

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF AME ELITE CONSORTIUM BERHAD (“AME” OR “COMPANY”) DATED 24 SEPTEMBER 2019 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Electronic Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/Printed Prospectus

Any applicant who is in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request for a paper/printed copy of the Prospectus directly from the Company or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from CIMB Investment Bank Berhad, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

The distribution of the Electronic Prospectus and the IPO are subject to Malaysia law. The Electronic Prospectus will not be distributed outside Malaysia. The Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Managing Underwriter, the Joint Underwriters and the Joint Bookrunners named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. Accordingly, the Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of the Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of the Electronic Prospectus and the sale of the Shares offered under the IPO in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of the Electronic Prospectus are required to inform themselves of and to observe such restrictions.

Close of Application

Applications will be accepted from **10.00 a.m.** on **24 September 2019** and will close at **5.00 p.m.** on **30 September 2019**. Should there be any material changes in relation to the Retail Offering, the Company will issue a supplementary prospectus detailing such material changes.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No shares will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

HEAD OFFICE ADDRESS

No.5, Jalan I-Park SAC 2,
Taman Perindustrian I-Park SAC,
81400 Senai,
Johor Darul Takzim

REGISTERED OFFICE ADDRESS

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

TEL : (+60)7 5959 666
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AME

AME ELITE CONSORTIUM BERHAD

PROSPECTUS



PROSPECTUS

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 128,134,800 ORDINARY SHARES ("SHARES") IN AME ELITE CONSORTIUM BERHAD ("AME") ("IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF AME ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING A PUBLIC ISSUE OF 85,423,000 NEW SHARES ("ISSUE SHARES") AND AN OFFER FOR SALE OF UP TO 42,711,800 EXISTING SHARES ("OFFER SHARES") INVOLVING:

- (A) RETAIL OFFERING OF 17,084,800 ISSUE SHARES TO BE OFFERED IN THE FOLLOWING MANNER:
- (i) 8,542,400 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC VIA BALLOTING; AND
 - (ii) 8,542,400 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES OF AME AND ITS SUBSIDIARIES ("AME GROUP");

AT THE RETAIL PRICE OF RM1.30 PER ISSUE SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO A REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS), IF THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE; AND

- (B) INSTITUTIONAL OFFERING OF UP TO 111,050,000 IPO SHARES TO BE OFFERED IN THE FOLLOWING MANNER:
- (i) 49,118,300 ISSUE SHARES TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY ("MITI"); AND
 - (ii) 19,219,900 ISSUE SHARES AND UP TO 42,711,800 OFFER SHARES TO MALAYSIAN INSTITUTIONAL AND SELECTED INVESTORS (OTHER THAN BUMIPUTERA INVESTORS APPROVED BY THE MITI);

AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"),

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS (AS DEFINED IN THIS PROSPECTUS). THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF THE RETAIL PRICE OR THE INSTITUTIONAL PRICE

*Principal Adviser, Joint Bookrunner, Managing Underwriter
and Joint Underwriter*



CIMB Investment Bank Berhad (18417-M)

Joint Bookrunner and Joint Underwriter



RHB Investment Bank Berhad (19663-P)

AME

AME ELITE CONSORTIUM BERHAD

(Company No. 1292815-W)

(Incorporated in Malaysia under the Companies Act, 2016)

NO SECURITIES WILL BE ALLOTTED OR ISSUED ON THE BASIS OF THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE, OPINIONS EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

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

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 "RISK FACTORS" SET OUT IN SECTION 7 OF THIS PROSPECTUS.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

www.ame-elite.com

THIS PROSPECTUS IS DATED 24 SEPTEMBER 2019

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", "Definitions" and "Glossary of Technical Terms" commencing on pages ix, xiii and xxi, respectively.

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and they confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

CIMB, being the Principal Adviser, Managing Underwriter and Joint Underwriter for the Retail Offering and Joint Bookrunner for the Institutional Offering in relation to our IPO, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of RHB in our IPO is limited to being a Joint Bookrunner for the Institutional Offering and a Joint Underwriter for the Retail Offering.

The valuation utilised for the purpose of our IPO should not be construed as an endorsement by the SC on the value of the subject assets.

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Form has also been lodged with the Registrar of Companies Malaysia, who takes no responsibility for its contents.

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws 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 person in relation to our Company.

Shares listed on Bursa Securities are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO for which any person set out in Section 236 of the CMSA is responsible.

Our Shares are classified as Shariah-compliant by the SC SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SC SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

You should not take the agreement by the Managing Underwriter and Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not 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 by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares being offered in our IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, the Promoters, the Selling Shareholders, the Principal Adviser, Joint Bookrunners, Managing Underwriter and Joint Underwriters 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 our Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Managing Underwriter, the Joint Underwriters and the Joint Bookrunners or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Managing Underwriter, the Joint Underwriters and Joint Bookrunners named in this Prospectus have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia. No action has been taken to permit any offering of our Shares based on this Prospectus in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it.

It shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection to it.

However, we reserve the right in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It will be your sole responsibility to consult your legal or other professional adviser on the laws to which our IPO or you are or might be subjected. Neither we nor the Promoters, the Selling Shareholders, the Principal Adviser, the Managing Underwriter, the Joint Underwriters and the Joint Bookrunners nor any other advisers in relation to our IPO accept any responsibility or liability if any application made by you will become illegal, unenforceable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

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

The Internet is not a fully secure medium. Your Internet Share Application 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 you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us 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, you acknowledge and agree that:

- (i) we do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of or the content or any data, files or other material provided on the Third-Party Internet Sites. You bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) we are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any terms of any agreements with the Third-Party Internet Sites. We are also not responsible for any loss or damage or cost that you 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, file or other material provided by the Third-Party Internet Sites; and
- (iii) any data, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (i) the Internet Participating Financial Institution is 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 Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is 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 you or other parties;
- (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; and
- (iii) the Internet Participating Financial Institution is 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 on your 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 Institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time / date
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 24 September 2019
Opening of the Institutional Offering ⁽¹⁾	24 September 2019
Closing of the Retail Offering	5:00 p.m., 30 September 2019
Closing of the Institutional Offering	1 October 2019
Price Determination Date	1 October 2019
Balloting of applications for our IPO Shares under the Retail Offering	2 October 2019
Allotment/Transfer of our IPO Shares to successful applicants	10 October 2019
Listing	14 October 2019

Note:

(1) *Other than the Institutional Offering to the Comerstone Investors. The Master Comerstone Placement Agreement for the acquisition of our IPO Shares by the Comerstone Investors was entered into on 3 September 2019.*

If there is any change to the timetable, we will advertise the notice of changes in widely circulated Bahasa Malaysia and English daily newspapers in Malaysia.

TABLE OF CONTENTS

PRESENTATION OF FINANCIAL AND OTHER INFORMATION	ix
FORWARD-LOOKING STATEMENTS	x
DEFINITIONS	xii
GLOSSARY OF TECHNICAL TERMS	xxi
CORPORATE DIRECTORY	xxiv
1. PROSPECTUS SUMMARY	1
1.1 Our business	1
1.2 Our competitive strengths	3
1.3 Future plans and strategies	3
1.4 Directors and key senior management	4
1.5 Promoters and substantial shareholders	5
1.6 Risk factors	6
1.7 Financial highlights	7
1.8 Dividend policy	8
1.9 Principal details of our IPO	9
1.10 Use of proceeds	10
2. DETAILS OF OUR IPO	11
2.1 Opening and closing of applications	11
2.2 Indicative timetable	11
2.3 Particulars of our IPO	11
2.4 Selling Shareholders	16
2.5 Basis of arriving at the price of our IPO Shares and refund mechanism	17
2.6 Dilution	18
2.7 Use of proceeds	20
2.8 Financial impact from use of proceeds	25
2.9 Brokerage, underwriting commission and placement fee	27
2.10 Details of underwriting, placement and lock-up arrangements	27
2.11 Trading and settlement in secondary market	32
3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	33
3.1 Promoters and substantial shareholders	33
3.2 Board of Directors	39
3.3 Board practice	59
3.4 Key senior management	63
3.5 Declaration by our Promoters, Directors and key senior management	73
3.6 Family relationships and/or associations between our Promoters, substantial shareholders, Directors and key senior management	73

TABLE OF CONTENTS *(Cont'd)*

4.	INFORMATION ON OUR GROUP	75
4.1	Our Company	75
4.2	Our Group structure	81
4.3	Our share capital	82
4.4	Our subsidiaries and jointly-controlled entity	82
5.	BUSINESS OVERVIEW	96
5.1	Overview and history	96
5.2	Our key business milestones	97
5.3	Our principal activities	99
5.4	Our competitive strengths	127
5.5	Our future plans and strategies	131
5.6	Our business segments and principal markets	139
5.7	Awards and accreditation	140
5.8	Seasonality	141
5.9	Our business and operation processes	142
5.10	Operating capacities and output	149
5.11	Types, sources and availability of materials and services	152
5.12	Technology used	153
5.13	Information on land and buildings	154
5.14	Major licenses and permits	154
5.15	Intellectual property	154
5.16	Key machinery and equipment	155
5.17	Marketing and distribution channel	156
5.18	Design and development	159
5.19	Interruptions to business and operations	159
5.20	Major customers	160
5.21	Major suppliers	161
5.22	Employees	163
5.23	Government laws and regulations	164
5.24	Repatriation of capital and remittance of profit	169
6.	INDUSTRY OVERVIEW	170
7.	RISK FACTORS	182
7.1	Risks relating to our business, operations and industry	182
7.2	Risks relating to our Shares and our Listing	192
8.	RELATED PARTY TRANSACTIONS	196
8.1	Our Group's related party transactions	196
8.2	Monitoring and oversight of related party transactions	205

