higher vaccination rates as well as spill-over benefits from

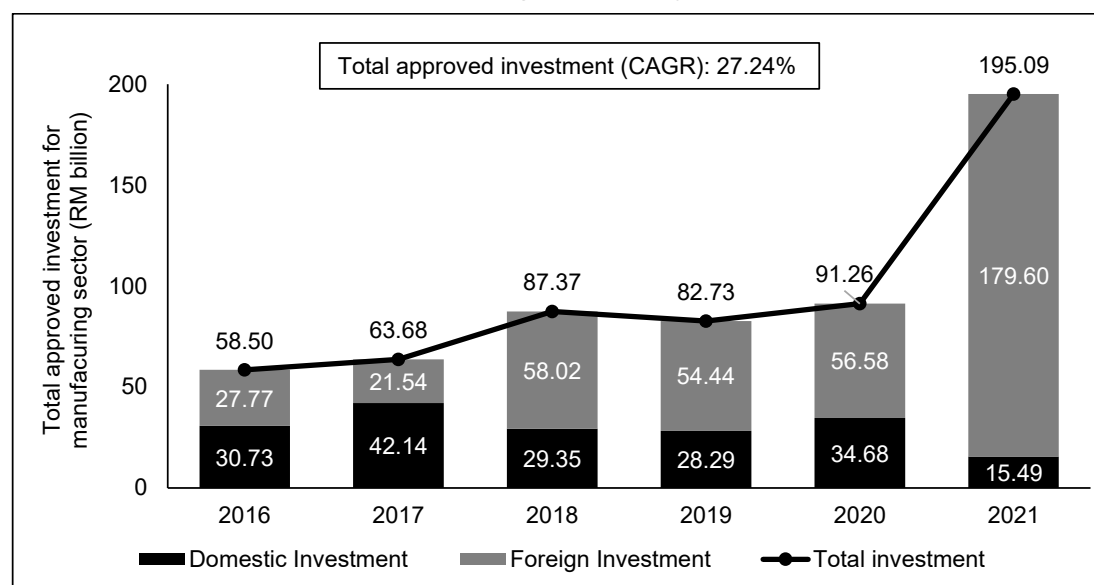
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expansion in global demand. According to the latest economic outlook announced with the Budget 2022, the GDP from the manufacturing sector is expected to grow by 4.75% in 2022. Improved economic conditions and the anticipated growth in the manufacturing sector are expected to boost the recovery and growth of business and industrial activities, thereby driving the recovery of the industrial property market in Malaysia.

► **Continuous investments and demand for manufactured goods will drive the growth of the manufacturing sector, which will subsequently lead to an increase in the demand for industrial properties**

From 2016 to 2021, total approved investments for the manufacturing sector increased from RM58.50 billion to RM195.09 billion at a CAGR of 27.24%. In 2020, the approved investments for manufacturing sector recorded a YOY increase of 10.31% from RM82.73 billion in 2019 amidst the Covid-19 pandemic. In 2021, the approved investments for manufacturing sector recorded a strong YOY increase by 113.77% from RM91.26 billion in 2020, which was mainly contributed by the FDI received in the electrical and electronic ("E&E") sector at RM146.27 billion. Out of the total approved investments received by the manufacturing sector in 2021, FDIs accounted for RM179.60 billion (92.06%) and domestic investments accounted for RM15.49 billion (7.94%). The increases in FDI inflows in 2020 and 2021 may be partly attributed to the escalation of the US-China trade war that has resulted in the relocation of manufacturing facilities by foreign companies from China to Southeast Asia, including Malaysia.

Total approved investments for manufacturing sector (Malaysia), 2016 – 2021



Source: MIDA

Manufacturing investments in the E&E products industry attracted the largest FDI in 2021, followed by basic metal products; food manufacturing; chemicals and chemical products; and scientific and measuring equipment industries. This reflects investors' confidence in Malaysia's investment environment. This is expected to impact favourably on the demand for industrial properties, including demand from the rental/leasing market.

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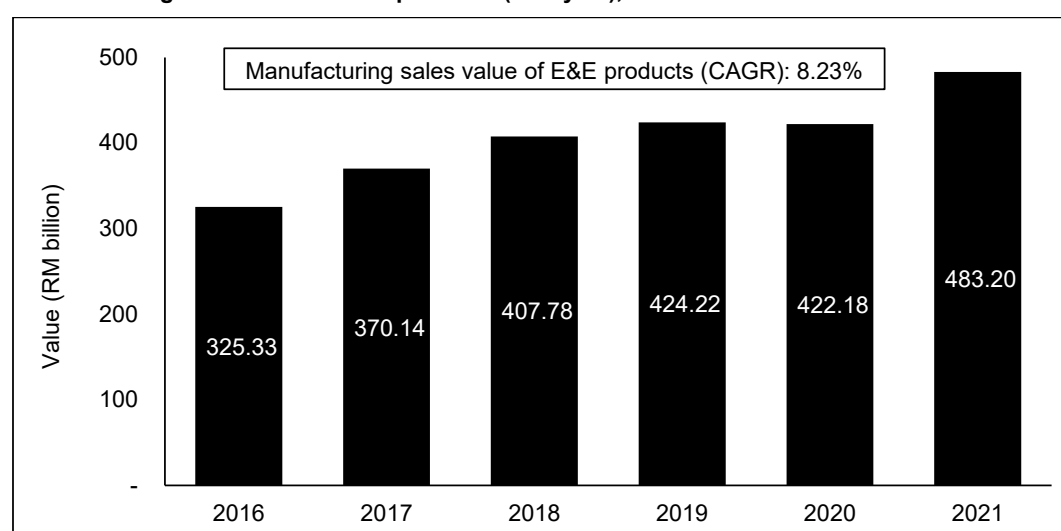
Further, the continuous demand for manufactured goods will continue to spur the growth of the manufacturing sector. The following focuses on E&E industry as it is the top industry based on the percentage of occupied NLA of AME REIT's subject properties.

• E&E industry

E&E products developed today play essential roles in consumer lifestyles and in various industries such as retail, manufacturing and telecommunications. One of the most prevalent trends in the E&E industry is the rise of mobile and portable engineering designs which promote convenience. Further, with the increase in demand for mobile devices, industry players are constantly developing newer E&E products to meet market requirements for smaller, and more lightweight products.

The E&E industry in Malaysia, represented by the manufacturing sales value of E&E products, increased from RM325.33 billion in 2016 to RM483.20 billion in 2021, at a CAGR of 8.23%.

Manufacturing sales value of E&E products (Malaysia), 2016 – 2021



Sources: DOSM, SMITH ZANDER analysis

The growth of the E&E industry is driven by continuous technological advancements leading to innovation in E&E products. The E&E industry has seen developments in terms of the performance, size and technology of various electronic products. For example, the internet of things (IoT) has emerged as a key technology trend today. IoT allows devices and objects to be interconnected through the internet to facilitate data exchange and remote access. It is enabled through the integration of sensors and related E&E products/accessories in the network devices. Moving forward, it is expected that the introduction of new and innovative E&E products compatible with the lifestyle of today's society will continue to increase further, thereby driving the growth of the E&E industry.

In addition, the E&E industry is expected to contribute RM120 billion to GDP by 2025 as announced in the Twelfth Malaysia Plan 2021 – 2025 ("12MP"), from RM75.92 billion in 2020, at a CAGR of 9.59%. Further, notwithstanding the on-going global chip shortage since 2020, Malaysia's E&E industry has thus far benefitted from the global chip shortage which contributed from the strong order books among chip manufacturers. As such, E&E industry players are encouraged to adopt advanced technologies in order to achieve higher productivity and growth through, amongst others, strengthening manufacturing ecosystems, uplifting the development of talent as well as enhancing research and development activities.²

With the continuous local and foreign investments received by the manufacturing sector as well as the continuous demand for manufactured goods including E&E products, the manufacturing sector is expected to grow in the long term. This will in turn pose demand for industrial properties in Malaysia, including demand from the rental/leasing market.

In addition, as the nation strives to position itself as a destination for investments in high value-added, high technology, knowledge-intensive and innovation-based industries, businesses and companies will grow in

² Sources: DOSM, Economic Planning Unit, SMITH ZANDER analysis

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terms of scale and reach. Some of the recently announced or implemented local and foreign expansions in Malaysia are as follows:

- Several rubber glove manufacturers in Malaysia including Hartalega, Supermax and Kossan have announced plans to expand their production capacity by setting up new manufacturing facilities in Malaysia to cater to the increasing demand for rubber gloves due to the Covid-19 pandemic;
- Daikin Malaysia Group announced the commencement of construction of their centralised distribution hub measuring 32,300 square metres in Rawang, Selangor in October 2020 which is expected to be completed by September 2021, according to the latest available news as of October 2020;
- Enics AG, a Switzerland-based electronics manufacturing services provider, established a manufacturing site measuring 10,000 square metres in i-Park @ SAC, Johor in April 2021;
- Microsoft Malaysia announced that Microsoft Corporation is building a regional data centre in Kulai, Johor; the construction was 40% complete according to the latest available news as of April 2021;
- TTM Technologies, Inc, a US-based global manufacturer of printed circuit boards, radio frequency components and radio frequency microwave/microelectronic assemblies, began the establishment of a manufacturing plant measuring approximately 27 acres in Penang Science Park which is expected to be completed by 2023;
- Smith & Nephew Plc, a United Kingdom-based medical equipment manufacturing company, established a manufacturing facility measuring 250,000 sq ft in Penang in June 2022; and
- Risen Energy Co Ltd, a global solar company originated from China, announced its first investment in Southeast Asia by setting up a production base in Kulim Hi-Tech Park, Kedah to produce high efficiency photovoltaic modules to meet growing global demand. The commercial activities are expected to begin in April 2022, according to the Malaysia Investment Performance Report 2021 published by MIDA.

As investments in manufacturing and other business facilities grow, this is expected to lead to a positive trend for industrial property development activities in the country.

► The growth in the e-commerce industry boosts the demand for logistics services which subsequently drives the demand for industrial properties

The e-commerce industry in Malaysia, measured in terms of online retail sales value, increased from RM5.01 billion in 2016 to RM35.61 billion in 2021 at a CAGR of 48.03%. Further, the percentage of e-commerce sales over total retail sales in Malaysia also grew during the same period, from 1.24% in 2016 to 6.67% in 2021. In e-commerce, logistics services play an essential role to ensure proper product handling and storage, and timely delivery of products to customers. With the growth in e-commerce activities, businesses in the logistics industry strive to expand their operational and storage capacity in order to cater to the increasing demand for their services. As such, these businesses may secure industrial properties to support their rapid business expansion. In such situations, renting/leasing ready-built industrial properties may be a preferred option as it allows businesses to secure suitable premises in a shorter period of time as opposed to purchasing premises which requires relatively high investment and a lengthy acquisition process.

E-commerce continues to witness strong growth rates as the number of consumers gaining access to the internet has risen. Internet sales benefit consumers and retailers alike, allowing consumers to compare prices and widening purchasing options, including purchasing from overseas. Technology has been a key factor affecting retail sales and has broadened distribution channels, with internet-savvy youths and young adults contributing to growth in online retail transactions through various e-commerce platforms. Internet retailing is becoming a significant retail channel and there are a large number of internet retailers that carry out business transactions via social media channels such as Facebook and Instagram, as well as online shopping platforms such as Lazada and Shopee.

The Covid-19 pandemic and the physical distancing and movement restriction measures imposed by the Government have resulted in a shift in consumer shopping behaviour towards online shopping and which has subsequently boosted the growth in e-commerce activities in 2020 and 2021. In order to practice physical distancing, individuals had been encouraged to stay at home; likewise, many physical storefront owners faced prohibitions and/or limitations from operating during the movement restriction periods. To maintain business continuity, many merchants have ventured into e-commerce to sustain and to grow their businesses. This includes merchants who were previously not involved in online businesses before the Covid-19 pandemic such as food producers, grocery merchants (i.e wet markets, mini markets, supermarkets and food ingredient suppliers), food truck operators, hawker stalls and convenience stores.

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Many merchants that were already operating in e-commerce platforms have expanded their market reach by operating in different e-commerce platforms or taking part in more aggressive online marketing.

In Malaysia, e-commerce is considered an essential service and thus was allowed to operate during the movement restriction periods. Therefore, despite the slowdown in economic conditions due to the Covid-19 pandemic, e-commerce is well-positioned to serve the increasing demand for goods and services online due to the increased number of customers and participating merchants on e-commerce platforms. In 2021, the Government implemented the Shop Malaysia Online campaign which was aimed at encouraging purchases via e-commerce platforms by providing discount vouchers for selected e-commerce platforms. Another campaign called Go eCommerce Onboarding was also introduced to encourage the adoption of e-commerce platforms as a sales channel by local businesses. Under the Budget 2022, the Government has proposed to allocate RM250 million to continue the implementation of both programmes. Moreover, micro SME entrepreneurs are eligible to receive benefits of up to RM2,000 for e-commerce implementation activities and training in marketing and digital payments. Under the 12MP, the National eCommerce Strategic Roadmap 2.0, 2021-2025 was introduced to further spur e-commerce activities in Malaysia. The roadmap includes developing a national e-Invoicing framework to enable trade partners to seamlessly transact using digital mechanisms, particularly in the export of digital products and services. With this initiative in place, it will help ease transactions for both sellers and buyers in the e-commerce industry and subsequently encourage higher usage of e-commerce.

While Malaysia is transitioning into the endemic phase and the impact of the Covid-19 pandemic is steadily subsiding, consumers are expected to continue to practise online shopping as they have adapted to the lifestyle and convenience of online shopping. Thus, this behavioural shift is expected to continue to drive demand for e-commerce and subsequently sustain the demand for industrial properties.

► Well-developed infrastructure drives the demand for local industrial properties

In addition to economic growth, demand for industrial properties is also significantly affected by infrastructure and transportation enhancements. Peninsular Malaysia has an established and well-maintained network of highways connecting major growth centres to seaports and airports, providing efficient means of transportation of goods for businesses. Malaysia has a total of 10 seaports and 28 airports, which handle incoming and outgoing containers and cargo. These ports are located near major cities to facilitate international trade. In addition to easing the logistics of goods to facilitate trade activities, the easy accessibility also contributes to ease of recruitment by attracting local and international talent.

Selangor, Kuala Lumpur, Johor and Penang, being the key economic zones in Malaysia, continue to be attractive investment destinations due to the following factors:

- **Established land transportation network** – All these states are connected to the North-South Expressway and the national railway network operated by Keretapi Tanah Melayu Berhad. There are also developed highways in each of these states, allowing excellent connectivity within the state and with the rest of the country. Examples of highways in these states are as follows:

Selangor and : Federal Highway, Shah Alam Expressway, New Klang Valley Expressway, Maju Kuala Lumpur Expressway, Sungai Besi-Ulu Klang Elevated Expressway, Duta-Ulu Kelang Expressway, Damansara-Puchong Expressway and Rawang-Serendah Highway

Johor : Bakar Batu-Pasir Gudang Coastal Road, Johor Causeway, Eastern Dispersal Link, North-South Expressway, Second Link Expressway, Senai-Desaru Expressway and Singapore-Johor Bahru Ring Road

Penang : Penang Bridge, Penang Second Bridge, Butterworth-Kulim Expressway, Gelugor Highway, Tun Dr. Lim Chong Eu Highway

Further, IRDA has also launched the Iskandar Rapid Transit ("IRT"), which is formerly known as Iskandar Malaysia Bus Rapid Transit project, to enhance public transportation coverage, accessibility and connectivity within the Iskandar Malaysia region. The first phase of the IRT is expected to be ready for operations by 2024.

In addition, two major railway projects are expected to enhance the connectivity within Malaysia and between Johor and Singapore. The Electrified Double Track Gemas-Johor Bahru ("EDT Gemas – JB") project is expected to be completed by 2023 which will reduce the journey time between Padang Besar, Perlis and Johor Bahru, Johor. Further, MRT Corp has commenced the construction of the Johor Bahru – Singapore Rapid Transit System (RTS) which connects Bukit Chagar, Johor Bahru, Malaysia and Woodlands, Singapore. The project is expected to complete by the end of 2026 and start operations in January 2027. It aims to provide fast and efficient transportation between the two countries. These

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projects are expected to increase accessibility and connectivity in Johor, which may in turn attract investments and business expansions to Johor, thereby driving the demand for industrial properties in the state.

- **Easy accessibility to major seaports and airports** – The principal port of Malaysia, Port Klang is located in Selangor, and is in close proximity to Kuala Lumpur (around 40 km). It has a total handling capacity of 19.60 million twenty-foot equivalent units ("TEU"), and has trade connections with over 120 countries and dealings with more than 500 ports around the world³. In Johor, the major ports are Johor Port ("PGU") and Port of Tanjung Pelepas ("PTP"). The latter is a major trans-shipment hub in Malaysia, registering total container trans-shipment of 10.67 million TEU in 2021⁴, while the former is located in the Pasir Gudang Industrial Estate which is a major industrial hub where manufacturing activities (including electronics, petrochemicals and oleochemicals) and oil storage terminals thrive. In Penang, the major port is Penang Port which has multiple terminals catering for shipping activities.

Apart from seaports, each of these states also have international airports (i.e. Kuala Lumpur International Airport (KLIA) in Kuala Lumpur/Selangor, Senai International Airport ("SIA") in Johor and Penang International Airport in Penang). The connectivity via air travel well-positions these states to welcome foreign investors and businesses to establish manufacturing facilities.

- **Strategic location** – Malaysia is located at the centre of Southeast Asia, with Peninsular Malaysia located between the Straits of Malacca and South China Sea. The key economic zones in Malaysia (i.e. Selangor, Kuala Lumpur, Johor and Penang) are all located on the west coast of Peninsular Malaysia and have direct access to the Straits of Malacca for shipment of goods. Further, Peninsular Malaysia, especially Johor, may also benefit from spillover investment effects from Singapore due to its close proximity. Singapore continues to attract foreign players such as Zoom and Tencent which have announced their plans to establish branches in Singapore. The spillover from Singapore as a result of higher operating cost and limited land space may drive other foreign players within related value chains to set up or expand their facilities in Johor.

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³ Source: Port Klang Authority

⁴ Source: Ministry of Transport, Malaysia

4.2 KEY MARKET RISKS AND CHALLENGES

► Slowdown in demand due to exposure from political, economic, regulatory and social risks

The industrial property market is subject to prevailing political, economic and regulatory conditions in Malaysia. Any adverse changes in political, economic and regulatory conditions such as political uncertainties, changes in Government policies and regulations in relation to the industrial property market that may affect the attractiveness for FDI, changes to major infrastructure projects, prolonged economic slowdown and weak investment sentiment, could adversely affect the demand for industrial properties in Malaysia. For example, the cancellation of the Kuala Lumpur-Singapore high-speed rail project that was announced in January 2021 may have an indirect impact on the attractiveness of industrial properties which are located close to the proposed sites for this project.

Further, social risks such as international conflicts, terrorism activities and riots may adversely impact business operations and thus, result in a slowdown in business activities or even closure of businesses. Social risks may also affect investment sentiment due to the inherent instability it brings. Hence, social risks may also create negative impact on the demand for industrial properties in Malaysia.

► Occurrence of pandemics due to outbreak of diseases may result in economic slowdown and subsequently affecting the demand for industrial properties in Malaysia

The major outbreak of diseases such as the Covid-19 pandemic has resulted in a global economic slowdown. Malaysia's economy was also adversely affected by the pandemic as evidenced by a 5.53% decline in GDP observed in 2020, indicating a slowdown in economic activities. This was further seen in declines in GDP from the manufacturing sector and total exports of 2.67% and 1.13% respectively. Save for those involved in essential services, local businesses in general are likely to be more cautious in undertaking expansion plans during and post pandemic in view of the uncertainties in economic recovery. As a result, this may temporarily slow down the demand for industrial properties in Malaysia. Malaysia is transitioning into the endemic phase where business and economic activities are allowed to operate as usual and economic conditions are expected to continue to recover. However, any such future pandemic outbreaks, as well as epidemic outbreaks affecting a significantly large but more localised population, may result in economic slowdown which may adversely affect the demand for industrial properties.

Any global economic slowdowns as a result of health pandemics may also result in multinational companies in Malaysia putting on hold expansion plans and/or downsizing or relocating their businesses. Amongst the major restructuring plans announced in 2021 include Hyundai planning to relocate its Asia Pacific headquarters to Indonesia and to subsequently build a production plant in Indonesia; Panasonic to cease its manufacturing of solar cells and panels at factories in Malaysia due to increasing price competition from Chinese manufacturers; and Toyo Tire to downsize its production capacity with the closure of its tyre manufacturing plant in Perak. Further major restructuring of multinational companies leading to closures or downsizing of businesses in Malaysia may indirectly affect supporting industries in the country and thus, may result in a slowdown in demand for industrial properties.

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5 COMPETITIVE OVERVIEW

5.1 GATED AND GUARDED INDUSTRIAL PARKS IN MALAYSIA

The industrial property market in Malaysia is fragmented in nature and competitive owing to a large number of industry players that compete in this space. Industry players include property developers who develop and sell industrial properties to buyers, and/or rent/lease industrial properties to businesses. Industrial properties are typically constructed in industrial parks which are areas zoned for industrial use. Industrial parks can be segmented into free zone, mixed, specialised as well as gated and guarded industrial parks.

As AME REIT has multiple industrial properties under its portfolio for leasing, this section of the IMR Report will focus on the leasing of industrial properties. Owners of industrial properties who focus on leasing of their properties generally compete on, amongst others, rental rate; location, size, age and condition of the buildings; security features; availability of amenities such as workers' dormitories; and landscaping.

As a majority of the industrial properties under the portfolio of AME REIT are located in gated and guarded industrial parks, AME REIT competes with other owners of industrial properties in gated and guarded industrial parks for lessees/tenants. Gated and guarded industrial parks are industrial parks that feature modern buildings, well-managed environment and landscaping, as well as more organised infrastructure. Some gated and guarded industrial parks have ready-built dormitories within the industrial parks to accommodate workers.

The table below sets out the details of industrial parks in which AME REIT's subject properties are located, as well as selected industrial parks in Malaysia with the following basis for selection:

- Industrial parks in Malaysia that are gated and guarded; and
- Industrial parks in Malaysia that have ready-built industrial property(s) with built-up area of at least 30,000 sq ft (as most of the subject properties of AME REIT have an NLA of 30,000 sq ft and above), and/or industrial parks in Malaysia that cater for built-to-suit industrial properties based on customer requirements.

Selected gated and guarded industrial parks in Malaysia

Gated and guard industrial park	Location	Type of industrial property	Built-up area of ready-built property (sq ft)	Availability of workers' dormitories ^a	Approximate distance to city centre and major transportation hubs
Alam Jaya Business Park	Nusajaya, Iskandar Puteri, Johor	Semi-detached, detached and built-to-suit	5,900 – 15,400	No	- 29 km to SIA - 45 km to PGU - 24 km to PTP - 27 km to Johor Bahru City Centre ("JB city")
Eco Business Park I	Tebrau, Johor	Semi-detached, detached, cluster and built-to-suit	2,700 – 6,700	No	- 18.9 km to SIA - 33.9 km to PGU - 40.4 km to PTP - 17.3 km to JB city
Eco Business Park II	Senai, Johor	Semi-detached, cluster and built-to-suit	2,700 – 4,700	Yes	- 6.4 km to SIA - 36.5 km to PGU - 39.8 km to PTP - 15.5 km to JB city
Frontier Park	Ulu Tiram, Johor	Semi-detached, detached, cluster and built-to-suit	5,300 – 13,400	Yes	- 33 km to SIA - 18 km to PGU - 45 km to PTP - 18 km to JB city
i-Park Indahpura ^b	Kulai, Johor	Semi-detached, detached and built-to-suit	12,100 – 61,000	Yes	- 8 km to SIA - 43 km to PGU - 35 km to PTP - 29 km to JB city

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Gated and guard industrial park	Location	Type of industrial property	Built-up area of ready-built property (sq ft)	Availability of workers' dormitories ^a	Approximate distance to city centre and major transportation hubs
i-Park @ SAC ^b	Senai, Johor	Semi-detached, detached and built-to-suit	12,000 – 74,000	Yes	- 6 km to SIA - 33 km to PGU - 39 km to PTP - 16 km to JB city
Nusajaya Tech Park	Nusajaya Iskandar Puteri, Johor	Semi-detached, detached and built-to-suit	13,000 – 33,000	No	- 29 km to SIA - 49 km to PGU - 13 km to PTP - 23 km to JB city
Setia Business Park	Gelang Patah, Johor Bahru, Johor	Semi-detached and detached	7,700 – 46,100	No	- 28 km to SIA - 40 km to PGU - 23 km to PTP - 29 km to JB city
Setia Business Park II	Ulu Tiram, Johor	Semi-detached, cluster and built-to-suit	7,000 – 13,200	No	- 17 km to SIA - 26 km to PGU - 39 km to PTP - 14 km to JB city

Notes:

- Latest available as at 18 July 2022.
- This list is not exhaustive.

^a Refers to workers' dormitories that are located within, or in close proximity to, the respective industrial parks to support the accommodation needs of foreign workers working in the respective industrial parks.

^b Industrial parks in which AME REIT's subject properties located.

Sources: Various company sources, SMITH ZANDER

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5.2 REITS WITH INDUSTRIAL PROPERTIES IN MALAYSIA

AME REIT is a REIT that carries a portfolio of industrial properties in Johor. The following presents an overview of REITs listed on Bursa Malaysia where more than 10.00% of subject property units under their respective portfolio are industrial properties, as well as details of AME REIT for comparison purposes:

REIT	Type of property under portfolio	REIT manager	Total number of subject properties	Number of industrial properties	Location of industrial properties /number of industrial properties in each state	NLA of industrial properties (sq ft by location)	Latest available financial year	Market capitalisation ^b (RM billion)	Revenue ^a (RM million)	Distribution per unit ^b (RM sen)	Distribution yield ^b (%)
Al-Salam REIT	Commercial, retail, office and industrial	Damansara REIT Managers Sdn Bhd	54	6	- Selangor (3) - Penang (1) - Sabah (2)	- 573,371 - 3,082 - 27,274	31 Dec 2021	0.28	71.54	2.30	4.74
Atrium REIT	Industrial	Atrium REIT Managers Sdn Bhd	8	8	- Selangor (6) - Penang (2)	- 1,161,849 - 488,501	31 Dec 2021	0.31	39.06	9.75	6.50
Axis REIT	Office, industrial and hypermarket	Axis REIT Managers Berhad	58	53	- Selangor (24) - Penang (5) - Negeri Sembilan (3) - Pahang (1) - Johor (20)	- 5,492,523 - 792,361 - 686,153 - 506,753 - 3,037,881	31 Dec 2021	3.17	246.20	9.49	4.89
AME REIT	Industrial and dormitories	I REIT Managers Sdn Bhd	34	31 ^c	- Johor (31)	- 1,613,694	31 March 2022	N/A ^d	35.24 ^e	N/A ^d	N/A ^d

Notes:

- Latest available as at 18 July 2022.
- ^a The REITs may have properties besides industrial properties under their respective portfolio and as such, total revenue may include revenue generated from other types of properties.
- ^b As at 31 December 2021.
- ^c Out of the 34 subject properties under AME REIT's initial portfolio, 31 properties are factories/warehouses and the remaining 3 properties are workers' dormitories.
- ^d Not applicable.
- ^e Comprises rental income based on pro forma statement of profit or loss and other comprehensive income.

Sources: AME REIT, various company sources, SMITH ZANDER

6 OVERVIEW OF AME REIT'S PORTFOLIO

6.1 OVERVIEW OF ISKANDAR MALAYSIA

Iskandar Malaysia, a key economic development region located in Johor and was established in 2006, was identified in the Ninth Malaysia Plan as an economic hub and driver for the growth of Malaysia's economy. Iskandar Malaysia is a region located at the most southern part of Peninsular Malaysia spanning across approximately 2,217 km² of land. It is divided into 5 flagship areas namely Johor Bahru City Centre, Iskandar Puteri, Western Gate Development, Eastern Gate Development and Senai – Skudai. Based on the latest available data, as of 2019, it recorded a total population of approximately 2.26 million, at an increase of 68.66% from 2006 when it was first established.

Based on the latest available data, Iskandar Malaysia recorded a GDP at RM91.86 billion in 2019, contributing 68.43% to the total GDP in Johor and 6.45% to the total GDP in Malaysia.⁵ This demonstrates the importance of Iskandar Malaysia towards the overall economic growth of Johor as well as Malaysia as a whole.

The development of Iskandar Malaysia is promoted and facilitated by IRDA, a Malaysian Federal Government statutory body tasked with the objective of regulating and driving various stakeholders in both public and private sectors towards realising the vision of developing Iskandar Malaysia into a strong and sustainable metropolis of international standing. Iskandar Malaysia aims to receive a cumulative investment of RM383.00 billion by 2025. From 2006 to 2020, it received a cumulative investment of RM 340.00 billion, out of which the manufacturing sector, industrial property sector and logistics sector received total investments of RM83.40 billion, RM19.00 billion and RM13.50 billion respectively during the same period. Out of the total cumulative investment of RM 340.00 billion received between 2006 and 2020, approximately 59.00% was contributed by local investment, and the remaining 41.00% was contributed by foreign investment with China being the top source of investment, followed by Singapore and the US.⁶ The continuous investments received in Iskandar Malaysia bodes well for industrial development in the region along with the increasing business and economic activities in various sectors including manufacturing and logistics.

As an economic hub in the southern region of Malaysia, the Iskandar Malaysia region has ample transportation infrastructure, including an airport (i.e. SIA) and three seaports (i.e. PGU, PTP and Tanjung Langsat Port). Further, it also has access to major highways such as Johor Causeway, North-South Expressway and Malaysia-Singapore Second Link Expressway which connect Iskandar Malaysia to other states in Malaysia and Singapore. Additionally, IRDA has also launched the IRT project to enhance the public transportation coverage, accessibility and connectivity within Iskandar Malaysia region. The first phase of Iskandar Malaysia Bus Rapid Transit network will comprise 3 lines with a road coverage of approximately 51 km, and is expected to be ready for operations by 2024. All of this existing infrastructure and planned infrastructure will provide connectivity, accessibility and logistical convenience for AME REIT's proposed subject properties.

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⁵ Sources: Iskandar Malaysia, DOSM, SMITH ZANDER analysis

⁶ Source: Iskandar Malaysia

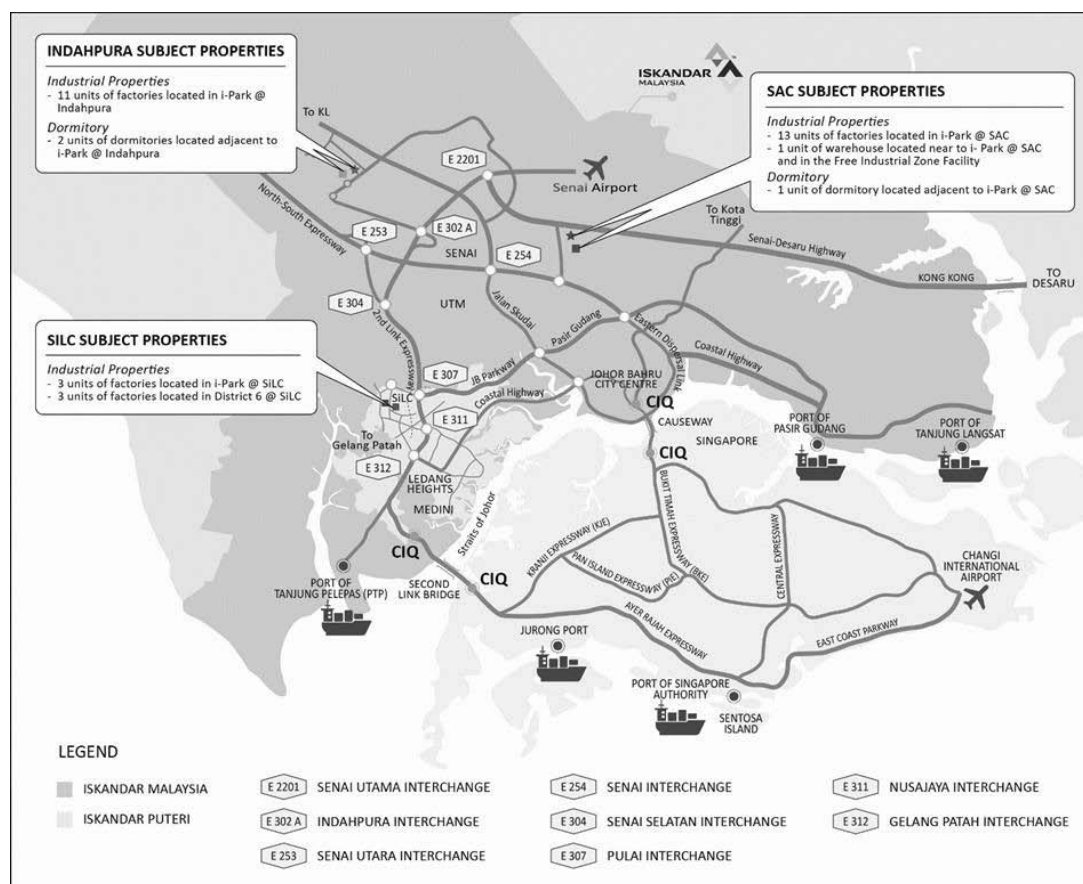
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6.2 AME REIT'S PORTFOLIO

This chapter presents an overview of AME REIT's portfolio and its subject properties which are extracted from Section 2 of the Prospectus. Please refer to Section 2 of the Prospectus for further details on the subject properties under AME REIT.

AME REIT's initial portfolio will consist of 31 freehold industrial properties and 3 freehold industrial properties used as workers' dormitories. These industrial properties are located in SAC, Indahpura and Southern Industrial Logistics Clusters Industrial Park ("SiLC"). All of these subject properties are located within the Iskandar Malaysia region.

The map below sets out the locations of the subject properties:



Source: AME

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INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

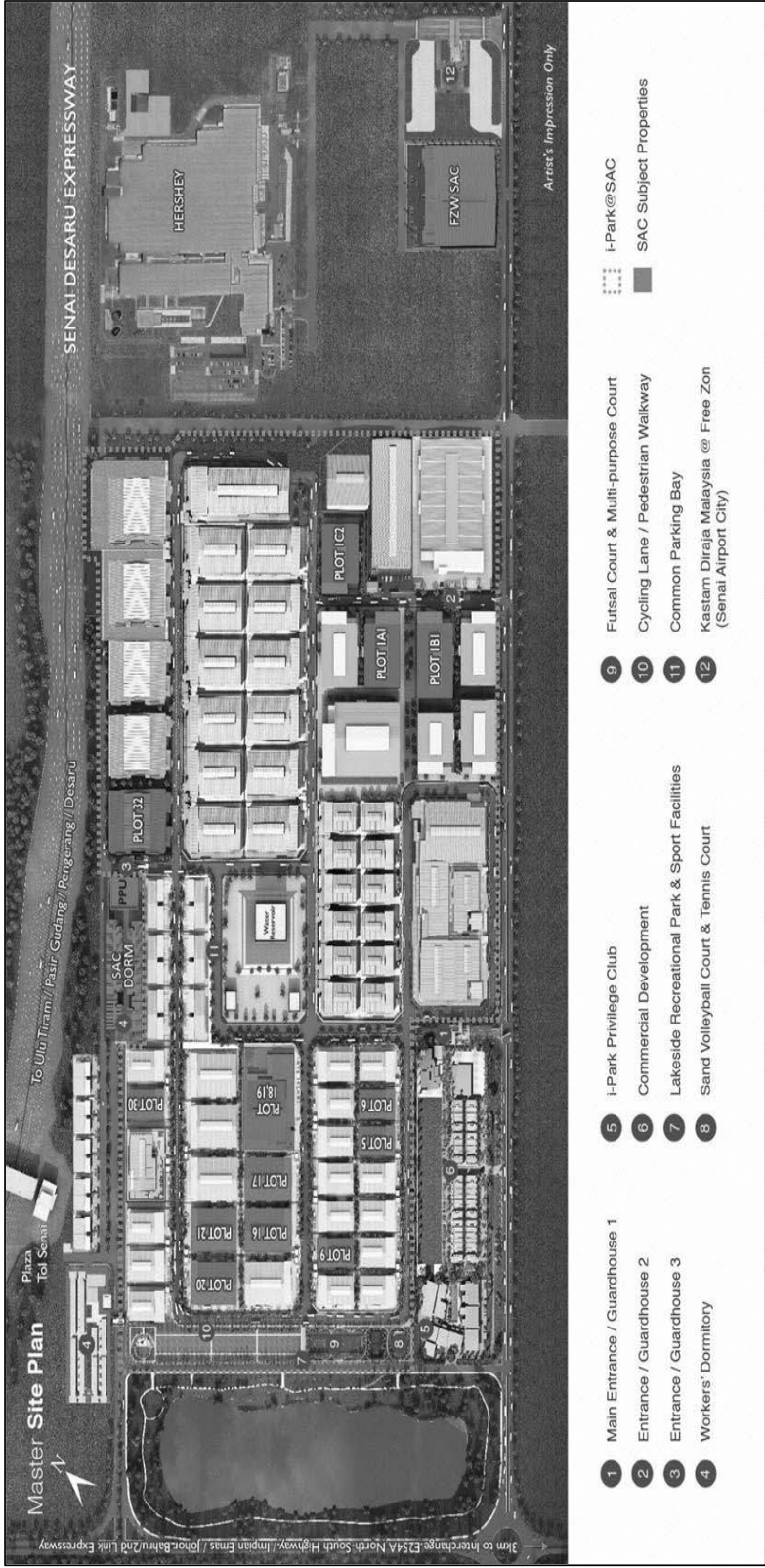
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(a) SAC Subject Properties

The subject properties of AME REIT located in SAC consist of:

- (i) 13 industrial properties located in i-Park @ SAC and are used as factories;
- (ii) an industrial property located in the Free Industrial Zone facility which is near to i-Park @ SAC and is used as a warehouse; and
- (iii) an industrial-related property located adjacent to i-Park @ SAC and is used as workers' dormitory.

The location of the subject properties of AME REIT in SAC are shown in the map below:



Source: AME

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i-Park @ SAC is located in SAC and is next to Senai-Desaru Expressway. It is approximately 5 km from Senai town and 25 km due north-west of Johor Bahru city centre. It is also accessible from Johor Bahru city via Inner Ring Road (Jalan Lingkar Dalam), Jalan Stulang Darat, Eastern Dispersal Link, North-South Expressway, exits at Senai Airport City/Bukit Amber interchange followed by Persiaran SAC. Alternatively, it is accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Skudai Highway, Senai Highway, Jalan Lapangan Terbang, Jalan Seelong and Persiaran SAC. It is also located about 3 km from the nearest North-South Expressway interchange, 4 km from the nearest Senai-Desaru Expressway interchange, 5 km from the nearest Malaysia-Singapore Second Link Expressway interchange, 6 km from SIA and 20 km from Johor Bahru Customs, Immigration and Quarantine ("CIQ") complex. In addition, it is also located close to retail and recreational amenities such as Eonsave hypermarket (about 4 km away), Palm Resort Golf & Country Club (about 8 km away), IOI Mall Kulai (about 10 km away), Johor Premium Outlet (about 10 km away) and Aeon Mall Kulaijaya (about 11 km away).

i-Park @ SAC is a managed industrial development with gated and guarded facilities, which is equipped with a multi-tier security system, including 24-hour security control, CCTV surveillance, access cards system, radio-frequency identification ("RFID") car stickers and visitor management system. The integrated master plan for i-Park @ SAC and its surroundings, consists of semi-detached and detached industrial factory lots with standard sizes ranging from 12,000 sq ft to 74,000 sq ft and custom-built industrial premises of up to 377,450 sq ft which are for sale and lease, retail shop lots, clubhouse facilities, a linear park with outdoor sport facilities (futsal court, tennis court, sand volley court and multi-purpose court) and workers' dormitory adjacent to it as well as free-zone warehouses which are also located near to i-Park @ SAC. The industrial properties in i-Park @ SAC are designed to suit various light and medium industries such as precision engineering, medical devices manufacturing, logistics, plastic injection molding, packaging, trading, warehouse/storage, E&E related manufacturing, research and development as well as assemblies.

The details of the subject properties of AME REIT located in or near i-Park @ SAC are as follows:

Type of property	Number of units	Description	Total NLA (sq ft)	Range of NLA (sq ft)	Occupancy rate (%)	Examples of tenants
Factory	13	13 units of single storey detached factory	810,207	28,809 – 129,275	100	- Dyson Manufacturing Sdn Bhd - DHL Express (Malaysia) Sdn Bhd - Mytech & Assembly Sdn Bhd - Lyreco Office Supplies (Malaysia) Sdn Bhd - AAC Technologies (Malaysia) Sdn Bhd
Warehouse	1	1 unit of single storey detached warehouse	129,818	129,818	100	- GN Resound Malaysia Sdn Bhd - Agility Logistics Sdn Bhd - GWIP Sdn Bhd
Dormitory	1	5 blocks of 5-storey walk-up workers' dormitories	N/A	N/A	100 ^a	- I Stay Management Sdn Bhd^a

Note:

^a The dormitory is tenanted to I Stay Management Sdn Bhd, a subsidiary of AME Elite Consortium Berhad, under a master lease agreement. I Stay Management Sdn Bhd operates the dormitory and is responsible to ensure that the dormitory complies with the governmental regulations for workers' dormitory.

Source: AME REIT

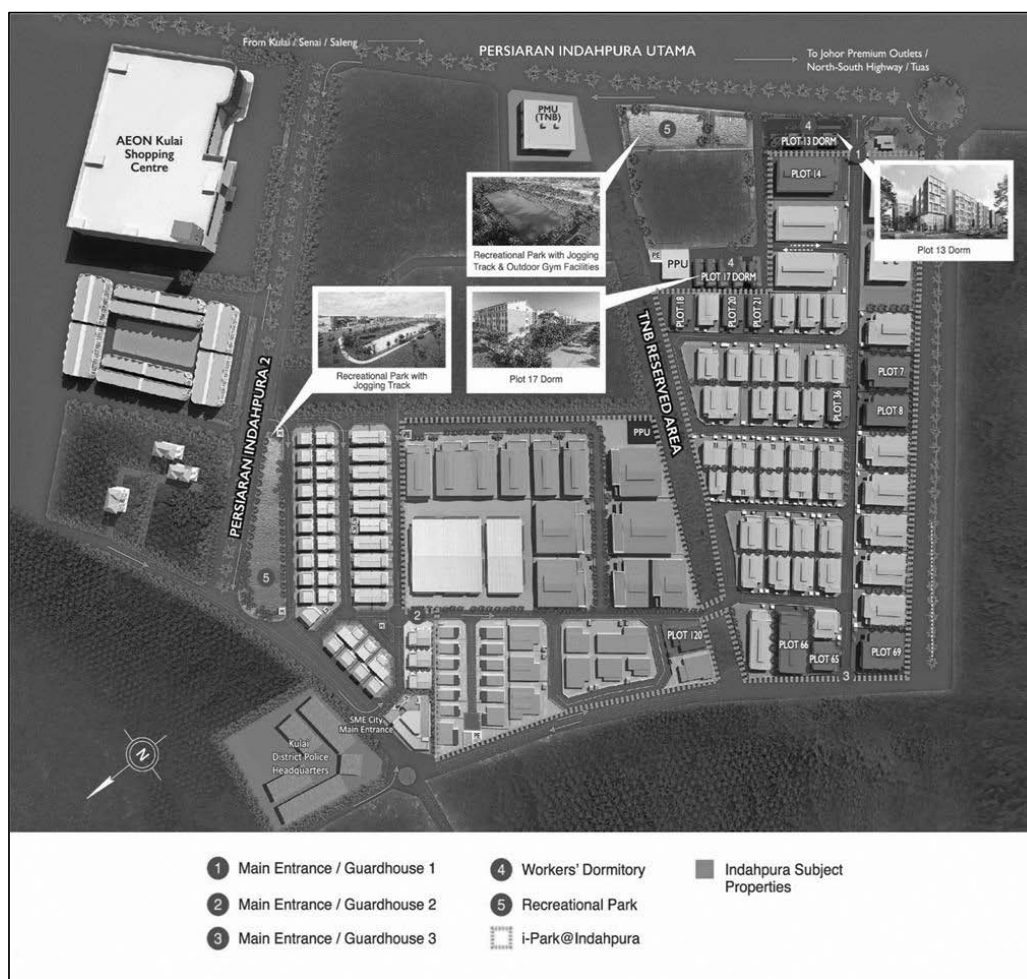
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(b) Indahpura Subject Properties

The subject properties of AME REIT located in Bandar Indahpura consist of:

- (i) 11 industrial properties located in i-Park @ Indahpura and are used as factories; and
- (ii) 2 industrial-related properties located adjacent to i-Park @ Indahpura and are used as workers' dormitories.

The location of the subject properties of AME REIT in Indahpura is shown in the map below:



Source: AME

i-Park @ Indahpura is located in Bandar Indahpura, a township within Iskandar Malaysia and the corridor of Kulai District, Johor. It is situated about 5 km from Kulai town and 35 km due north-west of Johor Bahru city centre. It is also accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Skudai Highway, Senai-Desaru Expressway, Senai-Kulai main road, Persiaran Indahpura Utama and Persiaran Indahpura 2. Alternatively, it is accessible from Johor Bahru city centre via Inner Ring Road, Eastern Dispersal Link, North-South Expressway exit at Senai Selatan Interchange followed by Malaysia-Singapore Second Link Expressway, Persiaran Indahpura 6, Persiaran Indahpura Utama, and Persiaran Indahpura 2. It is also located about 7 km from the nearest interchange to Malaysia-Singapore Second Link Expressway, 8 km from the nearest interchange to the North-South Expressway and Senai-Desaru Expressway, 11 km from SIA, and 33 km from CIQ complex. The strategic location of i-Park @ Indahpura as well as its facilities and amenities have been key factors in attracting local manufacturing companies as well as multi-national companies to set up their production plants within the industrial park. Some facilities in the vicinity include Johor Premium Outlet, AEON Mall Kulaijaya, Foon Yew High School and Hospital Temenggong Seri Maharaja Tun Ibrahim.

INDEPENDENT MARKET RESEARCH REPORT (Cont'd)

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i-Park @ Indahpura is a managed industrial park with gated and guarded facilities, built with landscaping and planned drainage systems. Phase 1 and Phase 2 of i-Park @ Indahpura measuring 104.84 acres developed by AME Development, which comprises 1½ storey semi-detached factories and 1½ storey detached factories, with standard built-up areas ranging from about 11,800 sq ft to about 93,000 sq ft and custom-built industrial premises of up to 150,000 sq ft. Phase 3 of i-Park @ Indahpura has a land area of about 85.4 acres offering large sites ranging from 1 to 40 acres. i-Park @ Indahpura is part of a 190-acre master development in Indahpura, Johor.

The factory units in i-Park @ Indahpura are designed to suit light and medium industries such as pharmaceutical research and development centre, RFID, E&E, manufacturing, precision engineering, logistics and warehouses, oil and gas related industries, food and beverages, plastic injection and moulding as well as packaging materials.

The details of the subject properties of AME REIT located in Indahpura are as follows:

Type of property	Number of units	Description	Total NLA (sq ft)	Range of NLA (sq ft)	Occupancy rate (%)	Examples of tenants
Factory	11 units	11 units of single storey detached factory	498,379	26,977 – 89,169	100	- Bericap Malaysia Sdn Bhd - HQPack Sdn Bhd - Merlin Entertainments Studios (Malaysia) Sdn Bhd - GN Resound (Malaysia) Sdn Bhd - Heraeus Materials Malaysia Sdn Bhd
Dormitory	2 units	- 2 blocks of 5-storey walk-up workers' dormitory^a - 5 blocks of 5-storey walk-up workers' dormitories	N/A	N/A	100 ^b	- I Stay Management Sdn Bhd^b

Notes:

^a The CCC for the dormitory was obtained on 5 July 2022.

^b The dormitories are tenanted to I Stay Management Sdn Bhd, a subsidiary of AME Elite Consortium Berhad, under a master lease agreement. I Stay Management Sdn Bhd operates the dormitories and is responsible to ensure that the dormitories comply with the governmental regulations for workers' dormitory.

Source: AME REIT

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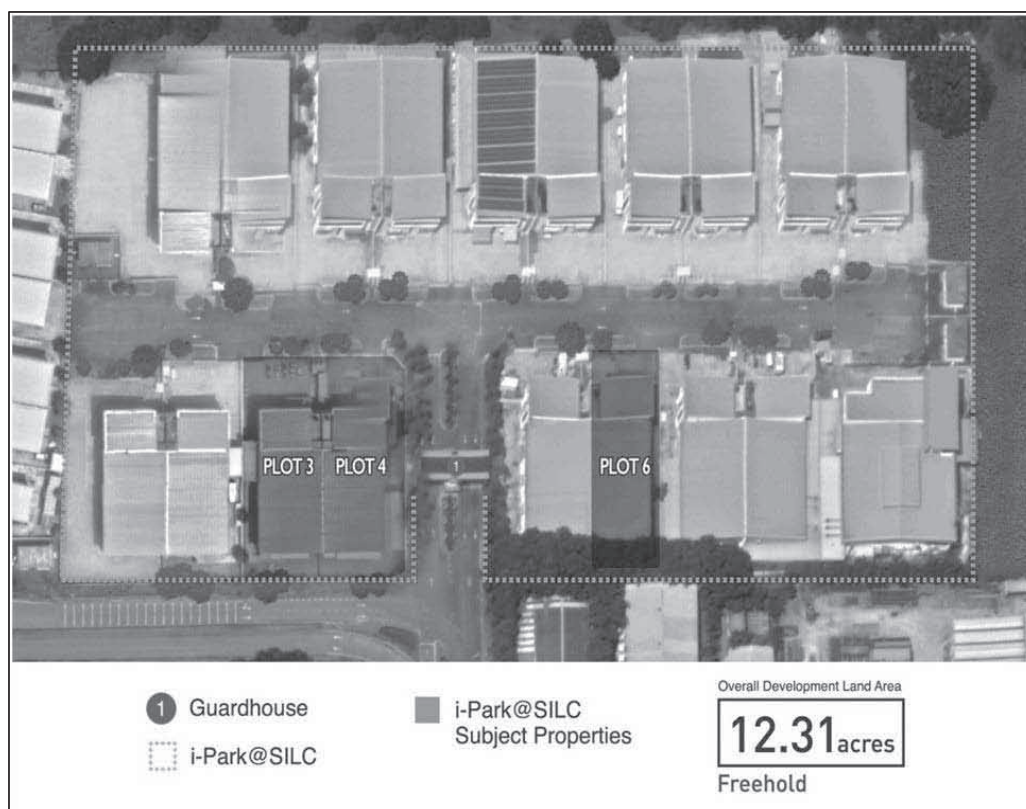
SMITH ZANDER

(c) SiLC Subject Properties

The subject properties of AME REIT located in SiLC consist of:

- (i) 3 industrial properties located in i-Park @ SiLC and are used as factories; and
- (ii) 3 industrial properties located in District 6 @ SiLC and are used as factories.