TABLE OF CONTENTS (Cont'd)

9.	CONFLICTS OF INTEREST	207
9.1	Interest in similar business	207
9.2	Declaration by Advisers for our IPO	218
10.	FINANCIAL INFORMATION	220
10.1	Selected historical combined financial information	220
10.2	Capitalisation and indebtedness	224
10.3	Management's discussion and analysis of financial condition and results of operations	226
10.4	Liquidity and capital resources	292
10.5	Trend analysis	312
10.6	Dividend policy	313
10.7	Reporting Accountants' Report on the Pro Forma Statements of Financial Position	314
11.	ACCOUNTANTS' REPORT	327
12.	APPROVALS AND CONDITIONS	409
12.1	Approvals and conditions	409
12.2	Moratorium on our Shares	411
13.	VALUATION CERTIFICATES	412
14.	STATUTORY AND OTHER GENERAL INFORMATION	512
14.1	Share capital	512
14.2	Extract of our Constitution	512
14.3	No limitation on the right to own securities	518
14.4	General information.....	518
14.5	Material contracts	518
14.6	Material litigation	519
14.7	Public take-overs	519
14.8	Letters of consent	519
14.9	Documents available for inspection	520
14.10	Responsibility statements	520
15.	PROCEDURES FOR APPLICATION AND ACCEPTANCE	521
15.1	Opening and closing of application	521
15.2	Methods of applications	521
15.3	Eligibility	522
15.4	Procedures for application by way of application forms	523
15.5	Application by way of electronic share applications	524
15.6	Application by way of internet share applications	524
15.7	Authority of our Board and the Issuing House	524
15.8	Over / under-subscription	525

TABLE OF CONTENTS *(Cont'd)*

15.9	Unsuccessful / partially successful applicants	526
15.10	Successful applicants	527
15.11	Enquiries	528
ANNEXURE A:	LIST OF MATERIAL PROPERTIES	A – 1
ANNEXURE B:	LIST OF MAJOR LICENCES AND PERMITS	B – 1
ANNEXURE C:	LIST OF REGISTERED TRADEMARKS	C – 1

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” or “the Company” or “AME” are to AME Elite Consortium Berhad. All references to “our Group” or “the Group” or “AME Group” are made to our Company and our subsidiaries taken as a whole. All references to “we” or “us” or “our” or “ourselves” are to our Company and where the context otherwise requires, our Group.

All references to “Promoters” are to Lee Chai, Kang Ah Chee, Lim Yook Kim, Lee Sai Boon and Lim Pei Shi; and “Promoter” shall refer to any one or more of them.

All references to “Selling Shareholders” are to Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon; and “Selling Shareholder” shall refer to any one or more of them.

All references to “you” are to our prospective investors.

All references to “Government” are to the Government of Malaysia. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section. Words denoting the singular will, where applicable, include the plural and vice versa and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and vice versa. References to persons will, where applicable, include companies and corporations.

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 time, unless otherwise stated.

All references to the “LPD” in this Prospectus are to 27 August 2019, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on those information for the purpose of your decision whether or not to invest in our Shares.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate and our estimated market share in the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each of such cases, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originated from us. In particular, certain information in this Prospectus is extracted or derived from the report provided by Smith Zander as included in Section 6 of this Prospectus. We have appointed Smith Zander to provide an independent market and industry review relating to an overview of the economy and industry in which we operate. In compiling their data for the review, Smith Zander relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, 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 our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our management's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for the industrial factory units that we develop, fabricated steel structures and precast concrete that we produce, as well as our engineering and other services;
- (ii) our strategies and competitive position;
- (iii) our future financial position, earnings, cash flows and liquidity; and
- (iv) regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) activities and financial position of our customers, suppliers and other business partners;
- (ii) delays, cost overruns, shortages in labour and other changes that impact the execution of our expansion plans;
- (iii) possible delays in completion and collection of payments for our construction and engineering projects as well as property development projects;
- (iv) availability and fluctuations in the prices of raw materials;
- (v) project risks;
- (vi) interest rates and tax rates;
- (vii) future regulatory or government policy changes affecting us;
- (viii) competitive environment in the industry in which we operate;
- (ix) reliance on approvals, licenses and permits;
- (x) the general economic, business, social, political and investment environment in Malaysia;
- (xi) continued availability of capital and financing;
- (xii) finance costs;
- (xiii) fixed or contingent obligations and commitments;
- (xiv) changes in accounting standards and policies; and
- (xv) other factors beyond our control.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Additional factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking statements in this Prospectus include those discussed in Section 7 of this Prospectus on "Risk Factors" and Section 10.3 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot 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 LPD.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of IPO Shares, we will further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part 1 (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

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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:

ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AGM	:	Annual general meeting
AME or Company	:	AME Elite Consortium Berhad (Company No.: 1292815-W)
AME Group or Group	:	Collectively, AME and its subsidiaries, and jointly-controlled entity
Application Form	:	Application form for the application of our IPO Shares under the Retail Offering accompanying this Prospectus
ATM	:	Automated teller machine
Auditors or Reporting Accountants	:	KPMG PLT
Axis IE	:	Axis IE Sdn Bhd (Company No.: 1024705-K)
Baojia	:	Baojia New Energy Manufacturing Sdn Bhd (Company No.: 1324143-T), a company 50%-owned by Bi Shengyang
BCI	:	BCI New Energy Manufacturing Sdn Bhd (Company No.: 1312404-U), a company nominated by Shengda to enter into the Sub-Tenancy Agreement and whose obligations under the Sub-Tenancy Agreement shall also be observed by Shengda
Board	:	Board of Directors of our Company
Bumiputera	:	In the context of: <ul style="list-style-type: none"> (i) individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies, companies which fulfill, among others, the following criteria or such other criteria as may be imposed by the MITI: <ul style="list-style-type: none"> (a) registered under the Act or CA 1965 as a private company; (b) its shareholders are 100.0% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and (iii) cooperatives, cooperatives whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd

DEFINITIONS *(Cont'd)*

Bursa Securities	:	Bursa Malaysia Securities Berhad
CA 1965	:	Companies Act, 1965
CA 2016 or Act	:	Companies Act, 2016
CCC or CF	:	Certificate of completion and compliance or Certificate of fitness for occupation or such certificate by any other name issued by the relevant authority or person under the SDBA and any by-laws made under it or such relevant legislation applicable at the material time
CDS	:	Central Depository System
CDS Account	:	Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
CIDB	:	Construction Industry Development Board
CIDBA	:	Construction Industry Development Board Act, 1994
CIMB	:	CIMB Investment Bank Berhad (Company No. 18417-M)
CIPAA	:	Construction Industry Payment and Adjudication Act, 2012
CMSA	:	Capital Markets and Services Act, 2007
Constitution	:	Our Company's constitution as registered under the Act and as amended from time to time
Cornerstone Investors	:	Collectively, Affin Hwang Asset Management Berhad, Eastspring Investments Berhad and Tan Sri Datuk Seri Chua Ma Yu
CPC	:	Certificate of Practical Completion
Directors	:	Directors of our Company
DOSH	:	Department of Occupational Safety and Health, Ministry of Human Resources
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to CD-ROMs (Compact Disc - Read Only Memory)
Electronic Share Application	:	Application for our IPO Shares under the Retail Offering through a Participating Financial Institution's ATMs
Eligible Employees	:	Employees and directors of our Group who are eligible to participate in the Retail Offering

DEFINITIONS (Cont'd)

Eligible Persons	: Collectively, the Directors of our Company and Eligible Employees who are eligible to participate in the Retail Offering
EPS	: Earnings per share
EQA	: Environmental Quality Act, 1974
Equity Guidelines	: Equity Guidelines issued by the SC
Executive Director	: Executive director of our Company
Excess IPO Shares	: Any IPO Shares not taken up by the Eligible Persons
Existing Facility	: Our facility in Taman Teknologi, Johor for the fabrication of steel structures and precast concrete
FDI	: Foreign direct investment
Final Retail Price	: Final price per Issue Share to be paid by the investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
FMA	: Factories and Machineries Act, 1967
FRS	: Financial Reporting Standards
FYE	: Financial year ended
GDC	: Gross Development Cost
GDV	: Gross Development Value
GP	: Gross profit
HSE	: Health, safety and environment
IASB	: International Accounting Standards Board
ICA	: Industrial Co-ordination Act, 1975
IFRS	: International Financial Reporting Standards
IMR or Smith Zander	: Smith Zander International Sdn Bhd, an independent market researcher
IMR Report	: Independent market research report dated 4 September 2019 prepared by Smith Zander
Initial Public Offering or IPO	: Collectively, the Public Issue and Offer for Sale

DEFINITIONS (Cont'd)

Institutional Offering	:	Offering of up to 111,050,000 IPO Shares at the Institutional Price subject to clawback and reallocation provisions, to be allocated in the following manner:
		(i) 49,118,300 Issue Shares to Bumiputera investors approved by the MITI; and
		(ii) 19,219,900 Issue Shares and up to 42,711,800 Offer Shares to Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI)
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution	:	Participating financial institution for the Internet Share Application
Internet Share Application	:	Application for our IPO Shares through an Internet Participating Financial Institution
IPO Shares	:	Collectively, the Issue Shares and the Offer Shares
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
Issue Shares	:	New Shares to be issued by our Company under the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd (Company No.: 258345-X)
ISO	:	International Organisation for Standardisation, a non-government organisation based in Geneva, Switzerland, for assessing the quality systems of business organisations
IT	:	Information technology
Joint Bookrunners	:	Collectively, CIMB and RHB
Joint Underwriters	:	Collectively, CIMB and RHB
JV	:	Joint venture
LAA	:	Land Acquisition Act, 1960
Listing	:	Listing of and quotation for the entire enlarged issued share capital of our Company on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	27 August 2019, being the latest practicable date prior to the registration of this Prospectus

DEFINITIONS *(Cont'd)*

M&E	:	Mechanical & electrical
Main Market	:	Main Market of Bursa Securities
Malaysian Public	:	Malaysian citizens, companies, cooperatives, societies and institutions incorporated and organised under the laws of Malaysia
Managing Underwriter	:	CIMB
Market Day	:	A day on which Bursa Securities is open for trading of securities
MASB	:	Malaysian Accounting Standard Boards
Master Cornerstone Placement Agreement	:	Master cornerstone placement agreement dated 3 September 2019 between our Company, the Selling Shareholders, the Joint Bookrunners and each of the Cornerstone Investors for the subscription/ purchase of 29,000,000 IPO Shares
MCCG	:	Malaysian Code on Corporate Governance 2017
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of International Trade and Industry
MNC	:	Multinational corporation
N/A	:	Not applicable
NA	:	Net assets/ equity attributable to owners of the Company
NAV	:	Net asset value
NBV	:	Net book value
NCRPS	:	Non-cumulative redeemable preference shares
New Facility	:	A new precast concrete production facility being constructed on a piece of vacant industrial land next to our Existing Facility
NL	:	Net liabilities
NLC	:	National Land Code, 1965
Offer for Sale	:	Offer for sale of up to 42,711,800 Offer Shares by the Selling Shareholders
Offer Shares	:	Existing Shares to be offered by the Selling Shareholders under the Offer for Sale
Official List	:	A list specifying all securities listed on Bursa Securities
OHSA	:	Occupational Health and Safety Act, 1994

DEFINITIONS (Cont'd)

Participating Financial Institution	:	A participating financial institution for the Electronic Share Application
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholders and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
PE Multiple	:	Price-to-Earnings multiple
Principal Adviser	:	CIMB
Promoters	:	Collectively, Lee Chai, Kang Ah Chee, Lim Yook Kim, Lee Sai Boon and Lim Pei Shi
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 85,423,000 Issue Shares
R&D	:	Research and Development
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Relevant Period	:	Period from 1 April 2019 up to the LPD
Restructuring Agreement	:	Restructuring agreement dated 11 November 2018 for purposes of the Restructuring Exercise
Restructuring Exercise	:	Restructuring exercise involving the following: <ul style="list-style-type: none"> (i) acquisition of shares in the companies as described in Section 4.1.1; (ii) subscription of shares in the companies as described in Section 4.1.2; and (iii) capitalisation of the amounts due to parties as described in Section 4.1.3
Retail Offering	:	Offering of 17,084,800 Issue Shares at the Retail Price, subject to clawback and reallocation provisions, to be allocated in the following manner: <ul style="list-style-type: none"> (i) 8,542,400 Issue Shares made available for application by the Malaysian Public via balloting; and (ii) 8,542,400 Issue Shares made available for application by the Eligible Persons

DEFINITIONS (Cont'd)

Retail Price	:	Initial price of RM1.30 per Issue Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 2.3.4 of this Prospectus
RHB	:	RHB Investment Bank Berhad (Company No. 19663-P)
RPGTA	:	Real Property Gains Tax Act, 1976
Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
SAC	:	Senai Airport City
SC	:	Securities Commission Malaysia
SC SAC	:	Shariah Advisory Council of the SC
SDBA	:	Street, Drainage and Building Act, 1974
Selling Shareholders	:	Collectively, Lee Chai, Lim Yook Kim, Kang Ah Chee and Lee Sai Boon
Share Registrar	:	Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) (Company No.: 378993-D)
Shengda	:	Shengda New Energy Sdn Bhd (Company No.: 1323147-A), a company 100%-owned by Bi Shengyang
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SiLC	:	Southern Industrial and Logistics Clusters
SME	:	Small and medium enterprises
Sub-Tenancy Agreement	:	Sub-tenancy agreement dated 21 June 2019 entered into between AME Engineering and BCI as supplemented by a supplemental sub-tenancy agreement dated 21 June 2019 for the sub-let by AME Engineering of the designated floor area encompassing two production lines within our Existing Facility measuring 89,867.50 sq. ft. in total to BCI for the Tenancy Period. The above sub-tenancy agreement supercedes the intitial sub-tenancy agreement dated 24 April 2019 entered into between AME Engineering and Baojia as supplemented by a supplemental sub-tenancy agreement dated 15 May 2019. For further details on the Sub-Tenancy Agreement, please refer to Section 5.10 of this Prospectus
TCPA	:	Town and Country Planning Act, 1976

DEFINITIONS (Cont'd)

Tenancy Period : Tenancy period for one production line commencing from 2 May 2019, and for two production lines commencing from 16 July 2019 onwards until 1 May 2021 or within three months from the date of written notice to BCI of the completion of construction and handover of vacant possession of a factory unit in i-Park @ SAC sold to Shengda (estimated to be on 1 January 2020), whichever is earlier

Underwriting Agreement : Retail underwriting agreement dated 3 September 2019 between our Company, Managing Underwriter and the Joint Underwriters for the underwriting of our IPO Shares under the Retail Offering

Valuer or C H Williams Talhar & Wong : C H Williams Talhar & Wong Sdn Bhd

Subsidiaries

Active Gold : Active Gold Services Sdn Bhd (Company No. 781073-X)

AME Construction : AME Construction Sdn Bhd (Company No. 278191-X)

AME Development : AME Development Sdn Bhd (Company No. 803702-H)

AME Engineering : AME Engineering Industries Sdn Bhd (Company No. 833713-V)

AME Industrial Park : AME Industrial Park Sdn Bhd (Company No. 1015234-A)

AME Integrated : AME Integrated Sdn Bhd (Company No. 1014973-A) (formerly known as AME Properties Sdn Bhd)

Amsun Capital : Amsun Capital Sdn Bhd (Company No. 420614-A)

Amsun Industries : Amsun Industries Sdn Bhd (Company No. 410276-A)

Asiamost : Asiamost Sdn Bhd (Company No. 325663-D)

Asiamost Engineering : Asiamost Engineering Sdn Bhd (Company No. 411425-V)

I Stay Management : I Stay Management Sdn Bhd (Company No. 1081113-X)

Ipark Development : Ipark Development Sdn Bhd (Company No. 1018693-K)

LKL Industries : LKL Industries Sdn Bhd (Company No. 528940-U)

Symphony Square : Symphony Square Sdn Bhd (Company No. 1023620-W)

Tanjung Bebas : Tanjung Bebas Sdn Bhd (Company No. 831124-A)

Twin Sunrich : Twin Sunrich Sdn Bhd (Company No. 1022957-D)

DEFINITIONS *(Cont'd)*

Jointly-controlled entity

Axis AME IP : Axis AME IP Sdn Bhd (Company No. 1024700-M)

Currencies, units and others

EUR : Euro

RM and sen : Ringgit Malaysia and sen

SGD : Singapore Dollar

% : Per centum

m² : Square metre

m³ : Cubic metre

psf : Per square foot

sq ft : Square foot

sq m : Square metre

Conversion rate

1 sq m : 10.76391 sq ft

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GLOSSARY OF TECHNICAL TERMS

This glossary contains the explanation of certain terms used throughout this Prospectus in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings usage of these terms.

3D parametric model	:	A three dimensional design and modelling technology that links various design parameters to form a rule and allows the design to automatically adjust itself accordingly if there is a change of any one parameter
Aggregate	:	A category of construction material made out of a combination of, amongst others, sand, gravel, crushed stone and/or recycled concrete
As-built information	:	A set of drawings submitted by a contractor upon completion of a project, it reflects all the changes made during the construction process in terms of schedule, sizing, materials used and dimension measurements, amongst others
Batching plant	:	A facility to produce ready-mix concrete
Beams		Long horizontal steel or concrete, manufactured or shaped for use as parts of structures
BIM	:	Building Information Modelling, a 3D modelling process that connects architecture, engineering and construction professionals in planning, designing, constructing and managing buildings and infrastructure
Boom gate	:	A security barrier built at the entrance of a building, residential area or industrial park to block vehicle access
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
Cluster factory	:	A factory that is connected to other factories on two sides, i.e. the side and the back
CNC	:	Computer Numerical Control, a technology applied to machines to enable the computers to control the machines' operations for high precision machining processes
Detached factory	:	A standalone factory that is not connected to any other factories
DLP	:	Defects Liability Period, a period of time after a construction project has been completed where the contractor is obliged to return to the site to remedy defects, if any
Facade	:	The outward appearance of a building
Facial turnstile access control	:	A form of building access gate which only allows one person to pass at a time using facial recognition technology

GLOSSARY OF TECHNICAL TERMS (Cont'd)