The location of the subject properties of AME REIT in i-Park @ SiLC are shown in the map below:



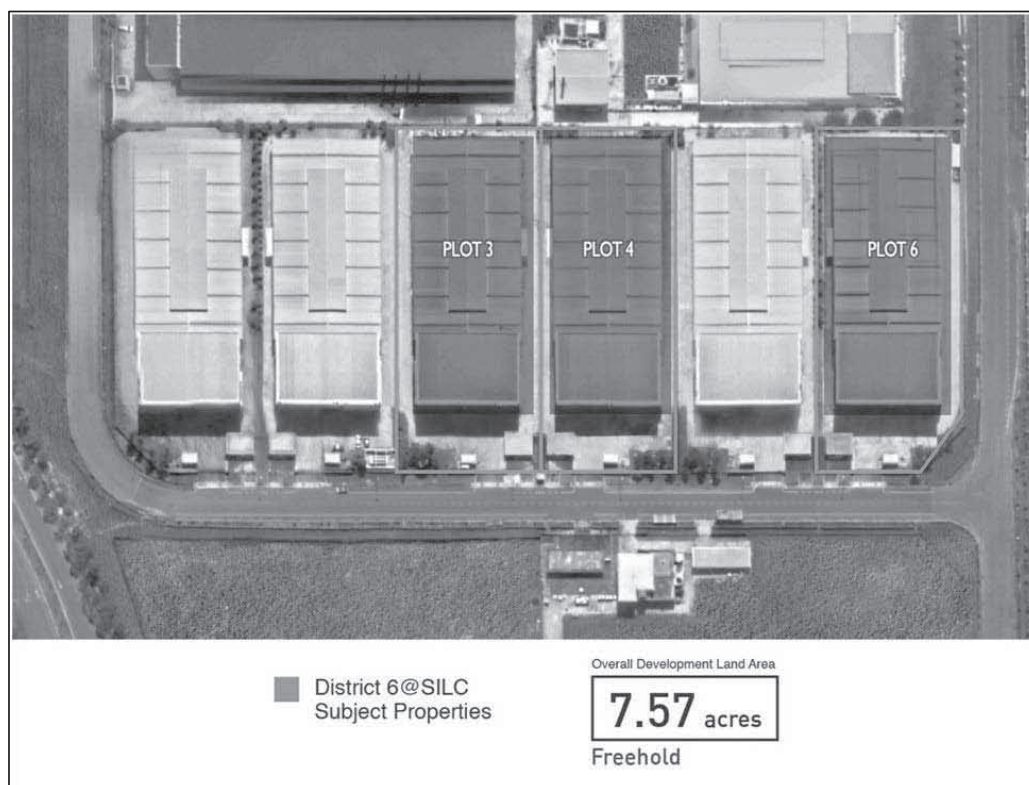
Source: AME

i-Park @ SiLC is situated within Iskandar Puteri and is about 4 km from Malaysia-Singapore Second Link Expressway, 18 km from Port of Tanjung Pelepas, 26 km from SIA, 44 km from Johor Port and 67 km from Singapore Changi Airport. It is 3 km due north of Gelang Patah town and 20 km due north-west of Johor Bahru city centre. It is also accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Skudai Highway, Persiaran Perling and then Johor Bahru East Coast Parkway followed by Persiaran SiLC, Jalan SiLC 1/5 and finally onto Jalan SiLC 1/6. Alternatively, it is also accessible from Johor Bahru city centre via Persiaran Abu Bakar Sultan, Persiaran Sultan Iskandar, Iskandar Coastal Highway, exiting at Johor State New Administrative Centre Interchange onto Nusajaya Highway, Jalan Nusa Perintis, Persiaran SiLC. There is also accessibility from Tuas Second Link Expressway by exiting at the Gelang Patah Interchange (Exit 312) onto Nusajaya Highway. i-Park @ SiLC occupies a total land area of 12.31 acres.

i-Park @ SiLC comprises 18 units of 1½ storey semi-detached factories and 1 unit of 1½ storey detached factory, with standard built-up areas ranging from about 12,785 sq ft to about 21,281 sq ft. Apart from perimeter fencing and guardhouse, the industrial park is also equipped with other security features such as boom gate with access card system, CCTV surveillance and round-the-clock security services. The common areas in i-Park @ SiLC are planted with trees and other greeneries to create a conducive environment in the industrial park.

SMITH ZANDER

The location of the subject properties of AME REIT in District 6 @ SiLC are shown in the map below:



Source: AME

District 6 @ SiLC is a freehold industrial area situated within SiLC Iskandar Puteri and is 1 km away from i-Park @ SiLC and located next to Nusajaya Square, a development comprising commercial, retail and leisure properties. Nusajaya Square houses restaurants, retail shops as well as sports facilities such as a gymnasium and indoor badminton courts. District 6 @ SiLC is accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, the Skudai Highway, Persiaran Perling and then Johor Bahru East Coast Parkway followed by Persiaran SiLC, Persiaran Bioteknologi, Jalan Bioteknologi 2 and finally onto Jalan Bioteknologi 3. District 6 @ SiLC fronts the Pontian Link Expressway and is about 4 km away from Malaysia-Singapore Second Link Expressway.

District 6 @ SiLC which occupies a total land area of 7.57 acres is a row of industrial buildings, comprising detached factory units built with modern architecture design and glass frontage with adjoining office block at the front. The 6 units of single-storey detached factories with 3-storey offices have a total built-up area of 46,101 sq ft each. The factory has 9 metres of factory height and is suitable for manufacturing companies that require high ceiling production areas. Further, each unit is gated and built with an individual guard house that is managed by the customers and/or tenants.

The details of the subject properties of AME REIT located in SiLC are as follows:

Type of property	Number of units	Description	Total NLA (sq ft)	Range of NLA (sq ft)	Occupancy rate (%)	Examples of tenants
Factory	6	- 3 units of 1 ½ storey semi-detached factory - 3 units of single storey detached factory	175,290	12,785 – 92,202	100	- Lightpack Food Industries Sdn Bhd - Westrock Coffee & Tea Malaysia Sdn Bhd - Ametalin Sdn Bhd

Source: AME REIT

7 PROSPECTS AND OUTLOOK

The industrial property market in Malaysia is driven by positive economic development which corresponds to increasing business and industrial activities. Business owners can choose to purchase industrial properties, or rent/lease industrial properties for their business operations due to several reasons, such as:

- Adoption of asset-light business models which are common amongst foreign companies setting up manufacturing facilities or branches in Malaysia;
- Economic uncertainty such as during the Covid-19 pandemic, causing many business owners to be more prudent in spending and investment;
- Flexibility to cater for future business expansion when businesses require more space to house increasing business and industrial activities;
- Preferences in focusing their cash flow, time and resources on growing revenue, rather than invest in industrial properties which may limit their financial capability to undertake future business opportunities that may arise;
- Difficulties in purchasing industrial properties due to insufficient capital or lacking established financial track record to obtain bank financing; and
- Elimination of procedures in dealing with matters and costs associated with land and property purchases, taxes, security and insurance as well as maintenance and repair of industrial properties.

The demand for renting/leasing of industrial properties has presented opportunities for investors and REITs to increase rental/leasing income by expanding their portfolio of industrial properties. The rental market performance of industrial properties in Malaysia is illustrated through the performance of selected REITs in Malaysia which carry industrial properties in their portfolio, namely Al-Salam REIT, Atrium REIT and Axis REIT. The total rental income generated from renting/leasing of industrial properties by these 3 REITs increased at a CAGR of 11.59% from RM153.20 million in 2016 to RM265.06 million in 2021. Despite the adverse impact on many economic sectors and industries as a result of the Covid-19 pandemic, rental income generated from the renting/leasing of industrial properties by these 3 REITs recorded a YOY growth of 10.20% in 2020 and a YOY growth of 8.33% in 2021.

During the same period, the average monthly rental/leasing rates by these 3 REITs increased at a CAGR of 3.51% from RM1.38 per sq ft in 2016 to RM1.64 per sq ft in 2021. In 2020, the average monthly rental rate recorded a YOY increase of 7.95% from 2019 despite the pandemic, demonstrating the resilience of the industrial property rental market against the pandemic. In 2021, the average monthly rental rate increased slightly at a YOY of 0.61%.

Moving forward, the demand for industrial properties including the demand from the rental market, is expected to be driven by the recovery of Malaysia's overall economic conditions. Following the transitioning into the endemic phase beginning 1 April 2022, business and economic activities are allowed to operate as usual and international borders have reopened, which is expected to further drive the recovery of economic conditions in Malaysia. According to the latest Economic and Monetary Review published by BNM, BNM expects Malaysia's GDP to grow within the range of 5.30% to 6.30% in 2022, supported by better Covid-19 management and higher vaccination rates as well as spill-over benefits from expansion in global demand. Further, the industrial property market will also be driven by continuous local and foreign investments received by the manufacturing sector and continuous demand for manufactured goods, which will then drive the growth of the manufacturing sector. The on-going effects of the US – China trade war has led to some multinational companies diverting their expansions to countries in Southeast Asia, which may include Malaysia, from their original expansion plans in China, thereby increasing the foreign investment received in Malaysia. The GDP from the manufacturing sector is expected to grow by 4.75% in 2022 according to the latest economic outlook announced with the Budget 2022.

Additionally, the demand for industrial properties will also be driven by the thriving e-commerce activities whereby companies in the e-commerce and logistics industries strive to expand their operational and storage capacity by securing additional industrial properties. While Malaysia is transitioning into the endemic phase and the impact of the Covid-19 pandemic is steadily subsiding, consumers are expected to continue to practise online shopping as they have adapted to the lifestyle and convenience of online shopping. Thus, this behavioural shift is expected to continue to drive demand for e-commerce and subsequently sustain the demand for industrial properties.

Over the longer term, the demand for industrial properties in Malaysia, including the demand from the rental market, is expected to remain strong as industrial properties are essential for the operations of the manufacturing sector which constitutes a major component of Malaysia's economy.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS



KPMG Tax Services Sdn. Bhd.
 (Co. No. 96860-M)
 Level 3, CIMB Leadership Academy
 No. 3, Jalan Medini Utara 1
 Medini Iskandar
 79200 Iskandar Puteri
 Johor Darul Takzim, Malaysia

Telephone +60(7) 266 2213
 Fax +60(7) 266 2214
 Website www.kpmg.com.my

Private and Confidential

The Board of Directors
I REIT Managers Sdn Bhd
 No. 2, Jalan I-Park SAC 1/1
 Taman Perindustrian I-Park SAC
 81400 Senai
 Johor
 c/o AME Elite Consortium Berhad
 No. 2, Jalan I-Park SAC 1/1
 Taman Perindustrian I-Park SAC
 81400 Senai
 Johor

RHB Trustees Berhad
 Level 11, Tower Three, RHB Centre
 Jalan Tun Razak
 50400 Kuala Lumpur

22 July 2022

Dear Sirs

Re: Taxation of AME Real Estate Investment Trust and Unitholders

This letter has been prepared for inclusion in the Prospectus in relation to the offer of units in AME Real Estate Investment Trust (hereinafter referred to as "AME REIT").

The purpose of this letter is to provide prospective unitholders with an overview of the Malaysian tax consequences of acquisition, ownership and disposal of these units as well as the key tax provisions applicable to AME REIT. This letter principally addresses unitholders who hold the units as long-term investment assets. Unitholders who hold or acquire the units for dealing and / or trading purposes should consult their own professional advisers concerning the tax consequences of their situations.

The Malaysian tax position is based on the interpretation of the Malaysian tax laws and provisions as they stand at present. Please note that these interpretations of the Malaysian tax laws and provisions may be subject to change, possibly with a retrospective effect. We have not been retained nor are we obliged to monitor or update the statements for the subsequent changes or modifications to the legislation, regulations thereunder, and judicial and administrative interpretations thereof.

In addition, this letter provides the general taxation of REITs and investors in Malaysia and is not specific advice to any particular investor. We recommend that investors obtain independent advice on the tax issues associated with their respective investments in the REIT.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS (*Cont'd*)*Taxation of AME Real Estate Investment Trust and Unitholders***1.0 Taxation of AME REIT****1.1 Income Tax**

AME REIT is regarded as a tax resident and treated as a unit trust for Malaysian tax purposes. The taxation of AME REIT is therefore governed principally by Sections 61, 61A and 63C of the Malaysian Income Tax Act, 1967 ("the Act").

The income of AME REIT, consisting of rental, interest¹ (other than interest which is exempt from income tax) and other investment income derived from or accruing in Malaysia (after deducting allowable expenses), will be subject to tax at the prevailing tax rate of 24%, with effect from Year of Assessment ("YA") 2016 onwards.

Currently, pursuant to Section 61A of the Act, income of AME REIT will be exempted from income tax for a YA if AME REIT is listed on Bursa Malaysia and distributes at least 90% of its total income to unitholders in the basis period for a YA. Note however that based on Paragraph 12.1 of the Public Ruling No. 5/2017 – Taxation of Real Estate Investment Trust or Property Trust Fund issued by the Inland Revenue Board ("IRB"), the IRB has given a concession for such distribution of the REIT's total income to be made within two months after the close of the financial year which forms the basis period for a YA of the REIT to be exempted under Section 61A of the Act.

If the 90% distribution condition is not complied with or the 90% distribution is not made within two months after the close of AME REIT's financial year which forms the basis period for a YA, AME REIT will be subject to income tax at the prevailing tax rate on its total income. Income which has been taxed at the AME REIT level will have tax credits attached when subsequently distributed to unitholders.

In arriving at its chargeable income, AME REIT will be entitled to deduct expenses which are incurred wholly and exclusively in the production of that gross rental income. In addition, based on the Income Tax (Deduction for Establishment Expenditure of Real Estate Investment Trust or Property Trust Fund) Rules 2006, establishment expenditure (i.e. legal, valuation and consultancy fees) incurred for the purpose of establishing AME REIT prior to approval by the Securities Commission ("SC") is also deductible as it is deemed to have been incurred in the basis period.

Rental income derived from the letting of real property by AME REIT is deemed to be a business source of income. In view of this, AME REIT is entitled to claim capital allowances ("CA") and industrial building allowances ("IBA") on qualifying capital expenditure incurred on plant and machinery as well as qualifying building expenditure incurred on industrial building in ascertaining the statutory income pursuant to Schedule 3 of the Act. It should be noted that for AME REIT to claim IBA on the buildings rented out to the tenants, the buildings must be used as an industrial building.

However, any unutilised CA, IBA or losses arising from the rental source cannot be carried forward to future years nor can these be deducted against AME REIT's other sources of income for that year.

¹ Under section 2(7) of the Act, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah.

The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS (*Cont'd*)*Taxation of AME Real Estate Investment Trust and Unitholders***1.2 Exempt income**

AME REIT may receive other tax exempt income as follows:

i. Dividends

Under the single-tier system, dividend income received from a resident company is fully exempted from tax pursuant to Paragraph 12B, Schedule 6 of the Act. As such, tax exempt dividend income received by a REIT will not be included in computing its total income. The expenses incurred in respect of the single-tier dividend are disregarded.

ii. Gains from the Realisation of Investments

As AME REIT is a unit trust, gains from the realisation of investments (including but not limited to sale of properties) by AME REIT will not be subject to income tax pursuant to Section 61(1)(b) of the Act.

iii. Interest / Discount

The interest or discount earned by AME REIT (which is considered to be a unit trust) from the following investments is exempted from tax pursuant to Paragraph 35 of Schedule 6 of the Act:

- a) Securities or bonds issued or guaranteed by the Government; or
- b) Sukuk or debentures, other than convertible loan stock, approved or authorised by, or lodged with, the SC; or
- c) Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

In addition to the above, the following interest received by AME REIT is also exempted from Malaysian income tax: -

- a) Any savings certificates issued by the Government; or
- b) A bank licensed under the Financial Services Act 2013, an Islamic bank licensed under the Islamic Financial Services Act 2013 or a development financial institution prescribed under the Development Financial Institutions Act 2002; or
- c) Bonds and securities issued by Pengurusan Danaharta Nasional Berhad.

1.3 Foreign Sourced Income

Foreign sourced income received by AME REIT from its overseas investments will also be tax exempted. However, such income may be subject to tax in the country from which it is derived. Based on the Finance Act 2021 which was gazetted on 31 December 2021, foreign sourced income derived by Malaysia tax residents, which is received in Malaysia will be taxable effective 1 January 2022.

1.4 Real Property Gains Tax ("RPGT")

Gains arising from the disposal of real property or shares in Real Property Companies ("RPC") will be subject to RPGT under the RPGT Act, 1976.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS (Cont'd)*Taxation of AME Real Estate Investment Trust and Unitholders*

For the purpose of RPGT, a "RPC" means: -

- a) A controlled company which, as at 21 October 1988, owns real property or shares or both, the defined value of which is not less than 75% of the value of its total tangible assets; or
- b) A controlled company to which (a) is not applicable, but which, at any date after 21 October 1988, acquires real property or shares or both whereby the defined value of real property or shares or both owned at that date is not less than 75% of the value of its total tangible assets.

The RPGT rates are as follows: -

Date of disposal	Rates of RPGT (%)
Disposal within 3 years after date of acquisition	30
Disposal in the 4 th year after date of acquisition	20
Disposal in the 5 th year after date of acquisition	15
Disposal in the 6 th year after date of acquisition or thereafter	10

Where the REIT is approved by the SC and listed on Bursa Malaysia, any gain on the disposal of the real property by the disposer to the REIT is exempted from RPGT pursuant to the Real Property Gains Tax (Exemption)(No.4) Order 2003 P.U.(A) 451/2003. However, the disposal of a chargeable asset by a REIT may be subject to RPGT except where specifically exempted (for example where disposal of chargeable asset is made to another REIT).

1.5 Stamp duty

Pursuant to the Stamp Duty (Exemption)(No.4) Order 2004 (Amendment) Order 2020 [P.U.(A) 154/2020], all instruments of transfer of real property to a trustee of the REIT approved by the SC are exempted from stamp duty. Similarly, all instruments of deed of assignment executed between the approved REIT and the disposer in relation to the purchase of real property are also exempted from stamp duty under Stamp Duty (Exemption)(No.27) Order 2005 P.U.(A) 484/2005.

Based on the above Orders, where AME REIT (as a REIT approved by the SC) acquires real property, AME REIT will be exempted from stamp duty in respect of all instruments of transfer of real property to the AME REIT.

2.0 Taxation of unitholders

2.1 Income Tax

For Malaysian income tax purposes, unitholders will be taxed on their share of the distribution received from AME REIT. The income of unitholders from their investment in AME REIT broadly falls under the following categories:

- a) Distribution of income which is tax exempted at the REIT level

If AME REIT distributes 90% or more of its total income in a YA, the REIT is exempted from tax for that YA. Instead, unitholders are liable to tax (at the applicable tax rates as tabulated in Note 1 below) on the distribution of income and are taxed in the YA they receive the distribution income. Since the income distributed by the REIT is tax exempted, no tax credit would be available to the unitholders. The tax charged on the distribution of income is a final tax.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS (Cont'd)

Taxation of AME Real Estate Investment Trust and Unitholders



Note 1: The applicable tax rate for unitholders depends on their residence status. The prevailing tax rates are as follows: -

Unitholders	Type of tax	Tax rates
A. Company (i) Resident (ii) Non-resident	Corporate Withholding tax ("WHT") (final tax) ²	Note 2 24%
B. Foreign Institutional Investor	WHT (final tax) ²	10%
C. Individual (i) Resident (ii) Non-resident	WHT (final tax) ² WHT (final tax) ²	10% 10%
D. Others (i) Resident (ii) Non-resident	WHT (final tax) ² WHT (final tax) ²	10% 10%

Note 2: There is no WHT on distribution from the REIT to resident company, however the distribution is subject to corporate income tax of 24%.

b) Distribution of income that has been taxed at the REIT level

If less than 90% of the total income of AME REIT in the basis period for a YA is distributed to unitholders, AME REIT is not entitled to enjoy the tax exemption under Section 61A of the Act and thus subject to corporate income tax at the REIT level. The unitholders who receive income distribution which has been subject to tax at REIT level would be subject to tax. In such a situation, the unitholders will be eligible to claim a tax credit for set-off against their tax payable pursuant to Section 110(9A) of the Act.

The unitholders are required to declare the distribution of such income from AME REIT in their income tax return form and bring it to tax at the applicable tax rates as tabulated below:

Unitholders	Malaysian Tax Rate (Current)
A. Tax resident unitholders	
a. Individual and non-corporate unitholders	• Progressive tax rates ranging from 0% to 30%
b. Co-operative societies	• Progressive tax rates ranging from 0% to 24%
c. Trust bodies	• 24%

² Effective from YA2021, Section 109D of the Act has been amended to give effect to the IRB's practice of regarding the WHT deducted from the income distributed by REIT as a final tax. In view of this, the income distribution received by unitholders where WHT has been deducted shall be disregarded for the purpose of ascertaining the chargeable income of the unitholders in the basis period for a YA.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS (Cont'd)

Taxation of AME Real Estate Investment Trust and Unitholders



d. Corporate unitholders i. Small and Medium Enterprises ("SME")³ ii. Companies other than (i) above	• 17% on the first RM600,000 of chargeable income • 24% for chargeable income in excess of RM600,000 • 24%
B. Non-tax resident unitholders a. Individual and non-corporate unitholders b. Corporate unitholders and trust bodies	• 30% • 24%

c) Distribution of tax exempt income received by AME REIT

The distribution of tax exempt income (such as tax exempt dividends, dividends declared under the Single Tier System and foreign sourced income) and capital gains received by AME REIT (other than income exempted at AME REIT level due to distributions of profits in the same basis period) will not be subject to tax in the hands of the unitholders.

Any gains realised by the unitholders (other than financial institutions, insurance companies and those dealing in securities) from the transfers or redemptions of the units are generally treated as capital gains which are not subject to income tax in Malaysia. However, certain unitholders may be subject to tax in Malaysia on such gains, due to specific circumstances of the unitholders.

³ An SME is defined as a company resident and incorporated in Malaysia which has a paid-up capital of ordinary shares of RM2.5 million and less at the beginning of the basis period of a YA provided:

- not more than fifty per cent of the paid-up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- not more than fifty per cent of the paid-up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company; or
- not more than fifty per cent of the paid-up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

A "related company" in this context means a company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

With effect from YA2020, an additional condition for an SME to qualify for the preferential tax treatment, is to have gross income from its business sources not exceeding RM50 million in a basis period for the YA.

Based on the IRB's Practice Note No. 4/2020, an SME which falls under the following categories will not qualify for the preferential tax treatment: -

- Has no gross income from business sources taxed under Section 4(a) of the Act, notwithstanding that it has other non-business income sources such as rent and interest. This excludes SMEs that have no gross business income and are incurring business tax losses or SMEs that have temporarily closed their business operations; and
- Is an unlisted investment holding company taxed under Section 60F of the Act.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS (Cont'd)

Taxation of AME Real Estate Investment Trust and Unitholders**2.2 Disposal by unitholders**

Unless the unitholders are in the business of dealing in investment, any profit arising from the disposal of units should not be subject to income tax as such profits are considered capital in nature.

2.3 Unit split and reinvestment of distribution

Unit split represents the process of creating additional units to existing unitholders by lowering unit prices proportionately. There is no tax implication as it offers no additional value to the unitholders.

For reinvestment of distribution, the distribution of income by AME REIT could be made via cash or reinvested into units in the REIT. In this event, the unitholders will be deemed to have received the distribution and the taxability of distribution of income has been explained in item 2.1(a) and (b) above.

2.4 Stamp duty

The transfer of units in AME REIT by the unitholders will be exempted from stamp duty pursuant to Paragraph (c) of Exemptions under Item 32, First Schedule of the Stamp Act, 1949.

3.0 Service Tax**3.1 Service tax on AME REIT**

There should not be any service tax implications for AME REIT on the basis that the amount received is purely for the rental of building. However, if AME REIT also provides management services to the tenants, such as managing the factory or maintenance management, such services could be subject to service tax of 6% as management services are taxable services.

The disposal of properties by AME REIT is not subject to service tax.

3.2 Service tax on imported taxable service

AME REIT could be subject to service tax on imported taxable service at the rate of 6% if it acquires any taxable service from any person outside Malaysia.

3.3 Digital service tax

Effective from 1 January 2020, foreign service provider who provides digital service to consumer in Malaysia and the value of digital service for a period of twelve months or less exceeds the threshold of RM500,000 is liable to be registered under Section 56B Service Tax Act, 2018 as foreign registered person ("FRP"). As such, FRP will account service tax on digital services acquired by consumer in Malaysia.

If AME REIT acquires any digital service from the FRP, FRP shall charge service tax of 6% on the digital service.

In the case where the foreign digital service provider did not register itself as FRP, the digital services acquired by AME REIT may fall under the scope of information technology service which is a taxable service and thus AME REIT has to account and pay for service tax on imported taxable service.

TAX CONSULTANT'S LETTER ON TAXATION OF AME REIT AND UNITHOLDERS (Cont'd)

Taxation of AME Real Estate Investment Trust and Unitholders

**3.4 Service tax on unitholders**

Unitholders are entitled to receive distribution from investment in AME REIT. As stated above, distribution income is not subject to service tax.

We confirm that the statement made in this report correctly reflects our understanding of the tax position under the current Malaysian tax legislation and the interpretation thereof.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Tai Lai Kok', written over a horizontal line.

Tai Lai Kok
Executive Director

KPMG Tax Services Sdn Bhd has given written consent to the inclusion of the report as Taxation Adviser in the form and context in which it appears in this Prospectus and has not withdrawn such consent prior to the delivery of a copy of this Prospectus for approval.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION



KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1
Medini Iskandar
79200 Iskandar Puteri
Johor Darul Takzim, Malaysia

Telephone +60(7) 266 2213
Fax +60(7) 266 2214
Website www.kpmg.com.my

Private and Confidential

The Board of Directors
I REIT Managers Sdn Bhd
No.2, Jalan I-Park SAC 1/1
Taman Perindustrian I-Park SAC
81400 Senai
Johor

The Board of Directors
AME Elite Consortium Berhad
No. 2, Jalan I-Park SAC 1/1
Taman Perindustrian I-Park SAC
81400 Senai
Johor

Date: [.] 2022

DRAFT FOR PURPOSE OF
INCLUSION IN THE
PROSPECTUS EXPOSURE

Dear Sir/Madam,

AME Real Estate Investment Trust ("AME REIT")

Report on the compilation of pro forma statement of financial position for inclusion in AME REIT's prospectus in connection with the establishment and listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad ("Prospectus") ("Listing")

We have completed our assurance engagement to report on the compilation of the pro forma statement of financial position of AME REIT prepared by the Board of Directors of the Manager ("Directors of the Manager") and the Board of Directors of AME Elite Consortium Berhad, being the holding company of the Manager ("Directors of the Holding Company"). The pro forma statement of financial position as at its date of establishment ("Pro Forma Statement of Financial Position") and the related notes as set out in Attachment A, have been stamped by us for identification purposes. The applicable criteria on the basis of which the Directors of the Manager and the Directors of the Holding Company have compiled the pro forma statement of financial position are described in the notes to the Pro Forma Statement of Financial Position. The Pro Forma Statement of Financial Position is prepared in accordance with the requirements of Chapter 12 of Part III of the Prospectus Guidelines for Collective Investment Schemes issued by the Securities Commission Malaysia ("CIS Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Statement of Financial Position has been compiled by the Directors of the Manager and the Directors of the Holding Company for inclusion in the Prospectus solely to illustrate the impact of the Listing on AME REIT's statement of financial position as at its date of establishment, as if the Listing had taken place as at the date of establishment.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)



AME Real Estate Investment Trust ("AME REIT")
Report on the compilation of pro forma statement
of financial position for inclusion in the Prospectus

Directors of the Manager's and Directors of the Holding Company's Responsibility for the Pro Forma Statement of Financial Position

The Directors of the Manager and the Directors of the Holding Company are responsible for compiling the Pro Forma Statement of Financial Position on the basis described in the notes to the Pro Forma Statement of Financial Position in Attachment A as required by the CIS Prospectus Guidelines.