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
Gantry crane	:	A structure used to straddle heavy objects
Gated and guarded industry park	:	A gated industrial park with perimeter fencing and enhanced security features such as visitor management system, smart card access system, CCTV 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
GBI	:	Green Building Index, an industry recognised green rating tool in Malaysia for buildings to promote sustainability in the built environment and raise awareness among developers, architects, engineers, planners, designers, contractors and the public on environmental issues
Geotechnical engineering	:	A branch of civil engineering that deals with earth materials such as soil and rocks
Granular soil	:	A type of loose soil (e.g. gravel and sand) with little or no clay content. It cannot be molded when moist and crumbles easily when dry
HVAC system	:	Heat, Ventilation and Air Conditioning system, a M&E system used to provide heating, air ventilation and cooling services to achieve indoor thermal comfort
i-Park	:	Being the brand used or authorised by the Group in respect of industrial park development projects, namely i-Park @ SiLC, i-Park @ Indahpura and i-Park @ SAC
Industrial clusters	:	Geographical concentration of firms, suppliers, related industries and specialised businesses with a common industry theme located within a particular location
Industry 4.0	:	Production or manufacturing based industries digitisation transformation, driven by connected technologies. Industry 4.0 introduces what is referred to as "smart factory" in which cyber physical systems monitor real time physical progress of the factory and are able to make decentralised decisions. Other terminology includes smart manufacturing
In rack sprinkler system	:	Sprinklers that are installed along a network of piping secured within a rack storage, usually in a warehouse
LAD	:	Liquidated and Ascertained Damages, damages due to a customer calculated at a rate as stated in the contract agreement when a construction contractor fails to deliver the completed work within a period stipulated in the said contract agreement
Leasehold	:	The description of a land in which private ownership is limited to a fixed number of years or term, whereby upon expiry, the ownership of the land will revert to the state in which it is situated

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Mechanical equipment framework	:	The structure or the frame of a mechanical equipment
Metal roofing	:	A corrugated metal sheet which is light in weight and used as roofing material
Mezzanine floor	:	An intermediary floor between the original floors of a building
Plywood	:	A wooden board consisting of two or more layers of wood glued and pressed together by having alternate directions of the wood grain
PPVC	:	Prefabricated prefinished volumetric construction
Precast concrete	:	A construction product produced by casting concrete in a mould offsite before sending to the construction site for installation
Purlin	:	A horizontal and longitudinal steel channel used for structural support in buildings
Retrofit	:	Modification works to an existing building by adding new features to the building to suit the occupant's business functions
SMATV	:	Single Master Antenna Television, used to supply and control the number and type of channels to multiple televisions

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality	Address
Tengku Azrina Binti Raja Abdul Aziz	Independent Non-Executive Chairperson	Malaysian	G-02, Villa Senibong, Jalan Senibong 1, Teluk Senibong, 81750, Masai, Johor Darul Takzim
Lee Chai	Group Managing Director	Malaysian	No. 15, Jalan Anjung 6, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim
Lim Yook Kim	Executive Director	Malaysian	No. 6, Jalan Anjung 2, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim
Kang Ah Chee	Executive Director	Malaysian	No. 12, Jalan Anjung 8/2, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim
Lee Sai Boon	Executive Director	Malaysian	No. 54, Jalan Anjung 4, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim
Lim Pei Shi	Alternate Director to Lim Yook Kim / Executive Director	Malaysian	No. 6, Jalan Anjung 2, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim
Chang Tian Kwang	Independent Non-Executive Director	Malaysian	No. 1, Jalan Tegap 3, Taman Gaya, 81800 Ulu Tiram, Johor Darul Takzim
Tan Lay Beng	Independent Non-Executive Director	Malaysian	No. 51, Taman Rambah, 82000 Pontian, Johor Darul Takzim
Wee Soon Chit	Independent Non-Executive Director	Malaysian	No. 9, Jalan Terentang Taman Kebun Teh, 80250 Johor Bahru, Johor Darul Takzim

CORPORATE DIRECTORY (Cont'd)**AUDIT AND RISK MANAGEMENT COMMITTEE**

Name	Designation	Directorship
Tan Lay Beng	Chairperson	Independent Non-Executive Director
Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson
Chang Tian Kwang	Member	Independent Non-Executive Director
Wee Soon Chit	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Wee Soon Chit	Chairperson	Independent Non-Executive Director
Tan Lay Beng	Member	Independent Non-Executive Director
Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson
Chang Tian Kwang	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Chang Tian Kwang	Chairperson	Independent Non-Executive Director
Tan Lay Beng	Member	Independent Non-Executive Director
Wee Soon Chit	Member	Independent Non-Executive Director
Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson

CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES : Chen Yew Ting
Professional qualification: The Malaysian Institute of
Chartered Secretaries and Administrators ("**MAICSA**")
(MAICSA membership no.: 0869733)

Santhi A/P Saminathan
Professional qualification: MAICSA
(MAICSA membership no.:7069709)

Suite 9D, Level 9,
Menara Ansar,
65, Jalan Trus,
80000 Johor Bahru,
Johor Darul Takzim
Tel. no.: (07) 224 1035

REGISTERED OFFICE : Suite 9D, Level 9,
Menara Ansar,
65, Jalan Trus,
80000 Johor Bahru,
Johor Darul Takzim
Tel. no.: (07) 224 1035

HEAD/MANAGEMENT OFFICE : No. 5, Jalan I-Park SAC 2,
Taman Perindustrian I-Park SAC,
81400 Senai,
Johor Darul Takzim
Tel. no.: (07) 5959 666
Website: www.ame-elite.com
E-mail: corporate@ame-elite.com

SELLING SHAREHOLDERS : Lee Chai
No. 15, Jalan Anjung 6, The Hills, Horizon Hills, 79100
Iskandar Puteri, Johor Darul Takzim

Kang Ah Chee
No. 12, Jalan Anjung 8/2, The Hills, Horizon Hills, 79100
Iskandar Puteri, Johor Darul Takzim

Lim Yook Kim
No. 6, Jalan Anjung 2, The Hills, Horizon Hills, 79100
Iskandar Puteri, Johor Darul Takzim

Lee Sai Boon
No. 54, Jalan Anjung 4, The Hills, Horizon Hills, 79100
Iskandar Puteri, Johor Darul Takzim

CORPORATE DIRECTORY (Cont'd)

AUDITORS AND REPORTING ACCOUNTANTS : KPMG PLT
Firm no.: LLP0010081-LCA & AF 0758
Level 3, CIMB Leadership Academy,
No. 3, Jalan Medini Utara 1,
Medini Iskandar,
79200 Iskandar Puteri,
Johor Darul Takzim
Tel. no.: (07) 266 2213

Partner-in-charge: Tan Teck Eng
Professional qualification: Member of the Malaysian
Institute of Accountants ("**MIA**")
(MIA membership no.: 23391)

PRINCIPAL ADVISER, JOINT BOOKRUNNER, MANAGING UNDERWRITER AND JOINT UNDERWRITER : CIMB Investment Bank Berhad
13th Floor, Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Tel. no.: (03) 2261 8888

JOINT BOOKRUNNER AND JOINT UNDERWRITER : RHB Investment Bank Berhad
Level 13, Tower Three,
RHB Centre,
Jalan Tun Razak,
50400 Kuala Lumpur
Tel. no.: (03) 9287 3888

SHARIAH ADVISER : CIMB Islamic Bank Berhad
13th Floor, Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Tel. no.: (03) 2261 8888

LEGAL ADVISERS : *To our Company*
Lee Hishammuddin Allen & Gledhill,
Level 6, Menara 1 Dutamas,
Solaris Dutamas,
No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur
Tel. no.: (03) 6208 5888

To the Joint Bookrunners, Managing Underwriter and Joint Underwriters
Wong Beh & Toh,
Level 19, West Block,
Wisma Golden Eagle Realty,
(formerly known as Wisma Selangor Dredging)
142-C Jalan Ampang,
50450 Kuala Lumpur
Tel. no.: (03) 2713 6050

CORPORATE DIRECTORY (Cont'd)

INDEPENDENT MARKET RESEARCHER : Smith Zander International Sdn Bhd,
15-01, Level 15, Menara MBMR,
1, Jalan Syed Putra,
58000 Kuala Lumpur
Tel. no.: (03) 2732 7537

Name of signing partner: Dennis Tan Tze Wen
(Please refer to Section 6 of this Prospectus for the profile of the firm and signing partner)

INDEPENDENT REGISTERED VALUERS ; C H Williams Talhar & Wong Sdn Bhd,
Suite 15B,
Level 15 Menara Ansar,
65, Jalan Trus,
80000 Johor Bahru,
Johor Darul Takzim
Tel. no.: (07) 224 3388

Valuer-in-charge: Lo Kin Weng
Professional qualification: Registered Valuer, Board of Valuers, Appraisers, Estate Agents and Property Managers (Membership no.: V0917)

SHARE REGISTRAR : Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan
Tel. no.: (03) 7849 0777

ISSUING HOUSE : Malaysian Issuing House Sdn Bhd
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan
Tel. no.: (03) 7841 8289

LISTING SOUGHT : Main Market

SHARIAH STATUS : Approved by the SC SAC

1. PROSPECTUS SUMMARY

This Prospectus summary only highlights the key information from other parts of this Prospectus. It does not contain all of the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding whether to invest in our Shares.

1.1 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 27 August 2018 as a public limited company under the name AME Elite Consortium Berhad.

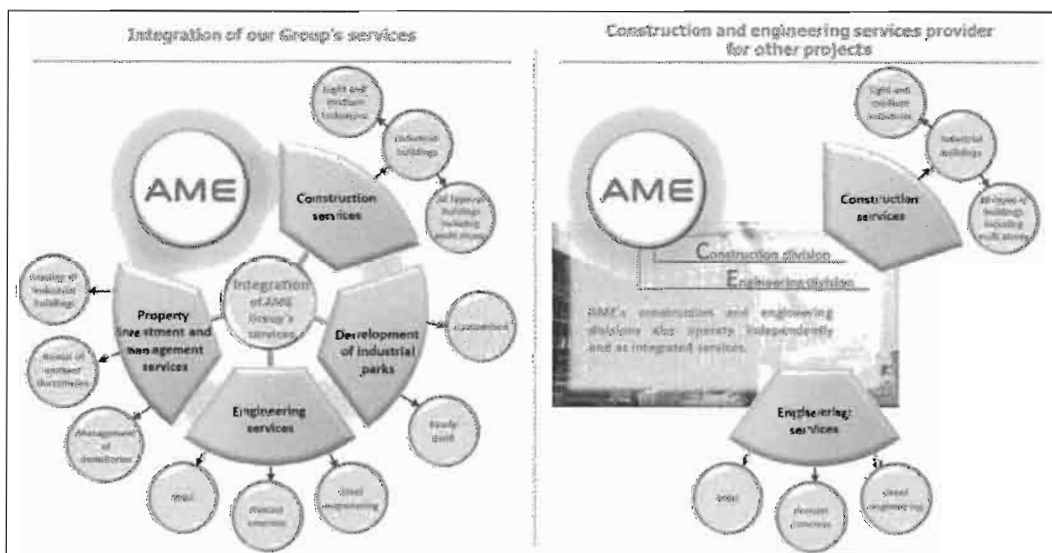
We are a construction and property group with core expertise in the construction of customised large manufacturing plants as well as design-and-build of industrial parks complemented by our offerings in engineering services and property investment and management services in Malaysia.

Our integrated business model and capabilities are the result of our evolution from a construction player in 1995 focusing on the customisation of industrial facilities. Since 2011, our property development business has benefited from the synergistic relationship with our in-house construction and engineering services divisions, which enable us to execute our industrial park development projects by delivering industrial buildings of high quality and in a cost-efficient and timely manner. Arising from our property development business, we have also developed a portfolio of investment properties and expanded our services offerings to include the management of workers' dormitories within our industrial parks.

The key attributes of our Group are interwoven by the principal activities of our subsidiaries, which are involved in the following businesses:

- (i) Construction of large manufacturing plants and industrial properties;
- (ii) Development of industrial parks and sale or lease of industrial factory units;
- (iii) Provision of engineering works and services which includes steel engineering works, precast concrete works and M&E engineering services; and
- (iv) Property investment and rental and management of workers' dormitories.

The following chart illustrates our integrated business model which involves the segments of construction services, industrial property development, engineering services as well as property investment and rental and management of workers' dormitories:



1. PROSPECTUS SUMMARY (Cont'd)

For further details of our history, group structure and business, please refer to Sections 4 and 5 of this Prospectus respectively.

The table below sets out details of the contributions of our business segments to our revenue for the financial years indicated.

	FYE 31 March							
	2016		2017		2018		2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Construction services segment⁽¹⁾								
• Construction of plants and industrial properties	157,964	63.38	206,958	69.23	214,049	62.71	233,670	68.93
Property development segment								
• Development of industrial parks and sale of industrial properties	15,074	6.05	37,207	12.45	85,430	25.03	43,143	12.73
Engineering services segment⁽¹⁾								
• Steel engineering and precast concrete works	30,130	12.09	9,255	3.09	9,558	2.80	19,975	5.89
• M&E engineering works	34,632	13.89	30,747	10.28	16,875	4.94	20,703	6.11
Property investment and management services segment								
• Letting/ leasing of properties	7,772	3.12	9,560	3.20	9,368	2.75	15,096	4.45
• Rental and management of workers' dormitories	3,671	1.47	5,231	1.75	6,040	1.77	6,426	1.89
Total revenue	249,243	100.00	298,958	100.00	341,320	100.00	339,013	100.00

Note:

(1) The aggregate revenue from our construction services segment and engineering services segment is classified as contract income in the Accountants' Report in Section 11 of this Prospectus.

Our construction services business was the main contributor to our revenue for the FYE 31 March 2016, 2017, 2018 and 2019. Nevertheless, we believe we are able to leverage on our competencies across our various businesses to gain competitive advantage in the property development business, which offers us higher gross profit margins as well as the ability to grow in a market which is less crowded and relatively less competitive as compared to construction and engineering services. Further, industrial park development acts as an enabler to our property investment and management businesses as we are able to retain properties in our development projects for investment or lease pending sale, and to generate additional rental income from the management of workers' dormitories. For details of our revenue and gross profit margin by business segments, please refer to Sections 10.3.5(i) and 10.3.5(iii) of this Prospectus. The segment profit and assets of our businesses are further set out in the Accountants' Report in Section 11 of this Prospectus.

1. PROSPECTUS SUMMARY *(Cont'd)*

1.2 OUR COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

- (i) Our expertise in the construction and engineering services enables us to capitalise on value engineering alternatives for our projects, and to offer this as service to our customers;
- (ii) We are able to provide a comprehensive suite of industrial property solutions for the development of industrial parks and construction of large manufacturing plants;
- (iii) We have a proven track record of attracting businesses and investments to our industrial parks and providing facilities and services that make our industrial park a desirable place for operations;
- (iv) We have the capability and credentials to replicate our business model within and outside of Johor; and
- (v) We have an experienced and hands-on management team.

For further details on our competitive strengths, please refer to Section 5.4 of this Prospectus.

1.3 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as set out below:

- (i) We plan to take advantage of the expected growth of the Malaysian economy and opportunities presented in the manufacturing industry to expand our industrial park development business;
- (ii) We plan to continue our focus on developing industrial parks that target multinational and local industrial companies and forming an integrated working and living community for the existing and future occupants of our industrial parks;
- (iii) We intend to expand our precast concrete business by increasing our precast concrete production capacity;
- (iv) We intend to expand our external income from our engineering services segment; and
- (v) We intend to strengthen and build our core portfolio of workers' dormitories.

For further details on our future plans and strategies, please refer to Section 5.5 of this Prospectus.

1. PROSPECTUS SUMMARY (Cont'd)

1.4 DIRECTORS AND KEY SENIOR MANAGEMENT**1.4.1 Directors**

As at the LPD, our Directors are as follows:

Name	Designation
Tengku Azrina Binti Raja Abdul Aziz	Independent Non-Executive Chairperson
Lee Chai	Group Managing Director
Lim Yook Kim	Executive Director
Kang Ah Chee	Executive Director
Lee Sai Boon	Executive Director
Lim Pei Shi	Alternate Director to Lim Yook Kim / Executive Director
Chang Tian Kwang	Independent Non-Executive Director
Tan Lay Beng	Independent Non-Executive Director
Wee Soon Chit	Independent Non-Executive Director

1.4.2 Key senior management

As at the LPD, our key senior management (other than Lim Pei Shi, who is also our Marketing Director, AME Development) are as follows:

Name	Designation
Lim Khai Wen	Managing Director, AME Engineering
Kang Koh Wei	Director, AME Construction
Gregory Lui Poh Sek	Group Financial Controller
Law Han Meng	Project Director, AME Construction
Razal Bin Ahmad	Deputy Managing Director, Asiamost
Teo Kian Jin	Project Director, AME Construction

For further details on our Directors and key senior management, please refer to Sections 3.1, 3.2 and 3.4 of this Prospectus, respectively.

1. PROSPECTUS SUMMARY (Cont'd)**1.5 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS**

The following table sets out the direct and indirect shareholdings of our Promoters and substantial shareholders before and after our IPO:

Nationality	Before our IPO				After our IPO			
	Direct		Indirect		Direct		Indirect	
	Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
<u>Promoters and substantial shareholders</u>								
Lee Chai	101,940,300	29.8	-	-	89,694,100	21.0	-	-
Lim Yook Kim	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Kang Ah Chee	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Lee Sai Boon	35,823,600	10.5	-	-	29,898,000	7.0	-	-
<u>Promoter</u>								
Lim Pei Shi ⁽¹⁾	-	-	-	-	(2)290,000	<0.1	-	-

Notes:

(1) Lim Pei Shi is the Alternate Director to Lim Yook Kim.

(2) Assuming full subscription for her entitlement of 290,000 Issue Shares under the allocation to the Eligible Persons of our Group.

For further details on our Promoters and substantial shareholders, please refer to Section 3.1 of this Prospectus.

1. PROSPECTUS SUMMARY *(Cont'd)*

1.6 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all the information contained in this Prospectus, including the following risk factors, before deciding to invest in our Shares.

1.6.1 Risks relating to our business, operations and industry

- (i) Our financial performance is dependent on our ability to secure new contracts and grow our order book;
- (ii) We are dependent on the performance of the property market and FDI in Malaysia;
- (iii) We may not be able to acquire suitable land bank for our future development projects;
- (iv) Our Group's industrial park development business and expansion plans are capital intensive and subject to our ability to raise capital;
- (v) There may be delays in the completion and the collection of payments for our construction and engineering projects as well as industrial property development;
- (vi) Our profitability may be affected by fluctuations in the market value of our properties;
- (vii) The cost of our projects may escalate due to increase in construction and labour costs resulting in cost overruns;
- (viii) We may achieve lower GDVs than estimated;
- (ix) We are exposed to inherent risks in the property investment industry;
- (x) Our plan to expand the fabrication capacity for our precast concrete business may not be successful;
- (xi) We are dependent on our Executive Directors and key senior management team to develop and grow our business;
- (xii) Our Group's existing business has concentrated exposure in Johor and we may not be successful in our business expansion plans;
- (xiii) We may not be able to secure services of experienced and competent consultants and sub-contractors at the right cost;
- (xiv) We may be adversely affected by disputes with our customers, sub-contractors suppliers and tenants;
- (xv) Our Group is subject to risks associated with joint ventures;
- (xvi) We may be involved in legal and other proceedings arising from our operations from time to time;
- (xvii) We may suffer uninsured losses or losses in excess of insured limits;

1. PROSPECTUS SUMMARY (Cont'd)

- (xviii) Environmental laws, regulations and standards may expose our Group and jointly-controlled entity to the risk of substantial costs and liabilities;
- (xix) We are subject to risks associated with the workers' dormitories; and
- (xx) Our Group's business operations may be affected by outbreaks of contagious or virulent disease.