Reporting Accountants' Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* adopted by the Malaysian Institute of Accountants and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the CIS Prospectus Guidelines about whether the Pro Forma Statement of Financial Position has been compiled, in all material respects, by the Directors of the Manager and the Directors of the Holding Company on the basis described in the notes to the Pro Forma Statement of Financial Position in Attachment A.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors of the Manager and the Directors of the Holding Company have compiled, in all material respects, the Pro Forma Statement of Financial Position on the basis described in the notes to the Pro Forma Statement of Financial Position in Attachment A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Statement of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statement of Financial Position.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)



AME Real Estate Investment Trust ("AME REIT")
Report on the compilation of pro forma statement
of financial position for inclusion in the Prospectus

Reporting Accountants' Responsibilities (continued)

The purpose of the Pro Forma Statement of Financial Position included in the Prospectus is solely to illustrate the impact of the Listing on unadjusted financial information of AME REIT as if the events had occurred or the transactions had been undertaken at the date of establishment for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Statement of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors of the Manager and the Directors of the Holding Company in the compilation of the Pro Forma Statement of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the Listing, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Statement of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of AME REIT, the events or transactions in respect of which the Pro Forma Statement of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statement of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Statement of Financial Position has been compiled, in all material respects, on the basis described in the notes to the Pro Forma Statement of Financial Position in Attachment A.

Other Matters

Our report on the Pro Forma Statement of Financial Position has been prepared for inclusion in the Prospectus in connection with the Listing and should not be relied upon for any other purposes.

KPMG PLT
LLP0010081-LCA & AF 0758
Chartered Accountants

Tan Teck Eng
Approval Number: 02986/05/2024 J
Chartered Accountant

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Pro Forma Statement of Financial Position

The pro forma statement of financial position of AME REIT as at its date of establishment ("Pro Forma Statement of Financial Position") as set out below has been prepared for illustrative purposes only and to show the effects of the transactions referred to in Note 2 had these transactions been in effect on the date of establishment, and should be read in conjunction with the said notes to the Pro Forma Statement of Financial Position. As at the date of establishment, AME REIT does not have any assets and liabilities.

	Note	(Unaudited) As at the date of establishment RM'000
Assets		
Investment properties	3(a)	557,000
Total non-current assets		557,000
Other receivables	3(b)	586
Cash and bank balances	3(c)	16,963
Total current assets		17,549
Total assets		574,549
Equity		
Unitholders' funds ⁽¹⁾		515,000
Total equity		515,000
Liabilities		
Other payables	3(e)	12,049
Total non-current liabilities		12,049
Other payables	3(e)	1,010
Islamic financing facilities ⁽²⁾	3(f)	46,490
Total current liabilities		47,500
Total liabilities		59,549
Total equity and liabilities		574,549
Net asset value ("NAV") ⁽³⁾		515,000
Units in issue ('000)		520,000
Net asset value per unit (RM) ⁽⁴⁾		0.99

Notes:

- (1) Unitholders' funds of RM520.0 million, net of estimated expenses in relation to the issue of Units (defined herein) of RM5.0 million.
- (2) The amount of the Islamic Financing Facilities (defined herein) to be drawn down upon the date of the establishment of AME REIT, totalling RM47.0 million, net of estimated transaction costs of approximately RM0.5 million. The profit expenses of the Islamic Financing Facilities are recognised in the statement of comprehensive income in the period which they are incurred.
- (3) NAV represents the value of the AME REIT's total assets less total liabilities.
- (4) NAV per unit is computed based on NAV divided by number of units issued by AME REIT ("Units").

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (*Cont'd*)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position

The pro forma statement of financial position of AME REIT as at its date of establishment ("Pro Forma Statement of Financial Position") has been prepared for inclusion in AME REIT's prospectus in connection with the establishment and listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing") and should not be relied upon for any other purposes.

1. Basis of preparation

The applicable criteria on the basis of which the Board of Directors of I REIT Managers Sdn Bhd ("Directors of the Manager"), being the management company of AME Real Estate Investment Trust ("AME REIT") and the Board of Directors of AME Elite Consortium Berhad ("Directors of the Holding Company"), being the holding company of the Manager, have compiled the Pro Forma Statement of Financial Position is specified in Chapter 12 of Part III of the Prospectus Guidelines for Collective Investment Schemes issued by the Securities Commission Malaysia ("CIS Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Statement of Financial Position has been prepared for illustrative purposes only and to show the effects on the statement of financial position on AME REIT's date of establishment, had the listing scheme as set out in Note 2 been effected on that date and on a basis consistent with the following accounting policies that will be adopted by AME REIT for the financial year ending 31 March 2023:

a) Basis of measurement

The financial statements of AME REIT will be prepared on the historical basis unless otherwise described below, and in compliance with the provisions of the deed of trust entered into between the Manager and the Trustee (as defined herein), constituting AME REIT ("Deed"), Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

b) Functional and presentation currency

The financial statements of AME REIT will be presented in Ringgit Malaysia ("RM"), which is the functional currency of AME REIT. All financial information is presented in RM and will be rounded to the nearest thousand, unless otherwise stated.

c) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)

1. Basis of preparation (continued)

d) Financial instruments

(i) Recognition and initial measurements

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, AME REIT becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless AME REIT changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impairment financial assets (see Note 1(h)(i)) where the effective profit rate is applied to the amortised cost.

Financial liabilities

Financial liabilities at initial recognition are categorised as amortised cost and are subsequently measured at amortised cost using the effective profit method.

Profit expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)**1. Basis of preparation (continued)**

d) Financial instruments (continued)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, AME REIT currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Investment properties

Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised financing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)

1. Basis of preparation (continued)

e) Investment properties (continued)

Investment properties carried at fair value (continued)

The fair value of investment properties held by AME REIT as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, AME REIT added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

f) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, AME REIT assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, AME REIT allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which AME REIT is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)

1. Basis of preparation (continued)

f) Leases (continued)

(ii) Recognition and initial measurement

(a) As a lessee

AME REIT recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, AME REIT's incremental financing rate. Generally, AME REIT uses their incremental financing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that AME REIT is reasonably certain to exercise; and
- penalties for early termination of a lease unless AME REIT is reasonably certain not to terminate early.

AME REIT excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

AME REIT has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. AME REIT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)**1. Basis of preparation (continued)**

f) Leases (continued)

(ii) Recognition and initial measurement (continued)

(b) As a lessor

When AME REIT acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, AME REIT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, AME REIT applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When AME REIT is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which AME REIT applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in AME REIT's estimate of the amount expected to be payable under a residual value guarantee, or if AME REIT changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

AME REIT recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)

1. Basis of preparation (continued)

g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and Islamic deposits with banks and highly liquid Shariah-compliant investments which have an insignificant risk of changes in fair value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged Islamic deposits.

h) Impairment

(i) Financial assets

AME REIT recognises loss allowances for expected credit losses on financial assets measured at amortised cost and tenancy contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

AME REIT measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and tenancy contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, AME REIT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on AME REIT's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which AME REIT is exposed to credit risk.

AME REIT estimates the expected credit losses on trade receivables.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, AME REIT assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when AME REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with AME REIT's procedures for recovery of amounts due.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)**1. Basis of preparation (continued)**

h) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for investment properties that are measured at fair value) are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

i) Islamic financing costs

Islamic financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective profit method.

Islamic financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of cost of those assets.

The capitalisation of Islamic financing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, Islamic financing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of Islamic financing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific Islamic financing pending their expenditure on qualifying assets is deducted from the Islamic financing costs eligible for capitalisation.

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A**AME Real Estate Investment Trust ("AME REIT")**Pro Forma Statement of Financial Position and the notes thereon

Notes to the Pro Forma Statement of Financial Position (continued)**1. Basis of preparation (continued)**

j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

k) Provisions

A provision is recognised if, as a result of a past event, AME REIT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Statement of Financial Position

The Pro Forma Statement of Financial Position illustrates the effects of the following events or transactions:

2.1 Acquisitions of the Subject Properties (as defined below) and their related assets ("Acquisitions")

The Acquisition by RHB Trustees Berhad (the "Trustee") on behalf of AME REIT from the Vendors (as defined below) of the following Subject Properties and their related assets for a total purchase consideration of RM557.0 million:

Type	Industrial Parks	Vendor	No. of Units	Purchase Consideration RM'000
Industrial Properties	Senai Airport City ("SAC") Subject Properties	Ipark Development Sdn Bhd AME Development Sdn Bhd	13 1	212,000 38,000
	Subtotal – SAC Subject Properties		14	250,000
	Indahpura Subject Properties	AME Development Sdn Bhd	9	101,000
		LKL Industries Sdn Bhd	1	7,000
		Active Gold Services Sdn Bhd	1	17,000
	Subtotal – Indahpura Subject Properties		11	125,000
	Southern Industrial Logistics Clusters ("SiLC") Subject Properties: - iPark @ SiLC - District 6 SiLC	AME Development Sdn Bhd	4	30,500
LKL Industries Sdn Bhd		1	3,500	
Twin Sunrich Sdn Bhd		1	13,000	
Subtotal – SiLC Subject Properties		6	47,000	
Total – Industrial Properties			31	422,000
Dormitories	Indahpura Subject Properties	AME Development Sdn Bhd	2	90,000
	SAC Subject Properties	AME Development Sdn Bhd	1	45,000
Total – Dormitories			3	135,000
Grand total			34	557,000

AME Development Sdn Bhd, Ipark Development Sdn Bhd, LKL Industries Sdn Bhd, Active Gold Services Sdn Bhd and Twin Sunrich Sdn Bhd are collectively referred to as the "Vendors".

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Statement of Financial Position (continued)

2.1 Acquisitions of the Subject Properties (as defined below) and their related assets ("Acquisitions") (continued)

The 31 units of industrial properties and the 3 units of dormitories are collectively referred to as "Subject Properties", "Subject Property" means either one of them.

The total purchase consideration for the Acquisitions of RM557.0 million will be satisfied through:

- (a) issuance of 520.0 million Units ("Consideration Units") at an issue price of RM1.00 per Consideration Unit, to be credited as fully paid-up; and
- (b) cash consideration of RM37.0 million to be funded from the Islamic Financing Facilities (as defined herein).

The fair value of the Consideration Units is estimated at RM520.0 million (based the issue price of RM1.00 per unit).

The purchase consideration for the Subject Properties was arrived at based on the independent valuation of the Subject Properties dated 2 August 2021 and subsequently updated as at 7 February 2022.

As part of the Acquisitions, AME REIT will also assume certain liabilities being the tenant deposits payable and rental received in advance and the corresponding cash equivalents of these balances. For purposes of the Pro Forma Statement of Financial Position, these amounts are illustrated based on the carrying amounts of the tenants' deposits payable and rental received in advance as at 31 March 2022.

2.2 Offering

Following the Acquisitions, AME Elite Consortium Berhad ("AME") (via AME Development Sdn Bhd, Ipark Development Sdn Bhd and LKL Industries Sdn Bhd) (the "Selling Subsidiaries") will have an offer for sale of up to 254.8 million Units ("Offer Units") which comprise the following:

(a) Retail Offering

Retail Offering of up to approximately 174.8 million Offer Units at Retail Price, consisting of the following:

- (i) non-renounceable restricted offer for sale of up to approximately 156.6 million units ("ROFS Units(s)") to the entitled AME shareholders on the basis of 1 ROFS Unit for every 5 ordinary shares held in AME as at 5.00 p.m. on the entitlement date;
- (ii) 7.8 million Offer Units to the eligible directors and employees; and
- (iii) 10.4 million Offer Units for application by the Malaysian public, of which 5.2 million Offer Units are reserved for application by the Bumiputera public.

(Collectively (i), (ii) and (iii) above are referred to as the "Retail Offering").

- (b) Institutional Offering of approximately 80.0 million Offer Units to Malaysian institutional investors and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry, at the institutional price.

(Collectively the Retail Offering and the Institutional Offering are referred to as the "Offering")

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Statement of Financial Position (continued)

2.3 Islamic Financing Facilities

The Trustee, on behalf of AME REIT will be procuring Islamic financing facilities of RM67.0 million from a financing institution ("Islamic Financing Facilities").

AME REIT intends to finance the cash portion of the purchase consideration for the Subject Properties via drawdown of RM37.0 million from the Islamic Financing Facilities.

Another RM10.0 million of the Islamic Financing Facilities shall be used for working capital requirements and the listing expenses of the Listing of AME REIT.

The remaining balance of the Islamic Financing Facilities of RM20.0 million will be used for future acquisition of properties after Listing.

2.4 Listing

Listing of and quotation for the entire 520,000,000 Units on the Main Market of Bursa Securities.

3. Effects on the Pro Forma Statement of Financial Position

(a) Investment properties

Investment properties comprising the Subject Properties are measured at fair value which, for the purpose of this Pro Forma Statement of Financial Position, is based on the valuation report dated 16 August 2021 and updated valuation certificate dated 8 July 2022 issued by an independent property valuer, CBRE WTW Valuation & Advisory Sdn Bhd (formally known as C H Williams Talhar & Wong Sdn Bhd).

	RM'000
Investment properties at fair value	<u>557,000</u>

(b) Other receivables

	RM'000
Sales notification deposits	56
Utilities deposits	13
Gated development deposits	95
Prepayments	<u>422</u>
	<u>586</u>

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")
Pro Forma Statement of Financial Position and the notes thereon

3. Effects on the pro forma statement of financial position (continued)

(c) Cash and bank balances

	RM'000
Tenants' deposits	13,059
Proceeds from the Islamic Financing Facilities	47,000
Less: Sales notification deposits	(56)
Utilities deposits	(13)
Gated development deposits	(95)
Prepayments	(422)
Acquisitions	(37,000)
Estimated listing expenses	(5,000)
Estimated transaction costs for the Islamic Financing Facilities	(510)
	<u>16,963</u>

(d) Unitholders' funds

	Issue price per unit (RM)	RM'000
Unitholders' capital		
- Units issued as Consideration Units (520,000,000 new Units)	1.00	520,000
- Less: Estimated listing expenses ⁽ⁱ⁾		<u>(5,000)</u>
		<u>515,000</u>

Note:

(i) The estimated listing expenses comprise the following:

	RM'000
Professional and advisory fees	3,000
Regulatory fees	630
Printing, investor relations and other related expenses	1,370
	<u>5,000</u>

The estimated listing expenses in relation to the Listing of RM5.0 million is directly attributable to the issuance of units and are recognised in equity.

(e) Other payables

	RM'000
Non-current	
Rental deposits	11,586
Utilities deposits	312
Gated development deposits	151
Current	
Rental deposits	999
Gated development deposits	11
	<u>13,059</u>

REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (Cont'd)

Attachment A

AME Real Estate Investment Trust ("AME REIT")

Pro Forma Statement of Financial Position and the notes thereon

3. Effects on the pro forma statement of financial position (continued)

(f) Islamic financing facilities

	RM'000
Islamic Financing Facilities	47,000
Less: Estimated transaction costs for the Islamic Financing Facilities	<u>(510)</u>
	<u>46,490</u>

The Islamic Financing Facilities are recorded net of transactions costs. The transaction costs will be expensed to the profit or loss over the tenure of the Islamic Financing Facilities.

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REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST



KPMG PLT
 (LLP0010081-LCA & AF 0758)
 Chartered Accountants
 Level 3, CIMB Leadership Academy
 No. 3, Jalan Medini Utara 1
 Medini Iskandar
 79200 Iskandar Puteri
 Johor Darul Takzim, Malaysia

Telephone +60(7) 266 2213
 Fax +60(7) 266 2214
 Website www.kpmg.com.my

Private and Confidential

The Board of Directors
I REIT Managers Sdn Bhd
 No.2, Jalan I-Park SAC 1/1
 Taman Perindustrian I-Park SAC
 81400 Senai
 Johor

The Board of Directors
AME Elite Consortium Berhad
 No. 2, Jalan I-Park SAC 1/1
 Taman Perindustrian I-Park SAC
 81400 Senai
 Johor

Date: [.] 2022

DRAFT FOR PURPOSE OF
 INCLUSION IN THE
 PROSPECTUS EXPOSURE

Dear Sir/Madam,

AME Real Estate Investment Trust ("AME REIT")

**Reporting Accountant's letter on the profit forecast of AME REIT
 for the financial year ending 31 March 2023 for inclusion in AME REIT's prospectus
 in connection with the establishment and listing of AME REIT on the Main Market of Bursa
 Malaysia Securities Berhad ("Prospectus") ("Listing")**

We have examined the profit forecast of AME REIT for the financial year ending 31 March 2023 ("Forecast Year 2023") ("Profit Forecast"), as set out in the accompanying Appendix A (which we have stamped for the purpose of identification) in accordance with the International Standard on Assurance Engagements 3400 ("ISAE 3400"), *The Examination of Prospective Financial Information*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants.

Our examination has been undertaken to enable us to form an opinion as to whether the Profit Forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Board of Directors of the Manager ("Directors of the Manager") and the Board of Directors of AME Elite Consortium Berhad, being the holding company of the Manager ("Directors of the Holding Company"), and is presented on a basis consistent with the format of financial statements and accounting policies to be adopted and disclosed by AME REIT and the requirements of the Prospectus Guidelines for Collective Investment Schemes issued by the Securities Commission Malaysia ("CIS Prospectus Guidelines"). The Directors of the Manager and the Directors of the Holding Company are solely responsible for the preparation and presentation of the Profit Forecast and the assumptions on which the Profit Forecast is based.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

AME Real Estate Investment Trust ("AME REIT")
Reporting Accountant's letter on the
Profit Forecast for inclusion in the Prospectus

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which the Directors of the Manager and the Directors of the Holding Company expect to take place and the actions which AME REIT expects to take as of the date of the information is prepared (best estimate assumptions and hypothetical assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material. We do not express any opinion as to whether the profit forecast will be achieved nor can we guarantee or confirm the achievement of those results.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that the assumptions made by the Directors of the Manager and the Directors of the Holding Company, do not provide a reasonable basis for the preparation of the Profit Forecast; and in our opinion, the Profit Forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors of the Manager and the Directors of the Holding Company and is presented on a basis consistent with both the format of the financial statements and the accounting policies to be adopted by AME REIT and the requirements of the CIS Prospectus Guidelines.

Without qualifying our opinion, we draw attention to Note 4(g) of the assumptions set out in Appendix A which states that it has been assumed that there will be no material fluctuation on the fair value of the Subject Properties (as defined in the notes to the Profit Forecast) during the Forecast Year 2023 since the acquisition date, resulting in no fair value gain or loss. The fair value of investment properties may change (either increase or decrease) due to market and other factors beyond the control of the Manager. Therefore, any significant changes in the fair value will have a material and pervasive impact to the actual results.

Other matters

Our report on the Profit Forecast has been prepared for inclusion in the Prospectus in connection with the Listing and should not be relied upon for any other purposes.

KPMG PLT
LLP0010081-LCA & AF 0758
Chartered Accountants

Tan Teck Eng
Approval Number: 02986/05/2024 J
Chartered Accountant

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (Cont'd)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

Profit Forecast

The Board of Directors of I REIT Managers Sdn Bhd ("Manager") ("Directors of the Manager"), being the management company of AME Real Estate Investment Trust ("AME REIT") and the Board of Directors of AME Elite Consortium Berhad, being the holding company of the Manager, have prepared a forecast of the statement of profit or loss and other comprehensive income for the financial year ending 31 March 2023 ("Forecast Year 2023") of AME REIT ("Profit Forecast"), based on the assumptions as disclosed in Note 4 as follows:

	Forecast Year 2023 RM'000
Rental income	40,995
Total revenue	40,995
Quit rent and assessment	(1,803)
Insurance	(705)
Repair and maintenance	(346)
Other operating expenses	(228)
Property management fees	(336)
Property operating expenses	(3,418)
Net property income	37,577
Profit income	452
Net investment income	38,029
Management fees	(3,573)
Trustee's fees	(175)
Islamic financing costs	(2,481)
Other trust expenses	(837)
Non-property expenses	(7,066)
Profit before taxation	30,963
Taxation	--
Net income for the year and total comprehensive income for the year attributable to unitholders	30,963
Add: Non-cash items ⁽¹⁾	3,083
Distributable income	34,046
Number of units in issue (in '000) ⁽²⁾	[•]
Assumed distribution rate	100%
Distribution cover (times)	1.00
Distribution per Unit ("DPU") (sen)	[•]
Illustrative Retail Price (RM/Unit)	[•]
Distribution yield on Retail Price⁽³⁾	[•]%

Notes:

- (1) Non-cash items comprise Management Fees payable in units in AME REIT ("Units"), amortisation of transaction costs on financings capitalised and net of unbilled lease income receivables.
- (2) The total number of units in issue include the assumed units issued to the Manager as payment for the Management Fees for the Forecast Year 2023 at an assumed issue price of RM[•] per Unit.
- (3) Distribution yield is calculated based on the assumption that the Listing Date is on 1 April 2022. The distribution yield will vary accordingly based on the actual Listing Date, or if the Final Retail Price is below RM[•].

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (Cont'd)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

1. Introduction

The profit forecast of AME REIT for the financial year ending 31 March 2023 comprising the statement of profit or loss and other comprehensive income and the notes thereon (the "Profit Forecast") has been prepared for inclusion in AME REIT's prospectus in connection with the establishment and listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing") and should not be relied upon for any other purposes.

2. Listing Scheme

The listing scheme comprises the following transactions:

2.1 Acquisitions of the Subject Properties (as defined below) and their related assets ("Acquisitions")

The Acquisition by RHB Trustees Berhad (the "Trustee") on behalf of AME REIT from the Vendors (as defined below) of the following Subject Properties and their related assets for a total purchase consideration of RM557.0 million:

Type	Industrial Parks	Vendor	No. of Units	Purchase Consideration RM'000
Industrial Properties	Senai Airport City ("SAC") Subject Properties	lpark Development Sdn Bhd	13	212,000
		AME Development Sdn Bhd	1	38,000
	Subtotal – SAC Subject Properties		14	250,000
	Indahpura Subject Properties	AME Development Sdn Bhd	9	101,000
		LKL Industries Sdn Bhd	1	7,000
		Active Gold Services Sdn Bhd	1	17,000
		Subtotal – Indahpura Subject Properties		11
	Southern Industrial Logistics Clusters ("SiLC") Subject Properties: - iPark @ SiLC - District 6 SiLC	AME Development Sdn Bhd	4	30,500
		LKL Industries Sdn Bhd	1	3,500
		Twin Sunrich Sdn Bhd	1	13,000
Subtotal – SiLC Subject Properties		6	47,000	
Total – Industrial Properties			31	422,000

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

2. Listing Scheme (continued)**2.1 Acquisitions of the Subject Properties (as defined below) and their related assets ("Acquisitions") (continued)**

Type	Industrial Parks	Vendor	No. of Units	Purchase Consideration RM'000
Dormitories	Indahpura Subject Properties	AME Development Sdn Bhd	2	90,000
	SAC Subject Properties	AME Development Sdn Bhd	1	45,000
Total – Dormitories			3	135,000
Grand total			34	557,000

AME Development Sdn Bhd, Ipark Development Sdn Bhd, LKL Industries Sdn Bhd, Active Gold Services Sdn Bhd and Twin Sunrich Sdn Bhd are collectively referred to as the "Vendors".

The 31 units of industrial properties and the 3 units of dormitories are collectively referred to as "Subject Properties", "Subject Property" means either one of them.

The total purchase consideration for the Acquisitions of RM557.0 million will be satisfied through:

- (a) issuance of 520.0 million Units ("Consideration Units") at an issue price of RM1.00 per Consideration Unit, to be credited as fully paid-up; and
- (b) cash consideration of RM37.0 million to be funded from the Islamic Financing Facilities (as defined herein).

The fair value of the Consideration Units is estimated at RM520.0 million (based on issue price at RM1.00 per unit).

The purchase consideration for the Subject Properties was arrived at based on the independent valuation of the Subject Properties dated 2 August 2021 and subsequently updated as at 7 February 2022.

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REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

2. Listing Scheme (continued)**2.2 Offering**

Following the Acquisitions, AME Elite Consortium Berhad ("AME") (via AME Development Sdn Bhd, Ipark Development Sdn Bhd and LKL Industries Sdn Bhd) (the "Selling Subsidiaries") will have an offer for sale up to 254.8 million Units ("Offer Units"), in the following manner:

(a) Retail Offering

Retail Offering of up to approximately 174.8 million Offer Units at Retail Price, consisting of the following:

- (i) non-renounceable restricted offer for sale of up to approximately 156.6 million units ("ROFS Unit(s)") to the entitled AME shareholders on the basis of 1 ROFS Unit for every 5 ordinary shares held in AME as at 5.00 p.m. on the entitlement Date;
- (ii) 7.8 million Offer Units to the eligible directors and employees; and
- (iii) 10.4 million Offer Units for application by the Malaysian public, of which 5.2 million Offer Units are reserved for application by the Bumiputera public.

(Collectively (i), (ii) and (iii) above are referred to as the "Retail Offering").

- (b) Institutional Offering of approximately 80.0 million Offer Units to Malaysian institutional investors and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry, at the Institutional Price.

(Collectively the Retail Offering and the Institutional Offering are referred to as the "Offering")

2.3 Islamic Financing Facilities

The Trustee, on behalf of AME REIT will be procuring Islamic financing facilities of RM67.0 million from a financing institution ("Islamic Financing Facilities").

AME REIT intends to finance the cash portion of the purchase consideration for the Subject Properties via drawdown of RM37.0 million from the Islamic Financing Facilities.