1.6.2 Risks relating to our Shares and our Listing

- (i) No prior market for our Shares and it is uncertain whether an active or sustainable market will ever develop;
- (ii) Our Share price and trading volume may be volatile;
- (iii) The interest of our Promoters who control our Group may not be aligned with the interest of our shareholders;
- (iv) We may not be able to pay dividends to our shareholders; and
- (v) Failure or delay in our Listing.

For further details on our risk factors which should be carefully considered before investing in our Shares, please refer to Section 7 of this Prospectus.

1.7 FINANCIAL HIGHLIGHTS

The following table sets out the selected combined statements of comprehensive income of our Group for the FYE 31 March 2016, 2017, 2018 and 2019:

	FYE 31 March			
	2016	2017	2018	2019
	RM'000	RM'000	RM'000	RM'000
Revenue	249,243	298,958	341,320	339,013
Cost of sales	(195,127)	(217,033)	(248,612)	(244,960)
Gross profit	54,116	81,925	92,708	94,053
PBT	41,118	74,534	95,219	72,591
PAT	32,612	57,104	78,215	50,989
EBITDA	45,472	80,174	101,287	81,372
EBITDA margin (%)	18.24	26.82	29.68	24.00
GP margin (%)	21.71	27.40	27.16	27.74
PBT margin (%)	16.50	24.93	27.90	21.41
PAT margin (%)	13.08	19.10	22.92	15.04

1. PROSPECTUS SUMMARY (Cont'd)

In addition, the table below sets out the selected financial information of the combined statements of financial position of our Group as at 31 March 2016, 2017, 2018 and 2019:

	FYE 31 March			
	2016	2017	2018	2019
	RM'000	RM'000	RM'000	RM'000
Total non-current assets	196,853	285,220	370,192	418,277
Total current assets	323,970	511,254	487,336	475,104
Total assets	520,823	796,474	857,528	893,381
Total non-current liabilities	73,333	231,951	209,833	214,260
Total current liabilities	143,076	237,053	252,011	242,446
Total liabilities	216,409	469,004	461,844	456,706
Net current assets	180,894	274,201	235,325	232,658
Equity attributable to owners of our Company	304,507	308,090	369,061	406,409
Non-controlling interests	(93)	19,380	26,623	30,266
Total equity	304,414	327,470	395,684	436,675
Issued capital and reserves	304,414	327,470	395,684	436,675

For further financial information in relation to our Group, please refer to Section 10 of this Prospectus.

1.8 DIVIDEND POLICY

No inference should be made from any of the following statements as to our actual future profitability or our ability to pay dividends in the future.

As we are a holding company, our income and ability to pay dividends are dependent upon the dividends received from our subsidiaries and/or jointly-controlled entity. The payment of dividends by our subsidiaries and/or jointly-controlled entity is dependent upon their distributable profits, financial performance and cash flow requirements for operations and capital expenditure as well as other factors.

It is the intention of our Board to recommend and distribute a dividend of at least 20.00% of our annual adjusted PAT attributable to shareholders of our Company which will be computed based on our annual audited PAT attributable to the shareholders of our Company less any fair value gain on our investment properties. Any dividend declared will be subject to recommendation of our Board and any final dividends declared will be subject to the approval of our shareholders at our annual general meeting.

You should take note that this dividend policy merely describes our current intention and shall not constitute legally binding statements in respect of our future dividends that are subject to our Board's absolute discretion.

Actual dividends proposed and declared may vary depending on our financial performance and cash flows, and may be waived if the payment of the dividends would adversely affect our cash flows and operations. There is no dividend restriction being imposed on our Group currently.

1. PROSPECTUS SUMMARY *(Cont'd)*

For the factors which may affect or restrict our ability to pay dividends, please refer to Section 7.2.5 of this Prospectus.

1.9 PRINCIPAL DETAILS OF OUR IPO

1.9.1 Institutional Offering

The Institutional Offering involves the offering of up to 111,050,000 IPO Shares, representing up to around 26.0% of our enlarged issued share capital, subject to clawback and reallocation provisions as set out in Section 2.3.4 of this Prospectus, at the Institutional Price in the following manner:

- (i) 49,118,300 Issue Shares to Bumiputera investors approved by the MITI; and
- (ii) 19,219,900 Issue Shares and up to 42,711,800 Offer Shares to Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI).

1.9.2 Retail Offering

The Retail Offering involves the offering of 17,084,800 IPO Shares, representing around 4.0% of our enlarged issued share capital, subject to clawback and reallocation provisions as set out in Section 2.3.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

8,542,400 Issue Shares, representing around 2.0% of our enlarged issued share capital, have been reserved for application by the Eligible Persons.

(ii) Allocation via balloting to the Malaysian Public

8,542,400 Issue Shares, representing around 2.0% of our enlarged issued share capital, are reserved for application by the Malaysian Public, of which 4,271,200 Issue Shares have been set aside for application by Bumiputera citizens, companies, cooperatives, societies and institutions.

1.9.3 Moratorium on our Shares

In accordance with the Equity Guidelines, Lee Chai, Kang Ah Chee, Lim Yook Kim, Lee Sai Boon and Lim Pei Shi will not be allowed and have undertaken not to sell, transfer or assign their entire aggregate shareholdings of up to 299,270,300 Shares, representing around 70.1% of our enlarged issued share capital at the date of our Listing, for a period of six months from the date of our Listing.

For further details relating to our IPO and moratorium on our Shares, please refer to Sections 2.3 and 11.2 of this Prospectus, respectively.

1. PROSPECTUS SUMMARY (Cont'd)**1.10 USE OF PROCEEDS**

We expect to use the gross proceeds from the Public Issue amounting to about RM111.1 million⁽¹⁾ in the following manner:

<u>Details of use of proceeds</u>	<u>Estimated timeframe for the use of proceeds upon Listing</u>	<u>RM'000</u>	<u>% of total gross proceeds from the Public Issue</u>
Future industrial property development and investment projects including land acquisitions and joint ventures	Within 36 months	69,050	62.2
Working capital for our i-Park @ SAC development project	Within 12 to 36 months	23,000	20.7
Complete the expansion of our precast concrete fabrication capacity	Within 12 months	9,000	8.1
Estimated listing expenses	Within 6 months	10,000	9.0
Total		111,050	100.0

Note:

(1) Assuming that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to about RM55.5 million will accrue entirely to the Selling Shareholders.

For further details on our use of proceeds from the Public Issue, please refer to Section 2.7 of this Prospectus.

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2. DETAILS OF OUR IPO

2.1 OPENING AND CLOSING OF APPLICATIONS

Application for the Issue Shares under the Retail Offering will open at 10.00 a.m. on 24 September 2019 and will remain open until 5.00 p.m. on 30 September 2019.

Should there be any material changes in relation to the Retail Offering, our Company will issue a supplementary prospectus detailing such material changes.

2.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time / date
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 24 September 2019
Opening of the Institutional Offering ⁽¹⁾	24 September 2019
Closing of the Retail Offering	5:00 p.m., 30 September 2019
Closing of the Institutional Offering	1 October 2019
Price Determination Date	1 October 2019
Balloting of applications for our IPO Shares under the Retail Offering	2 October 2019
Allotment/Transfer of our IPO Shares to successful applicants	10 October 2019
Listing	14 October 2019

Note:

(1) *Other than the Institutional Offering to the Comerstone Investors. The Master Comerstone Placement Agreement for the acquisition of our IPO Shares by the Comerstone Investors was entered into on 3 September 2019.*

If there is any change to the timetable, we will advertise the notice of changes in widely circulated Bahasa Malaysia and English daily newspapers in Malaysia.

2.3 PARTICULARS OF OUR IPO

Our IPO of up to 128,134,800 IPO Shares, representing up to about 30.0% of the enlarged issued share capital of our Company, comprising the Offer for Sale of up to 42,711,800 Offer Shares and the Public Issue of 85,423,000 Issue Shares are offered in the manner set out below, subject to the clawback and reallocation provisions set out in Section 2.3.4 of this Prospectus.

2.3.1 Institutional Offering

Institutional Offering at the Institutional Price payable in full upon allocation and determined by way of bookbuilding.

Our Company and the Selling Shareholders are offering up to 111,050,000 IPO Shares, representing up to about 26.0% of the enlarged issued share capital of our Company, subject to the clawback and reallocation provisions as set out in Section 2.3.4 of this Prospectus, at the Institutional Price in the following manner:

(i) 49,118,300 Issue Shares to Bumiputera investors approved by the MITI; and

2. DETAILS OF OUR IPO (Cont'd)

- (ii) 19,219,900 Issue Shares and up to 42,711,800 Offer Shares to Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI).

As part of the Institutional Offering, on 3 September 2019, our Company, the Selling Shareholders and CIMB (being one of the Joint Bookrunners) entered into a Master Cornerstone Placement Agreement with the Cornerstone Investors for the subscription/ purchase by the Cornerstone Investors of an aggregate of 29,000,000 IPO Shares, representing about 6.8% of our enlarged issued share capital at the Institutional Price, on the terms and conditions set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements. None of the Cornerstone Investors will individually acquire 5% or more of our Company's enlarged issued share capital under the individual cornerstone placement agreements.

The individual cornerstone placement agreements are conditional upon, among others, the Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

2.3.2 Retail Offering

Retail Offering at the Retail Price of RM1.30 per Share, payable in full upon application. If the Final Retail Price is less than the Retail Price, the difference will be refunded to the investors.

The Retail Offering involves the offering of 17,084,800 IPO Shares, representing about 4.0% of the enlarged issued share capital of our Company, subject to the clawback and reallocation provisions as set out in Section 2.3.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

8,542,400 Issue Shares, representing about 2.0% of our enlarged issued share capital, are reserved for application by our Directors and eligible employees of our Group in the following manner:

Eligible Persons ⁽¹⁾	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Our Directors ⁽²⁾	5	1,090,000
Eligible Employees ⁽³⁾	239	7,452,400
Total	244	8,542,400

Notes:

(1) *Subject to the basis as set out in the clawback and reallocation provisions in Section 2.3.4 of this Prospectus, all the Eligible Persons are eligible to apply for any amount of Excess IPO Shares made available to the Eligible Persons over and above their pre-determined allocation.*

(2) *The allocation of Issue Shares to our Directors is as follows:*

Name	Designation	No. of Issue Shares allocated
Tengku Azrina Binti Raja Abdul Aziz	Independent Non-Executive Chairperson	200,000
Tan Lay Beng	Independent Non-Executive Director	200,000
Chang Tian Kwang	Independent Non-Executive Director	200,000
Wee Soon Chit	Independent Non-Executive Director	200,000
Lim Pei Shi	Executive Director / Alternate Director to Lim Yook Kim	290,000

2. DETAILS OF OUR IPO (Cont'd)

The criteria for allocation to the abovementioned Directors are based on, amongst others, their respective roles and responsibilities to our Group.

Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon will not be subscribing for any IPO Shares as they collectively will hold about 70.0% of our enlarged number of issued Shares at Listing.

- (3) The criteria for allocation to the Eligible Employees (as approved by our Board) are based on the following factors:
- (a) the Eligible Employee must be a full time confirmed employee and on the payroll of our Group and who has not submitted his/her resignation as at the date of this Prospectus; and
 - (b) the number of IPO Shares allocated to the Eligible Employee is based on, amongst others, his/her performance, seniority within our Group as well as contributions leading up to our Listing.

(ii) Allocation via balloting to the Malaysian Public

8,542,400 Issue Shares, representing about 2.0% of our enlarged issued share capital, are reserved for application by the Malaysian Public, of which 4,271,200 Issue Shares have been set aside for application by Bumiputera citizens, companies, cooperatives, societies and institutions.

2.3.3 Allocation of our IPO Shares

A summary of our IPO Shares to be issued/transferred under our IPO, subject to the clawback and reallocation provisions as set out in Section 2.3.4 of this Prospectus, is indicated in the table below:

Categories	Offer for Sale		Public Issue		Total	
	No. of Shares	(1)% of our enlarged share capital	No. of Shares	(1)% of our enlarged share capital	No. of Shares	(1)% of our enlarged share capital
Retail Offering:						
Eligible Persons:						
- Our Directors	-	-	1,090,000	0.3	1,090,000	0.3
- Eligible Employees	-	-	7,452,400	1.7	7,452,400	1.7
Malaysian Public (via balloting):						
- Bumiputera	-	-	4,271,200	1.0	4,271,200	1.0
- Non-Bumiputera	-	-	4,271,200	1.0	4,271,200	1.0
Sub-total	-	-	17,084,800	4.0	17,084,800	4.0
Institutional Offering:						
Bumiputera investors approved by the MITI	-	-	49,118,300	11.5	49,118,300	11.5
Other Malaysian institutional and selected investors	42,711,800	10.0	19,219,900	4.5	61,931,700	14.5
Sub-total	42,711,800	10.0	68,338,200	16.0	111,050,000	26.0
Total	42,711,800	10.0	85,423,000	20.0	128,134,800	30.0

2. DETAILS OF OUR IPO (Cont'd)

Note:

(1) Based on the enlarged issued share capital of our Company of 427,115,101 Shares.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 2.3.7 of this Prospectus.

2.3.4 Clawback and reallocation

The Retail Offering and Institutional Offering will be subject to the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to Bumiputera investors approved by the MITI are not fully taken up, our IPO Shares which are not taken up may be made available to other Malaysian institutional and selected investors under the Institutional Offering;
- (ii) subject to item (i) above, if there is an over-subscription in the Retail Offering and an under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iii) if there is an over-subscription in the Institutional Offering and an under-subscription in the Retail Offering, our IPO Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription in both the Institutional Offering and the Retail Offering.

Any IPO Shares not taken up by the Eligible Persons will be made available for application by the other Eligible Persons who have applied for Excess IPO Shares over and above their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

- (a) firstly, allocation on a pro-rata basis to the Eligible Persons who have applied for the Excess IPO Shares based on the number of Excess IPO Shares applied for; and
- (b) secondly, to minimise odd lots.

Our Board reserves the right to allot any Excess IPO Shares applied for in such manner as it may deem fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) and (b) above is achieved. Our Board also reserves the right to accept or reject any Excess IPO Shares applied for, in full or in part, without assigning any reason.

Thereafter, any Excess IPO Shares which are not taken up by or allocated to the Eligible Persons will be made available for application by the Malaysian Public under the Retail Offering, with any remaining IPO Shares to be underwritten by the Underwriter, subject to the clawback and reallocation provisions.

2. DETAILS OF OUR IPO (Cont'd)

2.3.5 Share capital

Upon the completion of our IPO, our share capital would be as follows:

	<u>No. of Shares</u>	<u>RM</u>
Total number of issued Shares and share capital:		
- As at the date of this Prospectus	341,692,101	512,537,651
- To be issued under the Public Issue	85,423,000	⁽¹⁾ 111,049,900
Enlarged issued share capital upon Listing	<u>427,115,101</u>	<u>⁽¹⁾623,587,551</u>

Note:

(1) Assuming the Final Retail Price and the Institutional Price are equivalent to the Retail Price.

2.3.6 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

The Issue Shares will, upon allotment and issue, rank equally in all respects with our other existing issued Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable rules of the Bursa Depository.

The Offer Shares rank equally in all respects with our existing issued Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable rules of the Bursa Depository.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders will, in proportion to the number of Shares held by them, be entitled to share in the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders will be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. On a show of hands, each one of our shareholders present either in person, by proxy, by attorney or by other duly authorised representative will have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or other duly authorised representative will have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

2.3.7 Minimum subscription level

There is no minimum subscription in terms of proceeds to be raised by our Company and the Selling Shareholders from our IPO. However, to comply with the public spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders for our Company to comply with public spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, a minimum of 25% of our Shares are required to be held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

2. DETAILS OF OUR IPO (Cont'd)

If the public shareholding spread requirement is not met following our IPO, and/ or if we and the Selling Shareholders decide in our absolute discretion not to proceed with our IPO, monies paid in respect of any application for our IPO Shares will be returned in full without interest and if such monies are not returned in full within 14 days after our Company and the Selling Shareholders become liable to do so, in accordance with the provisions of Sub-section 243(2) of the CMSA, then our Company, the officers of our Company and the Selling Shareholders, will be jointly and severally liable to return such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

2.4 SELLING SHAREHOLDERS

Our shareholders who are offering the Offer Shares, their material relationships with our Company since incorporation as well as shareholdings after our IPO are as follows:

Selling Shareholder	Material relationship with our Company	After the Restructuring Exercise and before our IPO		Shares offered under the Offer for Sale		After our IPO	
		No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Lee Chai No. 15, Jalan Anjung 6, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim	Promoter, Group Managing Director and substantial shareholder	101,940,300	29.8	12,246,200	2.8	89,694,100	21.0
Lim Yook Kim No. 6, Jalan Anjung 2, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim	Promoter, Executive Director and substantial shareholder	101,964,100	29.8	12,270,000	2.9	89,694,100	21.0
Kang Ah Chee No. 12, Jalan Anjung 8/2, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim	Promoter, Executive Director and substantial shareholder	101,964,100	29.8	12,270,000	2.9	89,694,100	21.0
Lee Sai Boon No. 54, Jalan Anjung 4, The Hills, Horizon Hills, 79100 Iskandar Puteri, Johor Darul Takzim	Promoter, Executive Director and substantial shareholder	35,823,600	10.5	5,925,600	1.4	29,898,000	7.0

Notes:

(1) Based on our existing number of Shares in issue of 341,692,101 Shares.

(2) Based on our enlarged number of Shares in issue of 427,115,101 Shares.

2. DETAILS OF OUR IPO (Cont'd)

2.5 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM**2.5.1 Institutional Price**

The Institutional Price will be determined by a bookbuilding process where prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on 24 September 2019 and will end on 1 October 2019. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Bookrunners on the Price Determination Date.

2.5.2 Retail Price

Our Directors, Selling Shareholders and Joint Bookrunners have determined and agreed on the Retail Price of RM1.30 per IPO Share based on the following factors:

- (i) our pro forma NA per Share of about RM1.32 as at 31 March 2019 based on our enlarged number of issued Shares arising from our Listing of 427,115,101 Shares, representing a price-to-book ratio of about 0.98 times based on the Retail Price;
- (ii) our Group's EPS of about RM0.11 based on our consolidated PAT attributable to the owners of the Company of about RM47.3 million for FYE 31 March 2019 and our enlarged number of issued Shares arising from our Listing of 427,115,101 Shares, which translate into a PE Multiple of about 11.73 times for FYE 31 March 2019;
- (iii) our competitive strengths as set out in Section 5.4 of this Prospectus; and
- (iv) our future plans and strategies to grow our business as set out in Section 5.5 of this Prospectus.