Another RM10.0 million of the Islamic Financing Facilities of shall be used for working capital requirements and the listing expenses of the Listing of AME REIT.

The remaining balance of the Islamic Financing Facilities of RM20.0 million will be used for future acquisition of properties after Listing.

2.4 Listing

Listing of and quotation for the entire 520,000,000 Units on the Main Market of Bursa Securities.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT

The Profit Forecast has been prepared for illustrative purposes and in a manner consistent with the following accounting policies that will be adopted by AME REIT for the financial year ending 31 March 2023:

(a) Basis of measurement

The financial statements of AME REIT will be prepared on the historical basis unless otherwise described below, and in compliance with the provisions of the deed of trust entered into between the Manager and the Trustee, constituting AME REIT ("Deed"), Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

(b) Functional and presentation currency

The financial statements of AME REIT are presented in Ringgit Malaysia ("RM"), which is the functional currency of AME REIT. All financial information is presented in RM and will be rounded to the nearest thousand, unless otherwise stated.

(c) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(d) Financial instruments**(i) Recognition and initial measurements**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, AME REIT becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement*Financial assets*

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless AME REIT changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)

(d) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impairment financial assets (see Note 3(h)(i)) where the effective profit rate is applied to the amortised cost.

Financial liabilities

Financial liabilities at initial recognition are categorised as amortised cost and are subsequently measured at amortised cost using the effective profit method.

Profit expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)

(d) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, AME REIT currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Investment properties

Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised financing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by AME REIT as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, AME REIT added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)

(f) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, AME REIT assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, AME REIT allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which AME REIT is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

AME REIT recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, AME REIT's incremental financing rate. Generally, AME REIT uses their incremental financing rate as the discount rate.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)

(f) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that AME REIT is reasonably certain to exercise; and
- penalties for early termination of a lease unless AME REIT is reasonably certain not to terminate early.

AME REIT excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

AME REIT has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. AME REIT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When AME REIT acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, AME REIT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, AME REIT applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When AME REIT is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which AME REIT applies the exemption described above, then it classifies the sublease as an operating lease.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)

(f) Leases (continued)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in AME REIT's estimate of the amount expected to be payable under a residual value guarantee, or if AME REIT changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

AME REIT recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and Islamic deposits with banks and highly liquid Shariah-compliant investments which have an insignificant risk of changes in fair value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged Islamic deposits.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)

(h) Impairment

(i) Financial assets

AME REIT recognises loss allowances for expected credit losses on financial assets measured at amortised cost and tenancy contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

AME REIT measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and tenancy contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, AME REIT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on AME REIT's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which AME REIT is exposed to credit risk.

AME REIT estimates the expected credit losses on trade receivables.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, AME REIT assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when AME REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with AME REIT's procedures for recovery of amounts due.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)**(h) Impairment (continued)****(ii) Other assets**

The carrying amounts of other assets (except for investment properties that are measured at fair value) are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

(i) Islamic financing costs

Islamic financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective profit method.

Islamic financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of cost of those assets.

The capitalisation of Islamic financing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, Islamic financing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of Islamic financing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific Islamic financing pending their expenditure on qualifying assets is deducted from the Islamic financing costs eligible for capitalisation.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)**(j) Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(k) Provisions

A provision is recognised if, as a result of a past event, AME REIT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue**(i) Rental income**

Rental income consists of income from the leasing of investment properties.

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives are recognised as an integral part of the total rental income, over the term of the lease.

(ii) Profit income

Profit income is recognised as it accrues using the effective profit method in profit or loss.

(m) Expenses**(i) Property expenses**

Property expenses consist of property management fees, quit rent and assessment, and other property outgoings in relation to investment properties where such expenses are the responsibility of AME REIT.

Property management fees are recognised on an accrual basis.

(ii) Management Fees

Management Fees are recognised on an accrual basis using the applicable formula.

(iii) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)**(n) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the financial year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the financial year.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3(e), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each financial year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per unit

AME REIT's earnings per unit ("EPU") is presented based on basic and diluted format.

Basic EPU is calculated by dividing the profit or loss attributable to unitholders of AME REIT by the weighted average number of units outstanding during the period.

Diluted EPU is determined by adjusting the profit or loss attributable to unitholders and the weighted average number of units outstanding adjusted for the effects of all dilutive potential units.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

3. Accounting policies to be adopted by AME REIT (continued)

(p) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, AME REIT uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that AME REIT can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

AME REIT recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

4. Bases and assumptions

The Directors of the Manager and the Directors of the Holding Company have prepared the Profit Forecast of AME REIT based on the following assumptions, for which the Directors of the Manager and the Directors of the Holding Company are solely responsible:

- (a) The Profit Forecast has been prepared for illustrative purposes only assuming that the Listing date is 1 April 2022.

(b) Rental income

For the Forecast Year 2023, the forecasted rental income is approximately RM41.0 million. The breakdown of rental income derived from Industrial Properties and Dormitories are as follows:

	Forecast Year 2023 RM'000
Subject Properties	
Industrial Properties	
- SAC Subject Properties	18,247
- Indahpura Subject Properties	9,590
- SiLC Subject Properties	3,104
	<u>30,941</u>
Dormitories	<u>10,054</u>
Total	<u>40,995</u>

The Directors of the Manager and the Directors of the Holding Company have assumed the following in arriving at the rental income of the Subject Properties for the Forecast Year 2023:

Industrial Properties

- (i) rental income derived from Industrial Properties is forecasted based on the agreed rental rates for committed tenancies for the Forecast Year 2023, after adjusting for increases in rentals during the later periods tenancy on a straight-line basis over the term of the tenancy; and
- (ii) there are 4 tenancies that expired and expiring (without renewal) during the Forecast Year 2023, the assumptions for these Subject Properties are:
- (a) Rental revenue has been assumed for 1 Subject Property for which a new replacement tenancy was secured and the tenancy agreement was duly signed.
- (b) For the other 3 tenancies that are expiring during the Forecast Year 2023, the Manager has engaged with all of them (2 tenants of 3 Subject Properties). Both tenants have expressed their intention not to renew their tenancies. The status are as follows:
- (aa) For 1 Subject Property, a new lease proposal at a higher rate has been accepted. The rental has been included in the rental income for Forecast Year 2023.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (Cont'd)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

4. Bases and assumptions (continued)**(b) Rental income (continued)**

- (bb) Remaining 2 Subject Properties are assumed to be vacant and no rentals have been assumed upon the lapse of their tenancies.

Dormitories

- (i) rental income derived from Dormitories is forecasted based on the agreed rental rates for committed tenancies for the Forecast Year 2023, after adjusting for increases in rentals during the later periods tenancy on a straight-line basis over the term of the tenancy. Rental for Plot 13 Dorm Indahpura has been assumed to commence on 15 July 2022, after receiving the CCC on 5 July 2022.

(c) Property Operating Expenses

For the Forecast Year 2023, the Manager forecasts the Property Operating Expenses to be approximately RM3.4 million, the breakdown of which is as follows:

Forecast Year 2023	Industrial Properties RM'000	Dormitories RM'000	Total RM'000
Quit rent and assessment	1,552	251	1,803
Insurance	655	50	705
Repair and maintenance	318	28	346
Other operating expenses	228	--	228
Property management fees	248	88	336
Total	3,001	417	3,418

Quit rent and assessment

	Forecast Year 2023 RM'000
Subject Properties	
Industrial Properties	
- SAC Subject Properties	1,009
- Indahpura Subject Properties	426
- SiLC Subject Properties	117
	<u>1,552</u>
Dormitories	<u>251</u>
Total	<u><u>1,803</u></u>

Quit rent and assessment is an amount prescribed and payable to the state government and local council respectively on the Subject Properties. Assessment is computed based on the rent prescribed by the local council on the annual value of the Subject Properties.

These expenses are forecasted to be approximately RM1.8 million for the Forecast Year 2023.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (Cont'd)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

4. Bases and assumptions (continued)**(c) Property Operating Expenses (continued)****Insurance**

	Forecast Year 2023 RM'000
Subject Properties	
Industrial Properties	
- SAC Subject Properties	306
- Indahpura Subject Properties	271
- SiLC Subject Properties	78
	<u>655</u>
Dormitories	<u>50</u>
Total	<u>705</u>

Insurance relates to insurance premium expenses incurred and payable for coverage of the Subject Properties. These include fire and consequential loss of income.

The forecast insurance expenses are estimated to be approximately RM0.7 million for the Forecast Year 2023. The insurance expenses are assumed based on the historical experience, and after considering the use of the properties, type and coverage value of the Subject Properties.

Repair and maintenance

	Forecast Year 2023 RM'000
Subject Properties	
Industrial Properties	
- SAC Subject Properties	144
- Indahpura Subject Properties	113
- SiLC Subject Properties	61
	<u>318</u>
Dormitories	<u>28</u>
Total	<u>346</u>

Repair and maintenance expenses refers to the cost for contractual maintenance as well as general repair and cost of upkeep of the Subject Properties such as repair and maintenance of concrete and steel structure, roof and gutters leakage, external wall of the building, including repainting and fencing wall of the properties.

For the Forecast Year 2023, the repair and maintenance expenses to be incurred on the Subject Properties are expected to be approximately RM0.3 million. The repair and maintenance expenses are assumed based on the age and condition of the Subject Properties. The Manager assumed that there will be no significant repair and maintenance works to be carried out for the Subject Properties in the Forecast Year 2023 which are not in the ordinary course of business.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

4. Bases and assumptions (continued)**(c) Property Operating Expenses (continued)****Property management fees**

	Forecast Year 2023 RM'000
Property management fee	240
Reimbursement cost	96
	<u>336</u>

Pursuant to the Property Management Agreement to be entered into between the Manager, the Trustee (on behalf of AME REIT) and Nusa Realtors ("Property Manager"), the property management fee is calculated at the fixed rate of RM20,000 per month and reimbursement costs.

The property management fees are forecasted to be approximately RM0.3 million for the Forecast Year 2023.

Other operating expenses

	Forecast Year 2023 RM'000
Subject Properties	
Industrial Properties	
- SAC Subject Properties	97
- Indahpura Subject Properties	86
- SiLC Subject Properties	45
	<u>228</u>
Dormitories	<u>--</u>
Total	<u>228</u>

Other operating expenses mainly consists of gated development charges for 3 Indahpura Subject Properties, 2 SiLC Subject Properties and 1 SAC Subject Property. The monthly maintenance charges, landscape maintenance services, security outsourcing services, waste disposal services and pest control services were incurred only for FZW SAC. Other operating expenses is estimated to be approximately RM0.2 million for the Forecast Year 2023. The other operating expenses for the Subject Properties are assumed based on the historical experience and information, on the basis that there will be no significant deviation in charges by service providers from previous years.

(d) Profit income

Profit income is assumed to be earned at a profit rate of 2.0% per annum applied to cash held in Islamic accounts / Islamic fixed deposit accounts with licensed financial institutions.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

4. Bases and assumptions (continued)**(e) Non-property expenses****Management Fees**

The Management Fees comprise both the base fee and the performance fee pursuant to the Deed. For the Forecast Year 2023, the Management Fees are computed based on the following:

- (i) an annual base fee of up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts); and
- (ii) an annual performance fee of up to 5.0% per annum of the net property income ("NPI") of the Subject Properties for the Forecast Year 2023.

For the Forecast Year 2023, the Manager intends to charge an annual base fee of 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) and the annual performance fee of 5.0% per annum of the NPI of AME REIT, and this has been assumed for purposes of the Profit Forecast.

For the Forecast Year 2023, the total Management Fees is estimated to be approximately RM3.6 million which has been assumed to be paid wholly in Units.

Trustee's fee

Pursuant to the Deed, the annual Trustee's fee is computed based on 0.03% of the net asset value of AME REIT. One-off set up fee of the Trustee of RM15,000 for the first year is included in the Forecast Year 2023.

Islamic financing costs

Islamic financing costs comprise profit expenses on the Islamic Financing Facilities. To part finance the Acquisitions, the Manager has assumed a drawdown of a revolving credit facility of RM37.0 million upon establishment on 1 April 2022 and RM10.0 million to be used for working capital requirements and Listing expenses. The Islamic Financing Facilities carries an assumed floating profit rate of 4.2% per annum.

Other trust expenses

Other trust expenses comprise annual audit fees, taxation fees, valuation fees, Shariah advisory fee, market research fees, public relations expenses and other expenses relating to the preparation and distribution of reports to Unitholders, together with other miscellaneous expenses such as postage, printing and stationery.

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

4. Bases and assumptions (continued)**(f) Taxation**

It is assumed that AME REIT will distribute 90% or more of its total income (as defined under the Income Tax Act) to its Unitholders within 2 months from the close of each financial year which forms the basis period for the year of assessment of AME REIT and accordingly, AME REIT will be exempted from income tax.

The first distribution will be in respect of the period from the Listing Date to 31 December 2022, being the first full financial quarter after Listing, and will be paid by the Manager within 2 months from 31 December 2022.

No current tax liabilities have been forecasted during the Forecast Year 2023 as it is assumed that 100% of AME REIT's total income (as defined under the Income Tax Act) will be distributed within 2 months after the close of the financial year.

(g) Investment properties and valuation

For the purposes of the Profit Forecast, the Manager has assumed that there will be no fluctuation on the fair value of the Subject Properties from the acquisition date until 31 March 2023. The total fair value of the Subject Properties is assumed to remain at RM557.0 million as at 31 March 2023. Accordingly, no fair value gains or losses are included in the Profit Forecast.

(h) Distribution of income

The Manager has assumed that AME REIT will distribute 100.0% of its distributable income for the Forecast Year 2023.

(i) General Assumptions

- (i) All Consideration Units to be issued at RM1.00 per Unit;
- (ii) Credit risk within AME REIT is low, as significantly all revenue receivable by AME REIT, such as rental proceeds, will be received within the credit term for such activities;
- (iii) There will be no significant changes in the prevailing economic, political or property market conditions which will materially affect the activities or performance of AME REIT;
- (iv) There will be no material changes in present legislation and government regulations, including taxation and guidelines of regulatory authorities which will affect AME REIT's activities or the market in which AME REIT operates;
- (v) No material changes are expected for inflation rate;
- (vi) Existing financing facilities will remain available and the level of financing costs will not change materially from those presently prevailing;
- (vii) There will be no major industrial disputes, both domestic and overseas, which will adversely affect AME REIT's operations;
- (viii) There will be no significant changes in the principal activities, management structure and accounting policies adopted by AME REIT;

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (*Cont'd*)

Appendix A

AME Real Estate Investment Trust ("AME REIT")

Profit forecast of AME REIT for the financial year ending 31 March 2023 and the notes thereon

4. Bases and assumptions (continued)**(i) General Assumptions (continued)**

- (ix) All tenancies are enforceable and will be performed in accordance with terms with no premature termination of tenancies;
- (x) There will be no changes to the portfolio of the Subject Properties;
- (xi) There will be no compulsory acquisition by the Malaysian Government pursuant to the provision of Land Acquisition Act 1960;
- (xii) There will be no material contingent liabilities arising during the Forecast Year 2023, which may adversely affect the Profit Forecast. AME REIT will not be engaged in any material litigation and there will be no legal proceedings which will affect AME REIT's activities or performance or give rise to additional contingent liabilities which may materially affect the results of AME REIT;
- (xiii) It has been assumed that there is no significant impact on the Profit Forecast arising from the adoption of MFRS and amendments effective for annual financial period beginning 1 April 2022 based on the announcement by the Malaysian Accounting Standards Board up to 15 June 2022;
- (xiv) There is sufficient insurance coverage on all the Subject Properties against fire and consequential loss on income;
- (xv) There will be no major disruption in the operations and there will be no other events and abnormal factors including war, terrorism attacks, epidemic outbreak such as recurrence of COVID-19 or natural disaster, which will adversely affect the operations of AME REIT; and
- (xvi) There will be no significant changes in the terms and conditions of material contracts and agreements; including but not limited to, the tenancy agreements, the Sale and Purchase Agreements, the Deed, the financing agreements and the property management agreement.

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SHARIAH PRONOUNCEMENT



In the name of Allah, the Most Gracious, the Most Merciful

**SHARIAH PRONOUNCEMENT ON
AME REAL ESTATE INVESTMENT TRUST
("AME REIT")**

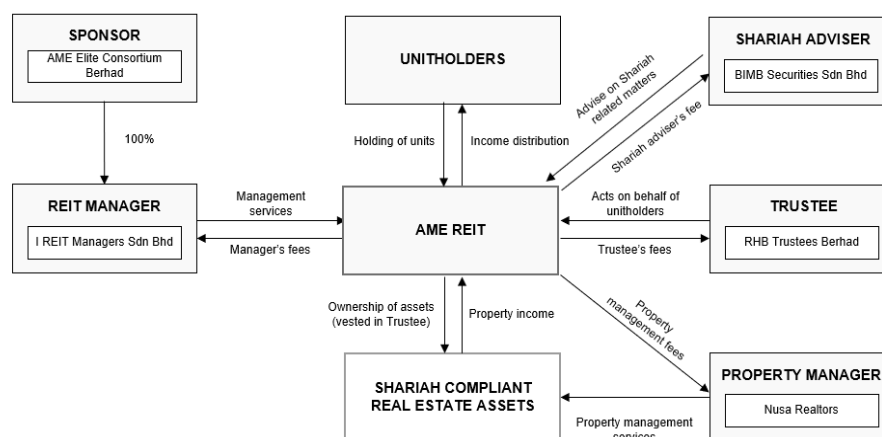
In compliance with Part B of the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia ("SC") ("REIT Guidelines") in relation to the listing of an Islamic REIT, we, BIMB Securities Sdn Bhd ("BIMB Securities") as the appointed Shariah Adviser for AME REIT, have reviewed the necessary documentation made available to us, in relation to the Listing of AME REIT so as to ensure compliance with Shariah principles and Shariah requirements as stipulated in the REIT Guidelines.

We take note that the initial investment portfolio of AME REIT will focus on industrial and industrial-related real estates to be acquired by AME REIT pursuant to its Listing.

Except where defined herein, capitalised terms used in this Shariah Pronouncement have the same meanings given to them in the Prospectus.

1. Structure and Mechanism

AME REIT will be listed on the Main Market of Bursa Malaysia Securities Berhad based on the structure as set out below:



The focus of the investment of AME REIT is on the real estate assets where the underlying Shariah contract namely, leasing ("*al-Ijarah*") arrangement is established with the tenants of the real estate assets which entitles AME REIT to receive rental income.

SHARIAH PRONOUNCEMENT (Cont'd)



The Unitholders as the investors will appoint I REIT Managers Sdn Bhd ("the REIT Manager") to undertake the investment activities on their behalf under the contract of investment agency ("*Wakalah bi al-Istithmar*") and the REIT Manager will carry out the Shariah-compliant investment activities as agreed by both parties and will receive fee ("*al-Ujrah*") for its management services.

The other parties namely the Trustee who acts on behalf of the Unitholders, the Property Manager who provides maintenance and management services to the real estates and the Shariah Adviser who advises on Shariah matters will receive fees with respect to their services under the concept *al-Ujrah*.

2. Investment Policy

AME REIT is an Islamic REIT established with the principal investment policy of 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. The current focus of AME REIT is on Real Estate in Malaysia and overseas investment has yet to be determined. AME REIT may also invest in other investments as permissible in the REIT Guidelines or as otherwise permitted by the SC. Any material change to the investment policy of AME REIT must be approved by the Unitholders by way of resolution of not less than two-thirds of all Unitholders at a Unitholders' meeting duly convened and held in accordance with the Deed.

All investments made by AME REIT must be managed in accordance with the Shariah Investment Guidelines as stipulated below of which the REIT Manager has to strictly adhere to on a continuous basis:

2.1 Shariah Investment Guidelines

At all times, AME REIT shall only invest in Shariah-compliant assets and instruments as advised by the Shariah Adviser based on the REIT Guidelines and Shariah rulings of the Shariah Advisory Council of the SC ("SACSC").

2.1.1 Investments in Real Estate

- (i) AME REIT may invest in any real estate having tenants with either fully Shariah-compliant activities or some of the tenants with either mixed or Shariah non-compliant activities, provided always that the percentage of rental received from all Shariah non-compliant activities is less than the permitted threshold of 20% of the total turnover upon initial listing; and less than 5% of the total turnover by the end of the 10th financial year post listing and beyond.
- (ii) Notwithstanding the above, AME REIT must not invest in a real estate where all the tenants carry out fully Shariah non-compliant activities, even if the percentage of the Shariah non-compliant rental is less than the prevailing permitted threshold.



- (iii) The Shariah non-compliant ("SNC") activities are as follows:
- (a) Conventional banking and lending;
 - (b) Conventional insurance;
 - (c) Gambling;
 - (d) Liquor and liquor-related activities;
 - (e) Pork and pork-related activities;
 - (f) Non-halal food and beverages;
 - (g) Tobacco and tobacco-related activities;
 - (h) Stockbroking or share trading in Shariah non-compliant securities;
 - (i) Shariah non-compliant entertainment; and
 - (j) Other activities deemed non-compliant according to Shariah principles as determined by the SACSC or the Shariah Adviser, in cases where no specific ruling is made by the SACSC.
- (iv) The calculation for Shariah non-compliant rental from a tenant conducting mixed business activities, shall be based on the percentage of area occupied for Shariah non-compliant activities over the total area occupied by the tenant. Nevertheless, the Shariah Adviser may, if necessary, apply *Ijtihad* (intellectual reasoning) in making decision for activities that do not involve the usage of space such as service-based activities.
- (v) AME REIT may accept new tenants at its existing property and renew tenancy agreements of existing tenants provided that the percentage of Shariah non-compliant rental (if any) after such exercise complies with the prevailing permitted threshold. Prior to the end of AME REIT's 10th financial year after Listing, the permitted threshold of the Shariah non-compliant rental after such on-boarding of new tenants and renewal of existing tenants shall be less than 20%. By the end of the 10th financial year after Listing, AME REIT must reduce the Shariah non-compliant rental to less than 5%. After the end of the 10th financial year post Listing and beyond, AME REIT may accept new tenants and renew tenancy agreements of existing tenants whose business activities are Shariah non-compliant provided that the percentage of Shariah non-compliant rental after such acceptance of new tenants and renewal of existing tenants is less than 5%. Prior to such on-boarding of new tenants, the REIT Manager shall conduct an initial assessment on the expected percentage of Shariah non-compliant rental to be received from the new tenants. In case of any ambiguity in the business activities of the new tenants, the REIT Manager shall seek Shariah Adviser's opinion to determine the Shariah status of the rental income to be received from the new tenants.



(vi) AME REIT may acquire a real estate with existing tenants provided that the percentage of its Shariah non-compliant rental after such acquisition is less than the prevailing permitted threshold. Prior to AME REIT reaching the end of its 10th financial year after Listing, the permitted threshold is less than the 20%. By the end of the 10th financial year after Listing, AME REIT must reduce the Shariah non-compliant rental to less than 5%. After the end of the 10th financial year post Listing and beyond, the permitted threshold shall be less than the 5%. Prior to such an acquisition of real estate, the REIT Manager shall submit the proposed acquisition factsheet to the Shariah Adviser for confirmation on the Shariah compliance status of the tenants. The factsheet shall consist of information on the acquisition, the details on the business activities of the tenants, the net lettable and actual rental areas, as well as the rental income to be received from the existing tenants of the real estate to be acquired.

(vii) In the event of Shariah non-compliance due to failure to reduce the Shariah non-compliant rental to less than 5% of the total turnover by the end of the 10th financial year post Listing and beyond, the excess amount of the Shariah non-compliant rental must be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. It is advised that the excess amount must be channelled within 1 year from the end of each financial year for as long as AME REIT is unable to comply with the Shariah non-compliant rental requirement of less than 5% of the total turnover by the end of the 10th financial year post Listing and beyond.

2.1.2 Takaful

- (i) AME REIT is required to use takaful coverage to cover all of its real estates. In the event that takaful coverage is unavailable or is not commercially viable, AME REIT may then use the conventional insurance subject to prior approval by the Shariah Adviser.
- (ii) Notwithstanding the above, if a real estate is already covered under an existing insurance policy, the said conventional insurance policy may be used until its expiry. Once the conventional insurance policy expires, the real estate shall be covered by takaful unless such coverage is unavailable or is not commercially viable subject to prior approval by the Shariah Adviser.

2.1.3 Usage of Islamic Derivatives

AME REIT shall only use Islamic derivatives for the purpose of hedging of its risk exposures. However, if Islamic derivatives are unavailable or are not commercially viable, AME REIT may then use conventional derivatives subject to prior approval by the Shariah Adviser.



2.1.4 Financing Facilities

- (i) AME REIT shall only use Islamic financing facilities provided by financial institutions or by way of an issuance of sukuk, for the purpose of investment in real estate and for capital expenditure.
- (ii) Any financing facilities obtained or to be obtained by AME REIT must comply with Shariah principles.

2.1.5 Investments in Non-Real Estate Assets, Cash, Deposits, and Money Market Instruments

AME REIT shall only invest in Islamic non-real estate assets, Islamic deposits and Islamic money market instruments. Any cash placement made with financial institutions shall be based on Shariah principles.

2.1.6 Zakat for AME REIT

AME REIT does not pay zakat on behalf of investors of the REIT, both Muslim individuals and Islamic legal entities. Thus, investors are advised to pay zakat on their own.

2.1.7 Periodic Review by the Shariah Adviser

The Shariah Adviser will review the portfolio of AME REIT on a monthly basis to ensure that its operations and investments comply with Shariah. Upon completion of each review, the Shariah Adviser will deliver its opinion on AME REIT's compliance with Shariah through the issuance of monthly confirmation reports. Further, a report on the Shariah compliance status of AME REIT for the respective financial year will also be prepared to be included in the annual report of the REIT.

3. Shariah Conformity

Based on our review on the end-to-end process of AME REIT, below are the conformation details of the REIT with Shariah principles and Shariah requirements as stipulated in the REIT Guidelines.

3.1 Investments in Real Estate Assets

There are 34 Subject Properties to be acquired by AME REIT pursuant to the Listing. As AME REIT was only established on 23 May 2022, the rental income of AME REIT for the most recent financial year, which is the financial year ended 31 March 2022 ("FYE 2022") presented in this Shariah Pronouncement has been derived from the rental income in the Pro Forma Statement of Profit or Loss and Other Comprehensive Income in Section 4 of the Prospectus. Please refer to Section 4.1 of the Prospectus for certain key adjustments and assumptions made in the preparation of the Pro Forma Statement of Profit or Loss and Other Comprehensive Income.

SHARIAH PRONOUNCEMENT (Cont'd)



The proportion of SNC rental income over the total rental income for the FYE 2022 is 0.01% which is within the permitted threshold of 20% as set by the SACSC for initial listing.

As at 31 May 2022, all the 34 Subject Properties have secured tenancies. However, there are 2 tenancies whereby the rental collection only commenced subsequent to 31 May 2022. In order to provide a more reflective profile of the gross rental income of all 34 Subject Properties, the monthly rental income for the month of May 2022 has been adjusted based on the assumptions set out in Section 2.1.3 of the Prospectus to include rental income from the 2 tenancies which commenced after 31 May 2022. The adjusted monthly rental income for the month of May 2022 is described as "Pro Forma Gross Rental Income". The proportion of SNC rental income over the total Pro Forma Gross Rental Income from all 34 Subject Properties is less than 0.01% which is well within the permitted threshold of 20% as set by the SACSC for initial listing.

The Shariah Adviser will continuously review the abovementioned 34 Subject Properties including the Shariah status of the new tenant, if any, on a monthly basis upon listing.

Future acquisition of property will be subject to the approval of the Shariah Adviser with respect to the business activity of the tenants, if any.

The above percentages of SNC rental of 0.01% based on the FYE 2022 and less than 0.01% based on the Pro Forma Gross Rental Income comply with the permitted threshold of 20% at initial listing as per the following:

- (i) Resolution by the SACSC, 31 December 2021 on Islamic REIT with regard to Investments in Real Estate for the Purposes of Initial Listing, page 41; and
- (ii) Paragraph 17.01(b) of the REIT Guidelines which stated as follows:

17.01 An Islamic REIT may invest in real estate where—

- (b) some of the tenants carry out Shariah non-compliant activities, provided the percentage of rental received from all Shariah non-compliant activities (Shariah Non-Compliant Rental) is less than 20% of the total turnover of the Islamic REIT (the 20% Threshold).*

3.2 Takaful Coverage

AME REIT is required to use takaful coverage to cover all of its real estates. In the event that takaful coverage is unavailable or is not commercially viable, AME REIT may then use the conventional insurance subject to prior approval by the Shariah Adviser.

All the 34 Subject Properties to be acquired by AME REIT are covered under conventional insurance and such coverage may continue until its expiry. Once the conventional insurance policy expires, the properties shall be covered by takaful unless takaful cover is not available or is not commercially viable subject to prior approval by the Shariah Adviser.

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This is in line with the following:

- (i) Resolution by the SACSC, 31 December 2021 on Islamic REIT with regard to Takaful Coverage on Real Estate of an Islamic REIT, page 45; and
- (ii) Paragraphs 8.20, 17.13 and 17.14 of the REIT Guidelines with regard to the Takaful coverage on real estate:

8.20 A management company must arrange adequate insurance coverage in relation to all real estate of the REIT.

17.13 In relation to paragraph 8.20, all real estate of an Islamic REIT must be covered by takaful scheme. However, if the takaful scheme is not available or is not commercially viable, such real estate may be covered under conventional insurance.

17.14 Notwithstanding paragraph 17.13, where a real estate is already covered under an existing conventional insurance policy, the said conventional insurance policy may still be used until its expiry. Once the policy expires, such real estate must be covered by takaful scheme unless the takaful scheme is not available or is not commercially viable.

3.3 Usage of Derivatives

As at LPD, derivatives are not used by AME REIT for the hedging of risk exposures and its internal risk management policy does not contradict Shariah principles.

In the event that AME REIT intends to use any derivative for the purpose of hedging of its risk exposures, AME REIT shall only use Islamic derivatives unless the Islamic derivatives are unavailable or are not commercially viable. In such a case, AME REIT may use conventional derivative subject to prior approval by the Shariah Adviser.

This is in line with the following:

- (i) Resolution by the SACSC, 31 December 2021 on Islamic REIT with regard to Usage of Islamic Derivatives, page 45; and
- (ii) Paragraphs 8.28 and 17.15 of the REIT Guidelines on the usage of derivatives:

8.28 A REIT may use derivatives for the sole purpose of hedging a REIT's existing risk exposure.

17.15 For the purposes of paragraph 8.28, an Islamic REIT must use Islamic derivatives. However, if Islamic derivatives are not available or are not commercially viable, the Islamic REIT may use conventional derivatives subject to prior approval from the Shariah adviser being obtained.



3.4 Financing facilities obtained by AME REIT

The financing facilities obtained by AME REIT are Shariah-compliant products offered by Islamic banks in Malaysia as follows:

- (i) RM37.0 million in the form of an Islamic revolving credit facility to finance the acquisition of Plot 18 Indahpura from LKL Industries, Plot 66 Indahpura from Active Gold, and Plot 6 District 6 from Twin Sunrich pursuant to the Acquisitions;
- (ii) RM10.0 million in the form of an Islamic revolving credit facility for working capital requirements for maintaining, administrating, and operating the Subject Properties and for the listing expenses; and
- (iii) RM3.0 million Islamic bank guarantee facility to be used for issuance of supplier's credit/ tender/ performance and guarantee in favour of Immigration Department, Customs and Excise Department, Tenaga Nasional Berhad and other public utilities providers or any other entities approved by the financial institution.

Any future financing facilities obtained by AME REIT shall also comply with Shariah requirements subject to prior approval from the Shariah Adviser.

This is in line with the following:

- (i) Resolution by the SACSC, 31 December 2021 on Islamic REIT with regard to Permissible Investments Other Than Real Estate and Financing Facilities for Islamic REIT, page 46; and
- (ii) Paragraph 17.16(b) of the REIT Guidelines that an Islamic REIT must ensure compliance with Shariah principles for financing facilities.

3.5 Investments in Non-Real Estate Assets, Cash, Deposits, and Money Market Instruments

AME REIT may invest in Islamic non-real estate assets, Islamic deposits and Islamic money market instruments classified as Shariah-compliant by the SACSC, the Shariah Advisory Council of BNM or the Shariah Adviser. Any cash placement or deposits made with financial institutions shall be based on Shariah principles. AME REIT is prohibited from investing in interest-bearing instruments and consequently from recognising their interest income.

All investments in financial instruments shall be subject to prior approval from the Shariah Adviser and the same will be reviewed on a monthly basis.

This is in line with the following:

- (i) Resolution by the SACSC, 31 December 2021 on Islamic REIT with regard to Permissible Investments Other Than Real Estate and Financing Facilities for Islamic REIT, page 46; and

SHARIAH PRONOUNCEMENT (Cont'd)



- (ii) Paragraph 17.16(a) of the REIT Guidelines which stated that an Islamic REIT must ensure compliance with Shariah principles for the investments in non-real estate assets, deposits and money market instruments.

3.6 Other Shariah Issue – Late Payment Charges

AME REIT may impose late payment charges for the late payment of the rental on the tenants or lessee based on the concepts of *ta'widh* (compensation) and *gharamah* (penalty). The combination of *ta'widh* and *gharamah* shall not exceed 10% per annum of the outstanding amount as per the Resolution by the SACSC, 31 December 2021 on Late Payment Charge on Non-Judgement Debt, page 7. Under this mechanism, *ta'widh* is allowed to be recognised as income whilst *gharamah* is not allowed to be recognised as income, and it must be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser.

3.7 Internal Control Process and Procedures

AME REIT will implement its internal control process and procedures to ensure continuous Shariah compliance of the REIT. Such process and procedures would include the control process for acquisition of new property, regular periodic review process as well as inclusion of a Shariah compliance clause in the tenancy agreement.

This is in line with paragraph 5.04(b) of the REIT Guidelines:

5.04 A management company must ensure that–

- (b) the fund manager has controls in place to ensure compliance with the securities laws, these Guidelines, prospectus and deed*

Approval

Having performed the necessary review as described above and to the best of our knowledge and belief, we do hereby confirm that AME REIT is in conformity with Shariah principles and Shariah requirements as stipulated in the REIT Guidelines.

And Allah knows best.

"I, Ir. Dr. Muhamad Fuad Abdullah, hereby confirm that all members of the Shariah Advisory Committee of BIMB Securities have been consulted and made aware of all these Shariah matters in relation to this proposal in its 54th Meeting held on 12th January 2022 as well as the Circular Resolution dated 17th January 2022."

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD,


IR. DR. MUHAMAD FUAD ABDULLAH
Chairman, Shariah Advisory Committee

Date: 22 JUL 2022

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PROCEDURE FOR APPLICATION AND ACCEPTANCE

1. OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE RETAIL OFFERING: 10.00 a.m., [•]

CLOSING OF THE RETAIL OFFERING: 5.00 p.m., [•]

The Manager, AME and the Sole Underwriter may decide in their absolute discretion to vary the closing date and time for applications under the Retail Offering to any later date or dates. If they decide to vary the closing date for applications, the dates for the balloting and allotment of the Units and the Listing will be extended accordingly. Any such variation will be announced by way of advertisement in a widely circulated Bahasa Malaysia and English newspaper within Malaysia.

Late applications will not be accepted.

2. METHODS OF APPLICATION AND CATEGORY OF INVESTORS**2.1 Application for Offer Units under the Retail Offering**

Applications for Offer Units pursuant to the Retail Offering may be made using any of the following ways:

Type of Application Form	Category of Investors
Offer Acceptance Form only	Entitled AME Shareholders
White Application Form or Electronic Application ⁽¹⁾ or Internet Application ⁽²⁾	Malaysian Public (for individuals)
White Application Form only	Malaysian Public (for non-individuals, e.g. corporations, institutions, etc.)
Pink Application Form only	Eligible Directors and Employees

Notes:

(1) The following surcharge per Electronic Application will be charged by the Participating Financial Institutions:

- (i) Affin Bank Berhad – no fee will be charged for application by their account holders;
- (ii) Alliance Bank Malaysia Berhad – RM1.00;
- (iii) AmBank (M) Berhad – RM1.00;
- (iv) CIMB Bank Berhad – RM2.50;
- (v) Malayan Banking Berhad – RM1.00;
- (vi) Public Bank Berhad – RM2.00; and
- (vii) RHB Bank Berhad – RM2.00.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

(2) *The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institutions:*

- (i) *Affin Bank Berhad (www.affinOnline.com) – no fee will be charged for application by their account holders;*
- (ii) *Alliance Bank Malaysia Berhad (www.allianceonline.com.my) – RM1.00;*
- (iii) *CGS-CIMB Securities Sdn Bhd (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;*
- (iv) *CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS Accounts held with CGS-CIMB Securities Sdn Bhd and RM2.50 for applicants with CDS Accounts with other ADAs;*
- (v) *Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;*
- (vi) *Public Bank Berhad (www.pbepbank.com) – RM2.00; and*
- (vii) *RHB Bank Berhad (www.rhbgroup.com) – RM2.50.*

You must have a CDS Account before you can submit your application either by way of Application Forms or Electronic Applications as well as Internet Applications.

Eligible Directors and Employees who have made applications using the Pink Application Forms and Entitled AME Shareholders who have made applications using the Offer Acceptance Forms may still apply for the Offer Units offered to the Malaysian Public using the White Application Form, the Electronic Application or the Internet Application.

However, applicants using the White Application Forms, the Pink Application Forms and the Offer Acceptance Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using the White Application Forms are not allowed to make additional applications using the Electronic Applications and the Internet Applications, and vice versa.

2.2 Application for Offer Units under the Institutional Offering

Institutional investors and selected investors being allotted the Offer Units under the Institutional Offering will be contacted directly by the Joint Bookrunners and shall follow the instructions as communicated by the Joint Bookrunners. Bumiputera institutional and selected investors approved by MITI who has been allocated Offer Units will be contacted directly by MITI and should follow the instructions as communicated through MITI.

Malaysian institutional and selected investors and Bumiputera investors approved by the MITI may still apply for the Offer Units offered to the Malaysian Public using the White Application Form, the Electronic Application or the Internet Application.

3. PROCEDURES FOR APPLICATION

Applications must be made in relation to and subject to the terms of this Prospectus and the Deed.

3.1 Application by the Entitled AME Shareholders (Offer Acceptance Forms) pursuant to the ROFS

Applications by the Entitled AME Shareholders must be made on the Offer Acceptance Forms and NOT by way of any other Application Forms or by way of Electronic Application or Internet Application. The applications must follow the notes and instructions in the said document and where relevant, in this Prospectus. The amount payable in full upon application is RM[•] per ROFS Unit.

The Entitled AME Shareholders are not precluded from making additional applications using the White Application Forms, the Electronic Application or the Internet Application under the Malaysia Public category. Applicants using the Offer Acceptance Forms are not allowed to submit multiple applications in the same category of application.

The NPO and Offer Acceptance Form, together with the Prospectus will be distributed to all Entitled AME Shareholders via email and/or ordinary post. However, the Entitled AME Shareholders may request for a copy of the printed prospectus from the Registrar or the Manager or AME at no cost and are given an option to have the printed Prospectuses delivered to them free of charge, or to obtain the printed Prospectuses from the designated locations as set out below:

- (a) **the Manager,**
No. 2, Jalan I-Park SAC 1/1,
Taman Perindustrian I-Park SAC,
81400 Senai,
Johor Darul Takzim;
- (b) **AME Elite Consortium Berhad,**
No. 2, Jalan I-Park SAC 1/1,
Taman Perindustrian I-Park SAC,
81400 Senai,
Johor Darul Takzim;
- (c) **Registrar,** at the address as set out in Section 3.1.2 of Appendix G of this Prospectus; and
- (d) ADAs disclosed in Section 13 of Appendix G of this Prospectus.

Any delivery charges, if applicable, will be borne by AME. An Entitled AME Shareholder who loses, misplaces or for any other reason requires another copy of the Offer Acceptance Form, may obtain additional copies from the Registrar or AME's registered office. An Entitled AME Shareholder may also download and print the Offer Acceptance Form from the Bursa Securities' website www.bursamalaysia.com. You may also contact the Registrar at +603 7890 4700 for advice on how to complete the said Offer Acceptance Form.

ENTITLED AME SHAREHOLDERS ARE ADVISED TO READ THE PROSPECTUS, NPO, OFFER ACCEPTANCE FORM AND NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.

No acknowledgement of the receipt of the Offer Acceptance Form, Excess Offer Units Application or applications monies will be made by AME, the Manager or the Registrar. However, notices of allotment will be issued and forwarded by ordinary post to the accepting Entitled AME Shareholders at their own risk to the address stated in the Records of Depositors provided by Bursa Depository before the Listing.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL APPLICATIONS OR EXCESS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST TO THE APPLICANTS WITHIN 10 MARKET DAYS FROM THE DATE OF THE FINAL BALLOTS OF THE PUBLIC OFFERING VIA WHITE APPLICATION FORMS BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

3.1.1 Form of issuance

THE ROFS IS **NON-RENOUNCEABLE** AND **NON-TRADEABLE**.

The number of ROFS Units provisionally offered to the Entitled AME Shareholders will not be credited into the Entitled AME Shareholders' CDS Accounts and there will not be any trading of the ROFS Units during the offer period. The number of ROFS Units provisionally offered to the Entitled AME Shareholders is also non-transferable. Entitled AME Shareholders may fully or partially subscribe for their entitlements to the ROFS Units.

Bursa Securities has already prescribed the Units listed on the Main Market to be deposited with Bursa Depository. Accordingly, the ROFS Units are prescribed securities and as such, all dealings in the ROFS Units shall be subject to the SICDA and the Rules of Bursa Depository. Subscriptions which do not conform to the terms of this Prospectus, the Offer Acceptance Form (including the notes and instructions therein) or which contain inaccurate CDS Account number or which are illegible may not be accepted at the absolute discretion of the Manager and AME.

Upon acceptance of the Entitled AME Shareholder's application, the number of ROFS Units subscribed for or the Excess ROFS Units successfully applied for will be credited into the CDS Account of the successful applicant. By making the subscription, the applicant consents to receiving such ROFS Units as deposited securities credited directly into his/her CDS Account. The notices of allotment will be despatched to the applicant by ordinary post to the address as stated in the records of Bursa Depository at the applicant's own risk, before the Listing.

This Prospectus will not be registered under any applicable securities legislation of any foreign jurisdiction. Accordingly, this Prospectus will not be sent to the Entitled AME Shareholders with a registered address in jurisdictions outside of Malaysia ("**Foreign Addressed Shareholders**").

FULL INSTRUCTIONS FOR THE SUBSCRIPTION AND PAYMENT FOR THE ROFS UNITS OFFERED TO THE ENTITLED AME SHAREHOLDERS, EXCESS APPLICATION FOR THE ROFS UNITS AND THE PROCEDURES TO BE FOLLOWED, ARE SET OUT IN THIS PROSPECTUS AND THE OFFER ACCEPTANCE FORM.

ENTITLED AME SHAREHOLDERS ARE ADVISED TO READ THIS PROSPECTUS, THE OFFER ACCEPTANCE FORM AND NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.

3.1.2 Procedures for full subscription

Subscription and payment for the ROFS Units offered to an Entitled AME Shareholder must be made with the Offer Acceptance Form enclosed with this Prospectus and must be completed in accordance with the notes and instructions contained therein.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Pursuant to the ROFS, the Selling Subsidiaries shall offer for sale up to 156,608,820 ROFS Units to the Entitled AME Shareholders on the basis of 1 ROFS Unit for every 5 AME Shares held on the Entitlement Date, at RM[•] per ROFS Unit.

An Entitled AME Shareholder may elect any of the following methods to subscribe for his/her entitlement to the ROFS Units:

- (i) despatch of completed Offer Acceptance Form together with the relevant payment by **ORDINARY POST, COURIER or DELIVERED BY HAND** in an envelope (at the Entitled AME Shareholders' own risk), to the following Registrar's address:

Boardroom Share Registrars Sdn Bhd
(Registration Number: 199601006647 (378993-D))
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia
 Telephone No.: +603 7890 4700

An Entitled AME Shareholder may make the relevant payment in the following methods:

- (a) remittance in RM for the full amount payable in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made out in favour of "**AME ROFS ACCOUNT**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name, address and CDS Account number of the applicant in block letters; or
- (b) remittance in RM for the full amount payable and an additional fee of RM10 being the stamp duty for each CDS Account via internet bank transfer to the following account:

Bank : Malayan Banking Berhad

Account name : AME ROFS Account

Account number : 514012458688

The internet bank transfer must be from the bank account of the Entitled AME Shareholder.

The proof of payment must be received by the Registrar no later than 5:00 p.m. on [•], or such later date or dates as the Manager and AME may decide in its absolute discretion. Cheques or any other modes of payment will not be accepted and will be rejected; or

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) via electronic mail (e-mail) of completed Offer Acceptance Form with proof of bank transfer (in the manner as stated in Section 3.1.2 (i)(b) above) of relevant payment to the following:

Email address : **amereit@boardroomlimited.com**

Telephone No. : **+603 7890 4700**

so as to arrive no later than 5.00 p.m. on [•], or such later date or dates as the Manager and AME may decide in their absolute discretion.

If the Entitled AME Shareholders have more than one CDS Account being entitled to the provisionally offered ROFS Units under the ROFS, the Entitled AME Shareholders are required to use separate Offer Acceptance Forms to accept the offers relating to the respective CDS Accounts. If successful, such number of ROFS Units subscribed by an Entitled AME Shareholder will be credited into the respective CDS Accounts as stated in the Record of Depositors. The Entitled AME Shareholders may not request for the ROFS Units applied for in a particular CDS Account to be credited into another CDS Account or more than one CDS Account.

The minimum number of securities that can be subscribed for is 1 ROFS Unit. Entitled AME Shareholders should take note that a trading board lot will comprise 100 Units. In determining the Entitled AME Shareholders' entitlements to the ROFS Units, any fractional entitlements to the ROFS Units will be disregarded and the aggregate of such fractions will be dealt with in such manner or on such terms as the Board and board of directors of AME may in its absolute discretion deem fit, necessary and/or expedient, fair and equitable and in the best interest of AME REIT.

If subscription and payment for the ROFS Units offered to an Entitled AME Shareholder is not received by the Registrar by 5.00 p.m. on [•] or such later date or dates as the Manager and AME may in their absolute discretion mutually decide and announce, the Entitled AME Shareholder will be deemed to have declined such offer and it will be cancelled. Such ROFS Units not taken up will be allotted firstly to applicants who apply for Excess ROFS Units and if undersubscribed, will be subject to the Clawback and Reallocation provision as set out in Section 3.4.3 of this Prospectus.

Proof of time of postage shall not constitute proof of time of receipt by the Registrar. The Manager and AME reserve the right not to accept or to accept in part only any application without providing any reason.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE MANAGER AND AME. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE OFFER ACCEPTANCE FORM.

THE OFFER ACCEPTANCE FORM IS FOR USE ONLY BY PERSON(S) TO WHOM THE FORM IS ADDRESSED AND IS NOT TRANSFERABLE.

3.1.3 Procedures for part subscription

Entitled AME Shareholders are entitled to accept part of their entitlement to the ROFS Units PROVIDED ALWAYS that:

- (i) the minimum number of ROFS Units that may be accepted is 1 ROFS Unit; and

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) any part subscription shall be in the proportion of 1 ROFS Unit.

Entitled AME Shareholders must complete the Offer Acceptance Form by specifying the number of ROFS Units which they are subscribing for (in the stipulated proportions) and deliver or email the completed and signed Offer Acceptance Form together with the relevant payment to the Registrar in the manner set out in Section 3.1.2 above.

3.1.4 Procedures for Excess ROFS Application

Any ROFS Units not applied for ("**Excess ROFS Units**") will be made available for Excess ROFS Application. Entitled AME Shareholders, who accept the offered ROFS Units may apply for Excess ROFS Units by completing Part I(B) of the Excess ROFS Units application section in the Offer Acceptance Form (in addition to Part I(A) and II) and forwarding it (together with a separate appropriate remittance(s) for the full amount payable on the Excess ROFS Units applied) to the Registrar at the address above or via email, so as to arrive no later than 5.00 p.m. on [•], or such later date or dates as the Manager and AME may decide in their absolute discretion.

Payment for the Excess ROFS Units applied for should be made in the same manner as set out in Section 3.1.2 above, except for the following:

- (i) the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia which is crossed "**A/C PAYEE ONLY**" and has to be made out in favour of "**AME EXCESS ROFS ACCOUNT**" and endorsed on the reverse side with the name, address and CDS Account number of the applicant in block letters to be received by the Registrar; or
- (ii) remittance in RM for the full amount payable and an additional fee of RM10 being the stamp duty for each CDS Account via internet bank transfer to the following account:

Bank : Malayan Banking Berhad

Account name : AME EXCESS ROFS ACCOUNT

Account number : 514012458695

The internet bank transfer must be from the bank account of the Entitled AME Shareholder.

Basis of allotment of Excess ROFS Units

The Board and the board of directors of AME reserve the right to allocate any Excess ROFS Units to Entitled AME Shareholders who have made an Excess ROFS Application, in a fair and equitable basis and in such manner as it deems fit and expedient and in the best interest of AME REIT. It is the intention of the Board and the board of directors of AME to allocate the Excess ROFS Units, if any, in the following priority:

- (a) firstly, to minimise the incidence of odd lots; and
- (b) secondly, for allocation to applicants who applied for the Excess ROFS Units, on a pro-rata basis according to the Entitled AME Shareholders' respective shareholdings in AME as at the Entitlement Date which is to be rounded down to the nearest Unit.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Subject to the final basis of allocation of the remaining ROFS Units on a pro-rata basis, the Entitled AME Shareholders who apply in excess of their guaranteed entitlement may receive additional allocation on a pro-rata basis according to their respective shareholdings in AME as at the Entitlement Date.

The minimum number of Excess ROFS Units which the Entitled AME Shareholders may applied for is 1 ROFS Unit. Entitled AME Shareholders should take note that a trading board lot will comprise 100 Units.

3.1.5 Laws of foreign jurisdictions

Nothing in this Prospectus, the NPO and the Offer Acceptance Form constitute the making available or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale of the ROFS Units under the ROFS in any jurisdictions other than Malaysia. No approval of, any regulatory authorities or other relevant bodies, have been or will be obtained for the making available or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale of the ROFS Units under the ROFS in any jurisdictions other than Malaysia. Accordingly, the ROFS Units under the ROFS will only be available or offered or sold exclusively to persons in Malaysia.

This Prospectus, the NPO and the Offer Acceptance Form are not intended to be and will not be issued to comply with the laws of any jurisdictions other than Malaysia, and have not been and will not be lodged, registered or approved pursuant to or under any applicable securities legislation, or with or by any regulatory authorities or other relevant bodies, of any jurisdictions other than Malaysia.

This Prospectus, the NPO and the Offer Acceptance Form are not intended to be and will not be issued, circulated or distributed in any jurisdictions other than Malaysia, whether directly or indirectly, for the purpose of making available or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale of the ROFS Units under the ROFS in any jurisdictions other than Malaysia.

As such, this Prospectus, the NPO and the Offer Acceptance Form will not be despatched to Foreign Addressed Shareholders unless they have provided an address in Malaysia for the service of this Prospectus, the NPO and the Offer Acceptance Form by the Entitlement Date. The Manager, AME, the Registrar and the Principal Adviser will not, prior to acting on any subscription in respect of the ROFS, make or be bound to make any inquiry as to whether Entitled AME Shareholders have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any inquiry or investigation is made in connection therewith. Notwithstanding the foregoing, Foreign Addressed Shareholders may collect this Prospectus, the NPO and the Offer Acceptance Form in person from the Registrar's office, in which event the Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Prospectus, the NPO and the Offer Acceptance Form.

Such collection may be done during normal business hours from Mondays to Fridays (except public holidays) from the date hereof until 5.00 p.m. on [•] (or such later date and time as the Manager and AME may decide in its absolute discretion and announce not less than 2 Market Days before the stipulated date and time).

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

It shall be the sole responsibility of each Foreign Addressed Shareholder into whose possession this Prospectus, the NPO and the Offer Acceptance Form may come or to whom such ROFS is made to inform himself of, and observe all applicable laws of the relevant jurisdiction which may prohibit or restrict the making available or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale of the ROFS Units under the ROFS, or which may prohibit or restrict the issue, circulation or distribution of this Prospectus, the NPO and the Offer Acceptance Form to him. Entitled AME Shareholders who are residing in jurisdictions other than Malaysia should therefore consult their legal and/or other professional advisers as to whether the ROFS and/or the acceptance of the ROFS Units under the ROFS would result in the contravention of any laws of such jurisdiction in which the Entitled AME Shareholder is a resident.

Foreign Addressed Shareholders may only accept all or any part of their entitlements and exercise any other rights in respect of the ROFS to the extent that it would be lawful to do so. None of the Manager, AME, the Registrar and the Principal Adviser or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to the Foreign Addressed Shareholders regarding the legality of an investment by such Foreign Addressed Shareholder under appropriate legal, investment or similar laws. Neither the Manager, AME, the Registrar, Principal Adviser nor any other experts ("**Parties**") to the ROFS shall, in connection with the ROFS, be responsible for any breach of the laws of jurisdictions other than Malaysia to which a Foreign Addressed Shareholder is or may be subject to and he/she shall be solely responsible to seek advice as to the laws of jurisdiction to which he/she is or may be subject to. The Parties shall not accept any responsibility or liability whatsoever to any party in the event that any subscription for ROFS Units under the ROFS by a Foreign Addressed Shareholder is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction. Foreign Addressed Shareholders will also have no claims whatsoever against the Parties in respect of their entitlements or to any net proceeds thereof.

By signing the Offer Acceptance Form accompanying this Prospectus, Foreign Addressed Shareholders are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties (or if it is a broker-dealer or custodian acting on behalf of its customer, such customer has confirmed to it that such customer has so represented, acknowledged and declared in respect of itself) that:

- (i) the Parties would not, by acting on any subscription in connection with the ROFS, be in breach of the laws of any jurisdictions to which that the Foreign Addressed Shareholders are or may be subject to;
- (ii) Foreign Addressed Shareholders have complied with the laws to which they are or may be subject to in connection with any subscription in connection with the ROFS;
- (iii) Foreign Addressed Shareholders are not a nominee or an agent of a person in respect of whom the Parties would, by acting on any subscription in connection with the ROFS, be in breach of the laws of any countries or jurisdictions to which that person is or may be subject to;
- (iv) Foreign Addressed Shareholders have respectively received copies of this Prospectus, the NPO and the Offer Acceptance Form and have had access to such financial and other information and have been provided with the opportunity to pose such questions to the representatives of the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe or purchase the ROFS Units under the ROFS; and

- (v) Foreign Addressed Shareholders have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ROFS Units under the ROFS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the ROFS Units under the ROFS.

The Manager and AME will assume and shall rely on the above representation that any subscription under the ROFS by Foreign Addressed Shareholders would be in compliance with the terms of the ROFS and would not be in breach of the laws of any countries.

However, the Manager and AME reserve the right, in their absolute discretion, to treat any subscription as invalid if they or either of them believe that such subscription may violate any law or applicable legal or regulatory requirements. The ROFS Units under the ROFS relating to any subscription which have so been treated as invalid will be included in the pool of Excess ROFS Units available for Excess ROFS Units application by the Entitled AME Shareholders and if undersubscribed, will be subject to the Clawback and Reallocation provision as set out in Section 3.4.3 of this Prospectus.

The Foreign Addressed Shareholders will have no rights or claim whatsoever against the Manager, AME, Principal Adviser, any of their respective directors or any other persons involved in the Listing, in respect of their entitlements or to any proceeds thereof in respect of the ROFS and the Manager, AME, Principal Adviser, any of their respective directors or any other persons involved in the Listing shall not accept any responsibility and liability in the event that any subscription/excess application under the ROFS is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in such countries or jurisdictions.

3.2 Application by the Malaysian Public under the Public Offering (White Application Form, Electronic Application or Internet Application)

Eligibility

An applicant can only apply for the Offer Units allocated to the Malaysian Public if he fulfils all of the following:

- (i) the applicant must have a CDS Account. If he does not have a CDS Account, he may open a CDS Account by contacting any of the ADAs listed in Section 13 of Appendix G of this Prospectus;
- (ii) the applicant must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the closing date of the Retail Offering with a Malaysian address;
 - (b) a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on the corporation's board of directors/trustees and if the corporation has a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

The Manager will not accept applications from trustees, persons under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in item (ii)(b) or (c) above or the trustees thereof; and

- (iii) the applicant must not be a director or an employee of the Issuing House or their immediate family members.

Applications by the Malaysian Public must be made on the White Application Forms provided or by way of Electronic Applications or Internet Applications. A corporation or institution cannot apply for Offer Units by way of Electronic Application or Internet Application. The amount payable in full upon application is RM[•] per Offer Unit.

Applicants using the White Application Forms are not allowed to submit multiple applications in the same category of application. Further, applicants who have submitted their applications using the White Application Forms are not allowed to make additional applications using the Electronic Applications and the Internet Applications, and vice versa.

3.3 Application by the Eligible Directors and Employees (Pink Application Form) pursuant to the Restricted Pink Form Offering

The Eligible Directors and Employees will be provided separately with the letters from the Manager detailing their respective allocations and Pink Application Forms to subscribe for the Offer Units. The applicants must follow the notes and instructions in the said document and where relevant in this Prospectus. The amount payable in full upon application is RM[•] per Offer Unit.

Any Offer Units not taken up under the Restricted Pink Form Offering (“**Excess Offer Units**”) shall be made available for application by the Eligible Directors and Employees who have applied for Excess Offer Units on top of their pre-determined allocation. It is the intention of the Board and board of directors of AME to allocate the Excess Offer Units, if any, in the following priority:

- (a) firstly, allocation on a pro-rata basis based on the number of Excess Offer Units applied by the Eligible Directors and Employees; and
- (b) secondly, to minimize odd lots.

The Board and the board of directors of AME reserve the right to allocate any Excess Offer Units to the Eligible Directors and Employees who have made an Excess Offer Units Application, in a fair and equitable basis and in such manner as it deems fit and expedient and in the best interest of AME REIT. The Manager and AME also reserve the right to accept any Excess Offer Units Application, in full or in part, without assigning any reason. Thereafter, any unsubscribed Offer Units unallocated to the Eligible Directors and Employees will be made available for application by the Malaysian Public under the Public Offering, subject to the Clawback and Reallocation provisions as set out in Section 3.4.3 of this Prospectus.

Eligible Directors and Employees are not precluded from making additional applications under the Malaysian Public category using the White Application Forms, Electronic Applications or Internet Applications. If the Eligible Directors and Employees is also an Entitled AME Shareholder, the applicant is also entitled to make additional applications under the ROFS category using the Offer Acceptance Forms.

4. PROCEDURES FOR APPLICATIONS BY WAY OF WHITE APPLICATION FORM UNDER THE PUBLIC OFFERING TO THE MALAYSIAN PUBLIC

Each application for the Offer Units under the Retail Offering must be made on the correct Application Form for the relevant category of investors issued together with this Prospectus and must be completed in accordance with the notes and instructions contained in the respective category of the Application Forms. The Application Form together with the notes and instructions shall constitute an integral part of this Prospectus. Applications which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible may not be accepted at the absolute discretion of the Manager.

Full instructions for the application for the Offer Units and the procedures to be followed are set out in the Application Forms. All applicants are advised to read the Application Forms and the notes and instructions contained there carefully.

Malaysian Public should follow the following procedures in making their applications through the White Application Form under the Public Offering.

Step 1: Obtain application documents

Obtain the relevant Application Form together with the Official “A” and “B” envelopes and this Prospectus.

The **White** Application Forms and this Prospectus can be obtained subject to availability from the following:

- (i) HLIB;
- (ii) Participating organisations of Bursa Securities;
- (iii) Members of the Association of Banks in Malaysia;
- (iv) Members of the Malaysian Investment Banking Association;
- (v) Issuing House; and
- (vi) Manager.

Step 2: Read this Prospectus

In accordance with subsection 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. An applicant is advised to read and understand this Prospectus before making his application.

Step 3: Complete the relevant Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in this Prospectus.

(i) Personal particulars

An applicant must ensure that his personal particulars submitted in his application are identical with the records maintained by Bursa Depository. The applicant is required to inform Bursa Depository promptly of any changes to his personal particulars.

If the applicant is an individual and is not a member of the armed forces or police, the name and national registration identity card ("**NRIC**") numbers must be the same as:

- (a) his NRIC; or
- (b) any official valid temporary identity documents issued by the relevant authorities from time to time.

If the applicant is a member of the armed forces or police, his name and his armed forces or police personnel number, as the case may be, must be exactly as that stated in his authority card.

For corporations/institutions, the name and certificate of incorporation number must be the same as that stated in the certificate of incorporation or the certificate of change of name, where applicable.

(ii) CDS Account number

An applicant must state his CDS Account number in the space provided in the Application Form. Invalid or nominee or third party CDS Accounts will **not** be accepted.

(iii) Details of payment

An applicant must state the details of his payment in the appropriate boxes provided in the Application Form.

(iv) Number of Offer Units applied

Applications must be for at least 100 Offer Units or multiples of 100 Offer Units for applicants using the Pink and White Application Forms.

Step 4: Prepare appropriate form of payment

Prepare the correct form of payment in RM for the FULL amount payable based on the Retail Price, which is RM[•] per Offer Unit.

Payment must be made out in favour of "**MIH UNIT ISSUE ACCOUNT NUMBER 616**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the applicant's name and address. Only the following forms of payment will be accepted:

- (i) Banker's Draft or Cashier's Order purchased within Malaysia only and drawn on a bank in Kuala Lumpur;
- (ii) Money Order or Postal Order (for applicants from Sabah and Sarawak only); or

- (iii) Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad.

The Manager and AME will not accept applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the White Application Form.

Step 5: Finalise application

Insert the White Application Form together with payment and a legible photocopy of the applicant's identification document (NRIC/official valid temporary identity document issued by the relevant authorities from time to time/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable)) into the Official "A" envelope and seal it. Write the applicant's name and address on the outside of the Official "A" and "B" envelopes.

The name and address written must be identical to the applicant's name and address as per his NRIC/official valid temporary identity documents issued by the relevant authorities from time to time/authority card for armed forces or police personnel/certificate of incorporation or certificate of change of name for corporate or institutional applicant or passport (where applicable).

Affix RM1.50 stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

Step 6: Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd

Registration Number: 199301003608 (258345-X)

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

or

P.O. Box 00010

Pejabat Pos Jalan Sultan

46700 Petaling Jaya

Selangor Darul Ehsan

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

so as to arrive not later than 5.00 p.m. on [•], or such later date or dates as the Manager and Sole Underwriter in their absolute discretion may decide.

The Manager, together with the Issuing House will not issue any acknowledgement of the receipt of the applicant's Application Forms or application monies. Enquiries in respect of the White Application Form are to be directed to the Issuing House.

5. PROCEDURES FOR APPLICATION BY WAY OF AN ELECTRONIC APPLICATION

Only Malaysian individuals may apply for the Offer Units by way of Electronic Application in respect of the Offer Units made available to the Malaysian Public.

5.1 Steps for Electronic Applications through a Participating Financial Institution's ATM

- (i) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Offer Units at an ATM belonging to other Participating Financial Institutions;
- (ii) The applicant must have a CDS Account;
- (iii) The applicant is advised to read and understand this Prospectus before making the application; and
- (iv) The applicant may apply for the Offer Units via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the application are set out in Section 5.3 "Terms and Conditions for Electronic Applications", Appendix G of this Prospectus. The applicant shall submit at least the following information through the ATM, where the instructions on the ATM screen require him to do so:
 - (a) Personal Identification Number (PIN);
 - (b) MIH Unit Issue Account Number 616;
 - (c) CDS Account number;
 - (d) Number of Offer Units applied for and/or the RM amount to be debited from the account; and
 - (e) Confirmation of several mandatory statements.

5.2 Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- (i) Affin Bank Berhad;
- (ii) Alliance Bank Malaysia Berhad;
- (iii) AmBank (M) Berhad;

- (iv) CIMB Bank Berhad;
- (v) Malayan Banking Berhad;
- (vi) Public Bank Berhad; or
- (vii) RHB Bank Berhad.

Note:

Applicants of the Offer Units should take note that the word “share” or “shares” appearing on the ATM screen should be taken to represent “Unit(s)” in the application process.

5.3 Terms and Conditions of Electronic Applications

The procedures for Electronic Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (“**Steps**”), similar to the steps set out in “**Steps for Electronic Applications through a Participating Financial Institution’s ATM**” in Section 5.1 of Appendix G of this Prospectus. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

An applicant must have a CDS Account to be eligible to use the Electronic Application. The CDS Account must be in the applicant’s own name. Invalid, nominee or third party CDS accounts will not be accepted.

Upon the completion of his Electronic Application transaction at the ATM, an applicant will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by the Manager or the Issuing House. The Transaction Record is for the applicant’s records and should not be submitted with any Application Form.

Upon the closing of the Retail Offering on [•] at 5.00 p.m. (“**Closing Date and Time**”), the Participating Financial Institutions shall submit a magnetic tape containing their respective customers’ applications for the Offer Units to the Issuing House as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

An applicant will be allowed to make only one application and shall not make any other application for the Offer Units under the Retail Offering to the Malaysian Public, whether at the ATMs of any Participating Financial Institution or using Internet Application or using the White Application Form.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC APPLICATION. IF AN APPLICANT OPERATES A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, HE MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. AN APPLICANT’S APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE ABOVE.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

The Electronic Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below and in Section 7 of Appendix G of this Prospectus:

- (i) The Electronic Application shall be made in relation to and subject to the terms of this Prospectus and the Deed.
- (ii) The applicant is required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
 - (a) He has attained 18 years of age as at the Closing Date and Time;
 - (b) He is a Malaysian citizen residing in Malaysia;
 - (c) He has read this Prospectus and understood and agreed with the terms and conditions of the application;
 - (d) The Electronic Application is the only application that he is submitting for Offer Units offered to the Malaysian Public; and
 - (e) He hereby gives consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to himself and his account with the Participating Financial Institution and Bursa Depository to the Issuing House and any other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institutions. By doing so, the applicant shall be deemed to have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including but not limited to Sections 133 and 134 of the Financial Services Act 2013 and Section 45 of the SICDA to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of his particulars to the Issuing House, or any relevant regulatory bodies.

- (iii) The applicant confirms that he is not applying for the Offer Units as a nominee of any other person and that the Electronic Application that he makes is made by him as the beneficial owner. An applicant shall only make one Electronic Application and shall not make any other application for the Offer Units under the Public Offering, whether at the ATMs of any Participating Financial Institution or using Internet Application or on the White Application Forms.
- (iv) An applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time the Electronic Application is made, failing which the Electronic Application will not be completed. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is being made will be rejected.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (v) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Offer Units applied for as stated on the Transaction Record or any lesser number of Offer Units that may be allotted or allocated to him in respect of the Electronic Application. If the Manager decides to allot or allocate a lesser number of such Offer Units or not to allot or allocate any Offer Units to the applicant, he agrees to accept any such decision as final. If the applicant's Electronic Application is successful, his confirmation (by his action of pressing the pre-designated keys or buttons on the ATM keyboard) of the number of Offer Units applied for shall signify, and shall be treated as, his acceptance of the number of Offer Units that may be allotted or allocated to him and to be bound by the Deed.
- (vi) The Issuing House, on the authority of the Manager, reserves the right not to accept any Electronic Application or accept any Electronic Application in whole or in part only without assigning any reason. Due consideration will be given to the desirability of allotting the Offer Units to a reasonable number of applicants with a view to establishing a liquid and adequate market for the Units.
- (vii) An applicant requests and authorises the Manager:
 - (a) to credit the Offer Units allotted to him into his CDS account; and
 - (b) to issue Unit certificate(s) representing such Offer Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (viii) The applicant acknowledges that his Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of the Managers, the Issuing House, Bursa Depository and/or the Participating Financial Institution and irrevocably agrees that if:
 - (a) the Manager or the Issuing House does not receive his Electronic Application; and/or
 - (b) the data relating to his Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Manager or Issuing House,

he shall be deemed not to have made an Electronic Application and shall not make any claim whatsoever against the Manager, the Issuing House or the Participating Financial Institution for the Offer Units applied for or for any compensation, loss or damage.
- (ix) All of an applicant's particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Application shall be deemed to be true and correct, and the Manager, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy.
- (x) The applicant shall ensure that his personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Application will be rejected. The Applicant must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to his registered address last maintained with Bursa Depository.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- (xi) By making and completing an Electronic Application, the applicant agrees that:
- (a) in consideration of the Manager agreeing to allow and accept the application for the Offer Units via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Application is irrevocable;
 - (b) the Manager, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (c) notwithstanding the receipt of any payment by or on behalf of the Manager, the acceptance of his offer to subscribe for and purchase the Offer Units for which the Electronic Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Offer Units;
 - (d) he irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Offer Units allocated to him; and
 - (e) he agrees that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and/or the Electronic Application and/or any terms of this Prospectus, all rights, obligations and liabilities of the parties to the Public Offering shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that he irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xii) If an applicant is successful in his application, the Manager reserves the right to require him to appear in person at the registered office of the Issuing House within 14 days of the date of the notice issued to him to find out if his application is genuine and valid. The Manager shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the applicant for the purpose of complying with this provision.
- (xiii) The Issuing House, on the authority of the Manager reserves the right to reject applications which do not conform to these instructions.

6. PROCEDURES FOR APPLICATIONS BY WAY OF AN INTERNET APPLICATION

Only Malaysian individuals may apply for the Offer Units by way of Internet Application in respect of the Offer Units made available to the Malaysian Public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

Step 1: Set up of account

Before making an application by way of Internet Application, an applicant **must have all** of the following:

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) an existing account with access to internet financial services with:
 - (a) Affin Bank Berhad at www.affinOnline.com;
 - (b) Alliance Bank Malaysia Berhad at www.allianceonline.com.my;
 - (c) CGS-CIMB Securities Sdn Bhd at www.eipocimb.com;
 - (d) CIMB Bank Berhad at www.cimbclicks.com.my;
 - (e) Malayan Banking Berhad at www.maybank2u.com.my;
 - (f) Public Bank Berhad at www.pbepbank.com; or
 - (g) RHB Bank Berhad at www.rhbgroup.com.

The applicant needs to have his user identification and PIN/password for the internet financial services facility; and

- (ii) an individual CDS Account registered in the applicant's name (and not in a nominee's name) and in the case of a joint account an individual CDS Account registered in the applicant's name which is to be used for the purpose of the application if the applicant is making the application instead of a CDS Account registered in the joint account holder's name.

Step 2: Read this Prospectus

An applicant is advised to read and understand this Prospectus before making his application.

Step 3: Apply through internet

The following steps for an application of the Offer Units via Internet Application have been set out for illustration purposes only.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which the applicant has an account;
- (ii) Log in to the internet financial services facility by entering the applicant's user identification and PIN/password;
- (iii) Navigate to the section of the website on applications in respect of the Offering;
- (iv) Select the counter in respect of the Offer Units to launch the Electronic Prospectus and the terms and conditions of the Internet Application;
- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (vi) At the next screen, complete the online application form;

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vii) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS Account number, number of Offer Units applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form;
- (viii) After selecting the designated hyperlink on the screen, the applicant will have to confirm and undertake that the following mandatory statements are true and correct:
 - (a) He has attained 18 years of age as at the Closing Date and Time;
 - (b) He is a Malaysian citizen residing in Malaysia;
 - (c) He has, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which he has read and understood;
 - (d) He agrees to all the terms and conditions of the Internet Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Application;
 - (e) The Internet Application is the only application that he is submitting for the Offer Units under the Public Offering;
 - (f) He authorises the financial institution with which he has an account to deduct the full amount payable for the Offer Units from his account with the said financial institution ("**Authorised Financial Institution**");
 - (g) He gives express consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act 2013 and Section 45 of the SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to him, the Internet Application made by him or his account with the Internet Participating Financial Institution, to the Issuing House and the Authorised Financial Institution, the SC and any other relevant regulatory bodies;
 - (h) He is not applying for the Offer Units as a nominee of any other person and the application is made in his own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
 - (i) He authorises the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Retail Offering, all information relating to him if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Retail Offering. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information provided by him to the Internet Participating Financial Institution in connection with the use of the Internet Application services;

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ix) Upon submission of the online application form, the applicant be linked to the website of the Authorised Financial Institution to effect the online payment for his Application;
- (x) The applicant must pay for the Offer Units through the website of the Authorised Financial Institution, failing which the Internet Application is **not completed**, despite the display of the Confirmation Screen. “**Confirmation Screen**” refers to the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Application has been completed and states the details of the applicant’s Internet Application, including the number of Offer Units applied for, which can be printed out by the applicant for record purposes;
- (xi) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Offer Units is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and
- (xii) The applicant is advised to print out the Confirmation Screen for reference and retention.

Note:

Applicants of the Offer Units should take note that the word “share” or “shares” appearing on the internet financial services website of the Internet Participating Financial Institutions should be taken to represent “Unit(s)” in the application process.

7. TERMS AND CONDITIONS

An application under the Retail Offering is subject to the following additional terms and conditions:

- (i) An applicant is required to pay the Retail Price of RM[•] for each Offer Unit he has subscribed for.

An applicant can only submit one application for the Offer Units offered to the Malaysian Public. For example, if he submits an application using the White Application Form, he cannot submit an Electronic Application or Internet Application and vice versa.

However, if he has made an application under the Pink Application Form or the Offer Acceptance Form, he can still apply for the Offer Units offered to the Malaysian Public using the White Application Form or by way of Electronic Application or the Internet Application.

The Issuing House, acting under the authority of the Manager, has the discretion to reject applications that appear to be multiple applications under each category of applicants.

In relation to the White Application Forms, we wish to caution you that if you submit more than one application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1.0 million and a jail term of up to 10 years under Section 182 of the CMSA.

- (ii) The Electronic Application and Internet Application platforms will not be available to facilitate application of Offer Units under the ROFS.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- (iii) The application must be made in connection with and subject to this Prospectus and the Deed. The applicant agrees to be bound by the Deed should he be allotted any Offer Units.
- (iv) The submission of an application does not necessarily mean that the application will be successful. Any submission of application is irrevocable and cannot be subsequently withdrawn.
- (v) Neither AME, the Manager nor the Registrar will issue any acknowledgement of the receipt of the application or application monies.
- (vi) An applicant must ensure that his personal particulars submitted in his application and/or his personal particulars as recorded by the Participating Financial Institution and/or Internet Participating Financial Institution are correct, accurate and identical with the records maintained by Bursa Depository. Otherwise, his application will be rejected. Bursa Depository will have to be promptly notified of any change in his address, failing which the notification letter of successful allocation will be sent to his registered/correspondence address last maintained with Bursa Depository.
- (vii) An applicant's remittances having been presented for payment shall not signify that his application has been accepted.

The Manager's acceptance of the application to subscribe for the Offer Units shall be constituted by the issue of notices of allotment for the Offer Units to the applicant.

- (viii) Submission of an applicant's CDS Account number in his application includes his authority/consent in accordance with Malaysian laws of the right of Bursa Depository, the Participating Financial Institution and Internet Participating Financial Institution (as the case may be) to disclose information pertaining to his CDS Account and other relevant information to AME, the Manager, the Issuing House and any relevant regulatory bodies (as the case may be).
- (ix) **The applicant agrees to accept AME and/or the Manager's decision as final should the Manager and/or AME decide not to allot any Offer Units to him.**
- (x) **Additional terms and conditions for the Electronic Applications are as follows:**
 - (a) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Offer Units applied for as stated on the Transaction Record or any lesser number of Offer Units that may be allotted or allocated to him.
 - (b) An applicant's confirmation (by his action of pressing the pre-designated keys or buttons on the ATM keyboard) of the number of Offer Units applied for shall signify, and shall be treated as, his acceptance of the number of Offer Units that may be allotted or allocated to him and to be bound by the Deed.
 - (c) The applicant confirms that he is not applying for the Offer Units as a nominee of any other person and that the Electronic Application that he makes is made by him as the beneficial owner.

- (d) An applicant requests and authorises the Manager to credit the Offer Units allotted to him into his CDS account and to issue Unit certificate(s) representing such Offer Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (e) The applicant acknowledges that his Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of the Managers, the Issuing House, Bursa Depository and/or the Participating Financial Institution. The applicant irrevocably agrees that if the Manager or the Issuing House does not receive his Electronic Application and/or the data relating to his Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Manager or Issuing House, he shall be deemed not to have made an Electronic Application. He shall not make any claim whatsoever against the Manager, the Issuing House or the Participating Financial Institution for the Offer Units applied for or for any compensation, loss or damage.
- (f) The applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Offer Units allocated to him.
- (g) The applicant agrees that in the event of legal disputes arising from the use of the Electronic Applications, the mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (xi) **Additional terms and conditions for the Internet Applications are as follows:**

The terms and conditions outlined below supplement the additional terms and conditions for Internet Application contained in the internet financial services website of the Internet Participating Financial Institution. Please refer to the internet financial services website of the Internet Participating Financial Institution for the exact terms and conditions and instructions.

- (a) The application will not be successfully completed and cannot be recorded as a completed application unless the applicant has paid for the Offer Units through the website of the Authorised Financial Institution and completed all relevant application steps and procedures for the Internet Application which would result in the Internet financial services website displaying the Confirmation Screen. The applicant is required to complete his Internet Application by the close of the Retail Offering as mentioned in Section 1 of Appendix G of this Prospectus.
- (b) The applicant irrevocably agrees and undertakes to subscribe for or purchase and to accept the number of Offer Units applied for as stated on the Confirmation Screen or any lesser number of Offer Units that may be allotted or allocated to the applicant in respect of his Internet Application. His confirmation (by way of his action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as the applicant's acceptance of the number of Units that may be allotted or allocated to him in the event that his Internet Application is successful or successful in part, as the case may be.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) An applicant requests and authorises the Manager to credit the Offer Units allotted to him into his CDS account and to issue Unit certificate(s) representing such Offer Units allotted in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (d) The applicant acknowledges that his Internet Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution, the Issuing House and the Manager. He irrevocably agrees that if the Manager, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive the applicant's Internet Application and/or payment and any data relating to the applicant's Internet Application or the tape or any other devices containing such data and/or payment is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, the applicant will be deemed not to have made an Internet Application. He will not make any claim whatsoever against the Manager, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution in relation to the Offer Units applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (e) The applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Offer Units allocated to him.
- (f) The applicant agrees that in the event of legal disputes arising from the use of the Internet Applications, the mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (g) The applicant shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of his Internet Application by the Manager, the Issuing House and/or the Internet Participating Financial Institution for reasons of multiple applications, suspected multiple applications, inaccurate and/or incomplete details provided by the applicant, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) The applicant is not entitled to exercise any remedy or rescission for misrepresentation at any time after the Manager, the Issuing House and/or the Internet Participating Financial Institution have accepted his Internet Application.
- (i) In making the Internet Application, the applicant has relied solely on the information contained in this Prospectus. The Manager, AME, the Principal Adviser, the Sole Underwriter and any other person involved in the Retail Offering should not be liable for any information not contained in this Prospectus which may have been relied by the applicant in making the Internet Application.

8. AUTHORITY OF THE MANAGER AND THE ISSUING HOUSE

The application will be selected in a manner to be determined by the Board and board of directors of AME. Due consideration will be given to the desirability of allotting and allocating the Offer Units to a reasonable number of applicants with a view to establishing a liquid and adequate market for the Offer Units.

The Issuing House, on the authority of the Board and board of directors of AME reserves the right to:

- (i) reject applications which:
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Application and Internet Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of remittance;
- (ii) reject or accept any application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 10 below.

If the applicant is successful in his application, the Manager reserves the right to require the applicant to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to the applicant to ascertain that his application is genuine and valid. The Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by the applicant for the purpose of complying with this provision.

9. OVER/UNDER-SUBSCRIPTION

In the event of over-subscription for the Public Offering, the Issuing House will conduct a ballot in the manner approved by the Manager to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, the Manager will consider the desirability of allotting and allocating the Offer Units to a reasonable number of applicants for the purpose of broadening the unitholding base of AME REIT and establishing a liquid and adequate market for the Units.

The basis of allocation of the Offer Units and the balloting results in connection therewith will be furnished by the Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website (www.mih.com.my) within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements, at least 25.0% of the total number of Units in issue must be held by a minimum number of 1,000 public unitholders holding not less than 100 Units each upon completion of this Offering and at the point of Listing. The Manager expects to achieve this at the point of Listing. In the event that the above requirement is not met, the Manager may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be refunded without interest.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the event of an under-subscription of the Offer Units by the Malaysian public and/or Eligible Directors and Employees, subject to the Clawback and Reallocation provisions as set out in Section 3.4.3 of this Prospectus, any of the Offer Units not applied for will then be subscribed by the Sole Underwriter based on the terms of the Underwriting Agreement.

10. UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANT

If the applicant is unsuccessful/partially successful in his application, his application monies (without interest) will be refunded to the applicant in the following manner.

10.1 For applications by way of Application Form

- (i) The application monies or the balance of it, as the case may be, will be refunded to the applicant through the self-addressed and stamped official "A" envelope the applicant provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purpose of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies be refunded via banker's draft sent by ordinary / registered post to his last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at the applicant's own risk.
- (ii) If the application is rejected because the applicant did not provide a CDS Account number, the application monies will be refunded via banker's draft sent by ordinary/ registered post to the applicant's address as stated in the NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if the applicant is a member of the armed forces or police) at the applicant's own risk.
- (iii) A number of applications will be reserved to replace any successfully balloted applications that are subsequently rejected. The application monies relating to these applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into the applicant's bank account (the same bank account the applicant has provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered / ordinary post to his last address maintained with Bursa Depository if the applicant have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

10.2 For applications by way of Electronic Application and Internet Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful applications within 2 Market Days after the balloting date. The full amount of the application monies or the balance of it will be credited (without interest) into the applicant's account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institution) within 2 Market Days after the receipt of confirmation from the Issuing House.

- (ii) The applicant may check his account on the fifth Market Day from the balloting date.
- (iii) A number of applications will be reserved to replace any successfully balloted applications that are subsequently rejected. The application monies relating to these applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into the applicant's account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institution) not later than 10 Market Days from the date of the final ballot. For applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

11. SUCCESSFUL APPLICANTS

If the applicant is successful in his application:

- (i) The Offer Units allotted to the applicant will be credited into the applicant's CDS Account.
- (ii) A notice of allotment will be despatched to the applicant at his last address maintained with the Bursa Depository, at the applicant's own risk, before the Listing. This is the applicant's only acknowledgement of acceptance of his application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed the Offer Units as Prescribed Securities. As such, the Offer Units issued through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Units will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in the Offer Units will be by book entries through CDS accounts. No physical Unit certificates will be issued to the applicant and he shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as the Offer Units are listed on Bursa Securities.
- (v) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to the applicant without any interest thereon. The refund will be credited into the applicant's bank account for purposes of cash dividend/distribution if the applicant have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to his address maintained with Bursa Depository if the applicant has not provided such bank account information to Bursa Depository for applications made via Application Forms, or by crediting into his account with the Electronic Participating Financial Institutions for applications made via the Electronic Application or by crediting into his account with the Internet Participating Financial Institutions for applications made via the Internet Application, within 10 Market Days from the date of final ballot of Applications, at the applicant's own risk.

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)**12. ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Offer Acceptance Forms	Registrar
White Application Forms	Issuing House
Pink Application Forms	Issuing House
Electronic Application	Participating Financial Institution
Internet Application	Internet Participating Financial Institution and Authorised Financial Institution

If you are applying for the Offer Units as a member of the Malaysian Public, an applicant may check the status of his application by logging onto the Issuing House's website at www.mih.com.my, by calling his respective ADA at the telephone number as stated in Section 13 of Appendix G of this Prospectus or the Issuing House at telephone no. 03-7890 4700 between 5 to 10 Market Days (during office hours only) after the balloting date.

13. LIST OF ADAs

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel. No. : 03-7710 6688	068-009
AFFIN HWANG INVESTMENT BANK BERHAD	Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No. : 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	38A & 40A, Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel. No. : 03-9130 8803	068-021

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
ALLIANCE BERHAD	INVESTMENT	BANK	Level 17, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No. : 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD			8-9, 11-18, 21-25th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No. : 03-2031 0102	086-001
BIMB SECURITIES SDN BHD			TG 32 Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel. No. : 03-2613 1600	024-001
CGS-CIMB SECURITIES SDN BHD			3rd Floor, Lot 1511 & 1512 Jalan Mutiara Timur Satu Taman Mutiara Cheras 56100 Kuala Lumpur Tel. No. : 03-9132 7424/7428/7429	065-001
FA SECURITIES SDN BHD			A-10-1 & A-10-17 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel. No. : 03-2288 1676	021-001
HONG LEONG BERHAD	INVESTMENT	BANK	Level 7, Menara HLA No. 3 Jalan Kia Peng 50450 Kuala Lumpur Tel. No. : 03-2168 1168	066-001
HONG LEONG BERHAD	INVESTMENT	BANK	Mezzanine Floor Level 3A, Block B, HP Towers No. 12, Jalan Gelenggang 60000 Kuala Lumpur Tel. No. : 03-2080 8777	066-002
HONG LEONG BERHAD	INVESTMENT	BANK	Level 27 & 28, Menara Hong Leong No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel. No. : 03-2083 1800	066-008

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
INTER-PACIFIC SECURITIES SDN BHD			West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel. No. : 03-2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD			Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel. No. : 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD			No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No. : 03-9056 2922	054-007
KAF-SEAGROATT & SECURITIES SDN BHD		CAMPBELL	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No. : 03-2171 0228	053-001
KENANGA BERHAD	INVESTMENT	BANK	Level 17, Kenanga Tower 237 Jalan Tun Razak 50400 Kuala Lumpur Tel. No. : 03-2172 2888	073-001
KENANGA BERHAD	INVESTMENT	BANK	1 st Floor, West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel. No. : 03-2089 2888	073-001
M & A SECURITIES SDN BHD			Level 1-3, No. 45 & 47 and 43-6 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel. No. : 03-2282 1820	057-002

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
MALACCA SECURITIES SDN BHD			No 76-1, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) Setapak 53300 Kuala Lumpur Tel. No. : 03-4144 2565	012-001
MALACCA SECURITIES SDN BHD			B-M-10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel. No. : 03-2733 9782	012-001
MALACCA SECURITIES SDN BHD			B01-A-13A Level 13A, Menara 2 No. 3, Jalan Bangsar KL ECO City 59200 Kuala Lumpur Tel. No. : 03-2201 2100	012-001
MAYBANK BERHAD	INVESTMENT	BANK	Level 5, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No. : 03-2297 8888	098-001
MAYBANK BERHAD	INVESTMENT	BANK	27, 31 to 33 Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel. No. : 03-2059 1888	098-007
MERCURY SECURITIES SDN BHD			L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel. No. : 03-6203 7227	093-002
MIDF AMANAH BERHAD	INVESTMENT	BANK	Level 9, 10, 11, 12 Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No. : 03-2173 8888	026-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
PM SECURITIES SDN BHD	11th Floor, KH Tower No. 8, Lorong P. Ramlee 50250 Kuala Lumpur Tel. No. : 03-2054 8000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No. : 03-2268 3000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel. No. : 03-9280 2233/2354	087-001
RHB INVESTMENT BANK BERHAD	Level 5, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03-9280 2453	087-001
RHB INVESTMENT BANK BERHAD	No. 62, 62-1, 64 & 64-1, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel. No. : 03-6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel. No. : 03-4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel. No. : 03-9058 7222	087-058
TA SECURITIES HOLDINGS BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No. : 03-2072 1277	058-003

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel. No. : 03-6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel. No. : 03-2147 1888	078-010
SELANGOR DARUL EHSAN		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite B 3A1, East Wing 3Ath Floor Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No. : 03-5635 6688	068-010
AFFIN HWANG INVESTMENT BANK BERHAD	4th Floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No. : 03-3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	No.79-1, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No. : 03-3322 1999	068-023
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7710 6613	086-001
CGS-CIMB SECURITIES SDN BHD	Level G & Level 1, Tropicana City Office Tower No. 3, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7717 3388	065-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
CGS-CIMB SECURITIES SDN BHD	1st Floor, 135 & 137 Jalan Sultan Abdul Samad 42700 Banting Selangor Darul Ehsan Tel. No. : 03-3181 1337/1346	065-001
CGS-CIMB SECURITIES SDN BHD	No. A-07-01 & A-07-02 Empire Office Tower Empire Subang Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No. : 03-5631 7934/7892	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor (No. 26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel. No. : 03-3325 7105/7106	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor (No. 11A) Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No. : 03-5891 6852	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, No. 26A(F), 26A(M) & 26A(B) Jalan SJ6, Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel. No. : 03-6137 1680	065-001
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel. No. : 03-8736 1118	079-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
JF APEX SECURITIES BERHAD			16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7620 1118	079-002
KENANGA BERHAD	INVESTMENT	BANK	No. 55C, 2nd Floor Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No. : 03-8024 1773	073-001
KENANGA BERHAD	INVESTMENT	BANK	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7725 9095	073-001
KENANGA BERHAD	INVESTMENT	BANK	Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel. No. : 03-5621 2118	073-001
KENANGA BERHAD	INVESTMENT	BANK	35 (Ground, 1st & 2nd Floor) Jalan Tiara 3, Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No. : 03-3348 8080	073-001
MALACCA SECURITIES SDN BHD			No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel. No. : 03-5636 1533	012-001
MALACCA SECURITIES SDN BHD			No. 54M, Mezzanine Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7876 1533	012-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name			Address and telephone number	Broker code
MAYBANK BERHAD	INVESTMENT	BANK	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7718 8888	098-004
MAYBANK BERHAD	INVESTMENT	BANK	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut 4 Taman Intan, 41300 Klang Selangor Darul Ehsan Tel. No. : 03-3050 8888	098-003
PM SECURITIES SDN BHD			1st Floor, 157- A, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel. No. : 03-8070 0773	064-003
PM SECURITIES SDN BHD			No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel. No. : 03-3341 5300	064-007
RHB INVESTMENT BANK BERHAD			24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7873 6366	087-011
RHB INVESTMENT BANK BERHAD			No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel. No. : 03-8736 3378	087-045
RHB INVESTMENT BANK BERHAD			First Floor, 10 & 11 Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel. No. : 03-6092 8916	087-047

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No. : 03-3343 9180	087-048
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B Jalan USJ 10/1J USJ 10, 47610 UEP Subang Jaya Selangor Darul Ehsan Tel. No. : 03-8022 1888	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22, 40000 Shah Alam Selangor Darul Ehsan Tel. No. : 03-5192 0202	096-001
SJ SECURITIES SDN BHD	No. A-3-11 Block Alamanda 10 Boulevard Lebuhraya Sprint, PJU 6A 47400 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7732 3862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel. No. : 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA 1A Jalan SS20/1, Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7729 5713	058-007

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
MELAKA				
CGS-CIMB SECURITIES SDN BHD			Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel. No. : 06-289 8800	065-006
MALACCA SECURITIES SDN BHD			No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel. No. : 06-337 1533	012-001
KENANGA BERHAD	INVESTMENT	BANK	71 (Ground, A&B) & 73 (Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No. : 06-288 1720	073-001
KENANGA BERHAD	INVESTMENT	BANK	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel. No. : 06-337 2550	073-001
MERCURY SECURITIES SDN BHD			81, 81A & 81B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No. : 06-292 1898	093-003
PM SECURITIES SDN BHD			No 6-1, Jalan Lagenda 2 Taman 1 Lagenda 75400 Melaka Tel. No. : 06-288 0050	064-006
RHB INVESTMENT BANK BERHAD			579, 580 & 581, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No. : 06-282 5211	087-026

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
TA SECURITIES HOLDINGS BERHAD	59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel. No. : 06-286 2618	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel. No. : 06-335 2511	078-014
PERAK DARUL RIDZUAN		
AFFIN HWANG INVESTMENT BANK BERHAD	21, Jalan Stesen Ground Floor, 1, 2 & 3 34000 Taiping Perak Darul Ridzuan Tel. No. : 05-806 6688	068-003
AFFIN HWANG INVESTMENT BANK BERHAD	2nd & 3rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No. : 05-255 9988	068-015
CGS-CIMB SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel. No. : 05-208 8688	065-001
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No. : 05-253 0888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 4th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No. : 05-242 2828	073-022

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name			Address and telephone number	Broker code
M & A SECURITIES SDN BHD			5th, 6th Floor and Unit 8A, M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No. : 05-241 9800	057-001
MALACCA SECURITIES SDN BHD			No 3, 1st Floor, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No. : 05-254 1533/254 1577	012-013
MAYBANK BERHAD	INVESTMENT	BANK	B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel. No. : 05-245 3400	098-002
RHB INVESTMENT BANK BERHAD			Ground & 1st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel. No. : 05-623 6498	087-014
RHB INVESTMENT BANK BERHAD			Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel. No. : 05-692 1228	087-016
RHB INVESTMENT BANK BERHAD			Unit E-2-2A, E-3-2A, E-4-2A & E-5- 2A SOHO Ipoh 2, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No. : 05-241 5100	087-023
RHB INVESTMENT BANK BERHAD			Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel. No. : 05-808 8229	087-034

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	No 1&3, 1st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel. No. : 05-717 0888	087-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel. No. : 05-253 1313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel. No. : 05-241 1290	078-002
PULAU PINANG		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No. : 04-263 6996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel. No. : 04-537 2882	068-006
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Bangunan Berkath 21, Beach Street 10300 Penang Tel. No. : 04-261 1688	076-015
AMINVESTMENT BANK BERHAD	3rd Floor, Menara Liang Court 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No. : 04-226 1818	086-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
CGS-CIMB SECURITIES SDN BHD			Level 2, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No. : 04-238 5900	065-001
INTER-PACIFIC SECURITIES SDN BHD			Canton Square Level 2 (Unit 1) & Level 3 No. 56, Cantontment Road 10250 Pulau Pinang Tel. No. : 04-226 8288	054-002
JF APEX SECURITIES BERHAD			368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel. No. : 04-228 9118	079-005
KENANGA BERHAD	INVESTMENT	BANK	7th, 8th & 16th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No. : 04-228 3355	073-023
MALACCA SECURITIES SDN BHD			48 Jalan Todak 2 13700 Seberang Jaya Pulau Pinang Tel. No. : 04-390 5669	012-001
MALACCA SECURITIES SDN BHD			No 17, 1st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel. No. : 04-642 1533	012-001
MALACCA SECURITIES SDB BHD			28, Lorong Tangling Indah 3 Taman Tangling Indah 14100 Simpang Ampat Pulau Pinang Tel. No. : 04-506 0967	012-001
MAYBANK BERHAD	INVESTMENT	BANK	Ground Floor, Bangunan KWSP No. 38, Jalan Sultan Ahmad Shah 10050 Georgetown Pulau Pinang Tel. No. : 04-219 6888	098-006

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Pulau Pinang Tel. No. : 04-332 2123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2, Lebuhr Pantai 10300 Pulau Pinang Tel. No. : 04-263 9118	093-004
MERCURY SECURITIES SDN BHD	D'Piazza Mall 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Pulau Pinang Tel. No. : 04-640 0822	093-006
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel. No. : 04-390 0022	087-005
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground Floor-3rd Floor & 5th-8th Floor Lebuhr Bishop 10200 Pulau Pinang Tel. No. : 04-263 4222	087-033
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel. No. : 04-640 4888	087-042
TA SECURITIES HOLDINGS BERHAD	3rd Floor, Bangunan Heng Guan No. 171, Jalan Burmah 10050 Pulau Pinang Tel. No. : 04-227 2339	058-010

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
UOB KAY HIAN SECURITIES (M) SDN BHD	1st Floor, Bangunan Heng Guan 171, Jalan Burmah 10050 Pulau Pinang Tel. No. : 04-229 9318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel. No. : 04-554 1388	078-003
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	Ground, Mezzanine & 1st Floor B400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel. No. : 09-566 0800	076-002
CGS-CIMB SECURITIES SDN BHD	Ground, 1st & 2nd Floor No. 27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel. No. : 09-505 7800	065-001
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel. No. : 09-517 1698	073-001
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel. No. : 09-222 0993	012-001
RHB INVESTMENT BANK BERHAD	No. 12 Ground Floor, 1st and 2nd Floor Jalan Putra Square 1 Putra Square 25300 Pahang Darul Makmur Tel. No. : 09-517 3811	087-007

Name	Address and telephone number	Broker code
KELANTAN DARUL NAIM		
CGS-CIMB SECURITIES SDN BHD	Level 4 Wisma TCH (formerly known as Wisma Square Point) Jalan Pengkalan Chepa 15400 Kota Bharu Kelantan Darul Naim Tel. No. : 09-741 9050/9051/9052/9053	065-001
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel. No. : 09-743 0077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No. : 09-743 2288/3388	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No. : 09-747 3906	078-004
TERENGGANU DARUL IMAN		
RHB INVESTMENT BANK BERHAD	1st Floor, 59 Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel. No. : 09-626 1816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel. No. : 09-622 4766	078-016

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
KEDAH DARUL AMAN		
AFFIN HWANG INVESTMENT BANK BERHAD	No.70 & 70A, Jalan Mawar 1 Taman Pekan Baru 08000 Sg Petani Kedah Darul Aman Tel. No. : 04-425 6666	068-011
ALLIANCE INVESTMENT BANK BERHAD	Lot T-30, 2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No. : 04-731 7088/8270	076-004
CGS-CIMB SECURITIES SDN BHD	2nd Floor, No. 102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel. No. : 04-777 4400/4401	065-001
MALACCA SECURITIES SDN BHD	No. 9 First Floor Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel. No. : 04-735 0888	012-001
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor, 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No. : 04-720 9888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A, 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel. No. : 04-732 2111	078-007

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
NEGERI SEMBILAN DARUL KHUSUS		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 29G, Jalan S2 B16, Pusat Dagangan Seremban 2, 70300 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-603 7408	068-007
AFFIN HWANG INVESTMENT BANK BERHAD	6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel. No. : 06-455 3188	068-013
CGS-CIMB SECURITIES SDN BHD	1st Floor, No 21, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel. No. : 06-455 3166/3266	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel. No. : 06-651 5385	065-001
CGS-CIMB SECURITIES SDN BHD	Level 2 Wisma Dewan Perniagaan Melayu Negeri Sembilan Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-761 4651	065-001
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-765 5998	073-001
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-766 9555	098-005

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
PM SECURITIES SDN BHD	1st-3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-762 3131	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-764 1641	087-024
JOHOR DARUL TAKZIM		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No. : 07-222 2692	068-004
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel. No. : 07-771 7922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No. : 07-434 2282	086-001
AMINVESTMENT BANK BERHAD	18th Floor, Metropolis Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel. No. : 07-334 3699	086-001
CGS-CIMB SECURITIES SDN BHD	No 73, Ground Floor No 73A & 79A, First Floor Jalan Kuning Dua, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No. : 07-340 5888	065-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name			Address and telephone number	Broker code
CGS-CIMB SECURITIES SDN BHD			1st Floor, No. 384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel. No. : 07-232 9673	065-001
CGS-CIMB SECURITIES SDN BHD			2nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel. No. : 07-931 1509/1523	065-001
CGS-CIMB SECURITIES SDN BHD			1st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel. No. : 06-976 4559/4560	065-001
CGS-CIMB SECURITIES SDN BHD			1st Floor No. 8A Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel. No. : 07-353 7669/7959	065-001
INTER-PACIFIC SECURITIES SDN BHD			95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel. No. : 07-223 1211	054-004
KENANGA BERHAD	INVESTMENT	BANK	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No. : 07-333 3600	073-004
KENANGA BERHAD	INVESTMENT	BANK	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel. No. : 06-978 2292	073-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
KENANGA BERHAD	INVESTMENT	BANK	57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel. No. : 06-953 1222	073-001
KENANGA BERHAD	INVESTMENT	BANK	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel. No. : 07-467 8885	073-001
KENANGA BERHAD	INVESTMENT	BANK	916, Ground Floor Jalan Bakek 82000, Pontian Johor Darul Takzim Tel. No. : 07-686 1121	073-001
M & A SECURITIES SDN BHD			Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No. : 07-338 1233	057-003
MALACCA SECURITIES SDN BHD			No. 74, Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No. : 07-335 1533	012-001
MALACCA SECURITIES SDN BHD			1735-B, Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulaijaya Johor Darul Takzim Tel. No. : 07-663 8877	012-001
MALACCA SECURITIES SDN BHD			Lot 880, 3 ½ Mile Jalan Salleh 84000 Muar Johor Darul Takzim Tel. No. : 06-953 6948	012-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No. : 07-331 6992	093-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel. No. : 07-433 3608	064-008
RHB INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel. No. : 07-278 8821	087-006
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel. No. : 07-438 0288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel. No. : 06-953 8262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel. No. : 07-557 7628	087-029
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel. No. : 07-932 1543	087-030

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel. No. : 07-776 9655	087-031
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel. No. : 07-662 6288	087-035
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor, Nos. 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No. : 07-352 2293	087-043
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel. No. : 07-943 5278	058-009
TA SECURITIES HOLDINGS BERHAD	15, Jalan Molek 1/5A Taman Molek 81000 Johor Bahru Tel. No. : 07-364 7388	058-011
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No. : 07-333 2000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel. No. : 07-663 5651	078-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
UOB KAY HIAN SECURITIES (M) SDN BHD	70 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel. No. : 07-351 3218	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	171 Ground Floor Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel. No. : 07-512 1633	078-008
SARAWAK		
AFFIN HWANG INVESTMENT BANK BERHAD	Ground Floor & 1st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel. No. : 082-34 1999	068-005
AMINVESTMENT BANK BERHAD	1st , 2nd, & 3rd Floor, No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel. No. : 082-24 4791	086-001
CGS-CIMB SECURITIES SDN BHD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel. No. : 084-36 7700	065-001
CGS-CIMB SECURITIES SDN BHD	Level 1 (North), Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel. No. : 082-35 8688	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel. No. : 085-43 5577	073-001

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
KENANGA BERHAD	INVESTMENT	BANK	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel. No. : 082-33 8000	073-001
KENANGA BERHAD	INVESTMENT	BANK	11-12, Ground & 1st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel. No. : 084-31 3855	073-001
MERCURY SECURITIES SDN BHD			1st Floor 16, Jalan Getah 96100 Sarikei Sarawak Tel. No. : 084-65 6281	093-001
RHB INVESTMENT BANK BERHAD			Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No. : 086-31 7678	087-008
RHB INVESTMENT BANK BERHAD			No. 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel. No. : 084-32 9100	087-008
RHB INVESTMENT BANK BERHAD			Ground & 1st Floor No. 221, Parkcity Commerce Square Phase III Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel. No. : 086-31 1770	087-053
TA SECURITIES HOLDINGS BERHAD			12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel. No. : 084-31 9998	058-002

PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel. No. : 085-32 4128	078-017
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No 16, Lorong Intan 6 96000 Sibu Sarawak Tel. No. : 084-25 2737	078-018
SABAH		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel. No. : 088-31 1688	068-008
CGS-CIMB SECURITIES SDN BHD	1st & 2nd Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel. No. : 088-32 8878	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, Lot 12 Block A3, Phase 2 Utama Place Mile 6, Northern Road Sandakan Sabah Tel. No. : 089-21 5578	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel. No. : 088-23 6188	073-032

PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Name			Address and telephone number	Broker code
KENANGA BERHAD	INVESTMENT	BANK	1st Floor, Lot 40 (corner) Taman Nasalim, Phase 7A, Batu 5 Jalan Lintas Utara 90000 Sandakan Sabah Tel. No. : 089-46 4801	073-001
KENANGA BERHAD	INVESTMENT	BANK	Lot 66-0 (TB 15611-0) Ground Floor, Kubota Road 91000 Tawau Sabah Tel. No. : 089-70 4892	073 – 001
RHB INVESTMENT BANK BERHAD			2nd Floor 81 & 83, Jalan Gaya 88000 Kota Kinabalu Sabah Tel. No. : 088-26 9788	087-010
UOB KAY HIAN SECURITIES (M) SDN BHD			11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel. No. : 088-23 4090	078-011