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

- (i) the Retail Price of RM1.30 per IPO Share; or
- (ii) the Institutional Price,

subject to rounding to the nearest sen.

If 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 out in Section 2.5.3 of this Prospectus.

Prospective retail investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price of RM1.30 per IPO Share.

The Final Retail Price and the Institutional Price are expected to be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network (Bursa LINK). 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 for the Issue Shares.

2. DETAILS OF OUR IPO (Cont'd)

You should note that the market price of our Shares upon Listing is subject to market forces and other uncertainties. You are reminded to consider the risk factors as set out in Section 7 of this Prospectus.

2.5.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and Final Retail Price will be refunded to the successful applicants without any interest. For applications made via the Application Form, the refund will be credited into the successful applicants' bank accounts for purposes of cash dividend/distribution if the successful applicants have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to the successful applicants' address maintained with Bursa Depository if the successful applicants have not provided such bank account information to Bursa Depository. For applications made via the Electronic Share Application or Internet Share Application, the refund will be credited into the accounts of the successful applicants with the Participating Financial Institution or the Internet Participating Financial Institution, respectively. All refunds will be made within 10 Market Days from date of final ballot of applications, at the successful applicants' own risk.

2.5.4 Expected market capitalisation

Based on the Retail Price of RM1.30, the total market capitalisation of our Company upon Listing is estimated at RM555.2 million.

2.6 DILUTION

Dilution is the amount by which the price paid by retail, institutional and selected investors for our Shares exceeds our pro forma NA per Share after our IPO. Our pro forma NA per Share as at 31 March 2019 was about RM1.35, based on the total number of issued Shares of 341,692,101 Shares before adjusting for our IPO.

After taking into account our enlarged number of issued Shares from the issuance of 85,423,000 Issue Shares under the Public Issue, and after adjusting for the expenses relating to our IPO, our pro forma NA per Share as at 31 March 2019 (based on our enlarged number of issued Shares of 427,115,101 Shares) would be RM1.32. This represents a dilution to the NA per Share of RM0.03 to our existing shareholders and for illustrative purposes, an immediate increase in NA per Share of RM0.02, representing about 1.54% of the Retail Price and the Institutional Price (assuming the Institutional Price and the Final Retail Price will be the Retail Price), to the retail, institutional and selected investors. For details on our NA per Share, see Section 10.7 of this Prospectus.

The table below illustrates such dilution on a per Share basis:

	RM
Assumed Final Retail Price/Institutional Price	1.30
Pro forma NA per Share as at 31 March 2019, before adjusting for our IPO	1.35
Pro forma NA per Share as at FYE 31 March 2019 after adjusting for our IPO and the expenses relating to our IPO	1.32
Dilution in pro forma NA per Share to existing shareholders	0.03
Increase in pro forma NA per Share to retail/institutional and selected investors	0.02
Increase in pro forma NA per Share to retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	1.54%

2. DETAILS OF OUR IPO (Cont'd)

Save as disclosed below, none of our Promoters, substantial shareholders, Directors, key senior management personnel or persons connected with them have acquired or have been granted the right to acquire any of our Shares from the date of our incorporation to the date of this Prospectus:

	No. of Shares held after the Restructuring Exercise and before our IPO	⁽²⁾ No. of Shares from our IPO	Total consideration RM	Effective cost per Share RM
Promoters/ substantial shareholders/ Directors				
Lee Chai	⁽¹⁾ 101,940,300	⁽³⁾ -	152,910,300	1.50
Kang Ah Chee	⁽¹⁾ 101,964,100	⁽³⁾ -	152,946,000	1.50
Lim Yook Kim	⁽¹⁾ 101,964,100	⁽³⁾ -	152,946,000	1.50
Lee Sai Boon	⁽¹⁾ 35,823,600	⁽³⁾ -	53,735,350	1.50
Lim Pei Shi	-	290,000	377,000	⁽⁵⁾ 1.30
Directors				
Tengku Azrina Binti Raja Abdul Aziz	-	200,000	260,000	⁽⁵⁾ 1.30
Tan Lay Beng	-	200,000	260,000	⁽⁵⁾ 1.30
Chang Tian Kwang	-	200,000	260,000	⁽⁵⁾ 1.30
Wee Soon Chit	-	200,000	260,000	⁽⁵⁾ 1.30
Key senior management personnel				
Lim Khai Wen	-	325,200	422,760	⁽⁵⁾ 1.30
Kang Koh Wei	-	325,200	422,760	⁽⁵⁾ 1.30
Gregory Lui Poh Sek	-	242,000	314,600	⁽⁵⁾ 1.30
Law Han Meng	-	313,000	406,900	⁽⁵⁾ 1.30
Razal Bin Ahmad	-	290,000	377,000	⁽⁵⁾ 1.30
Teo Kian Jin	-	313,000	406,900	⁽⁵⁾ 1.30
Retail/ institutional and selected investors				
Retail Offering	-	⁽⁴⁾ 17,084,800	22,210,240	⁽⁵⁾ 1.30
Institutional Offering	-	111,050,000	144,365,000	⁽⁵⁾ 1.30

Notes:

- (1) Issued arising from the Restructuring Exercise.
- (2) Assuming all the Issue Shares reserved for application by Eligible Persons are fully subscribed.
- (3) Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon are the Selling Shareholders and will not be subscribing for any IPO Shares under our IPO.
- (4) Including the Issue Shares reserved for application by Eligible Persons.
- (5) Assuming the Institutional Price and the Final Retail Price will be equal to the Retail Price.

2. DETAILS OF OUR IPO (Cont'd)

2.7 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue of about RM111.1 million⁽¹⁾ in the following manner:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	RM'000	% of total gross proceeds from the Public Issue
Future industrial property development and investment projects including land acquisitions and joint ventures	Within 36 months	69,050	62.2
Working capital for our i-Park @ SAC development project	Within 12 to 36 months	23,000	20.7
Complete the expansion of our precast concrete fabrication capacity	Within 12 months	9,000	8.1
Estimated listing expenses	Within 6 months	10,000	9.0
Total		111,050	100.0

Note:

(1) Assuming that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Price. If the actual proceeds are higher than budgeted above, the excess will be used for future industrial property development and investment projects including land acquisitions and joint ventures. Conversely, if the actual proceeds are lower than budgeted above, the proceeds allocated for future industrial property development and investment projects including land acquisitions and joint ventures will be reduced accordingly.

To the extent that the gross proceeds from the Public Issue are not immediately required for the above purposes, we will place such funds in interest-bearing fixed deposit accounts with licensed financial institutions or in short-term money market instruments. However, if we are unable to effect any part of our future development plans as intended in Section 2.7.1 of this Prospectus or if we have proceeded with the construction of the clubhouse located within our i-Park @ SAC industrial park as described in Section 2.7.2 of this Prospectus or Phase 2 of the New Facility as described in Section 2.7.3 of this Prospectus using our internally generated funds and/or external borrowings prior to the implementation of the Public Issue, the remaining proceeds will be used for working capital purposes.

In addition, we will provide a status update on the use of proceeds raised from the Public Issue, including the status and progress of the clubhouse and the New Facility as set out in Sections 2.7.2 and 2.7.3 of this Prospectus, through our quarterly reports announced to Bursa Securities and in our annual reports.

We will not receive any proceeds from the Offer Shares sold by the Selling Shareholders in our IPO. Assuming the Institutional Price will be the same as the Retail Price of RM1.30 per IPO Share, the gross proceeds of up to about RM55.5 million from the Offer for Sale will accrue entirely to the Selling Shareholders. The Selling Shareholders will be bearing their own placement fees in respect of our IPO, which is estimated to be about RM1.1 million. Save for the placement fees in respect of the Offer Shares offered by the Selling Shareholders in our IPO, the rest of the estimated listing expenses will be borne by us. The net proceeds attributable to the Selling Shareholders for the sale of the Offer Shares (after deducting the Selling Shareholders' share of the estimated listing expenses of about RM1.1 million) will be about RM54.4 million.

2. DETAILS OF OUR IPO (Cont'd)

2.7.1 Future industrial property development and investment projects including land acquisitions and joint ventures

We are committed to becoming a leading industrial park developer in Malaysia. Our Directors intend to focus on property development as part of the growth plans of our Group as it enables us to maximise the usage of resources across all our business segments in development, construction, engineering and dormitory management. Having a business model which includes property development also allows us to benefit from cross-selling and cost-savings across our portfolio of complementary businesses.

Our focus and positioning towards the development of industrial parks enables us to capitalise on the higher profit margins from the development of industrial parks and grow in a market which is less crowded and relatively less competitive as compared to construction and engineering services. For the FYE 31 March 2016, 2017, 2018 and 2019, the gross profit margin from our property development business was 40.2%, 64.4%, 32.3% and 50.2%, respectively. Further, industrial park development creates a platform for us to diversify our sources of income through the growth of our portfolio of investment properties that provide recurrent income and long-term capital appreciation to our Group.

Accordingly, we aim to expand our property development business model, which consists of the development of industrial parks and the sale and lease of industrial properties currently in Johor, to other states in Peninsular Malaysia within the next 36 months following our Listing. This would also enable us to expand our customer reach to include business operators, financial investors and REITs as well as to cater to their needs through the provision of both design-and-build capabilities and sale or lease options for our industrial buildings.

Our Directors also believe that having a spread of industrial parks in various geographical locations at various stages of development and of varying construction duration, phasing and anticipated completion ensures business sustainability and continuous revenue. In addition, holding an appropriate amount of investment properties would create additional sources of income through recurrent rental income and long-term capital appreciation to our Group.

As such, we have allocated RM69.1 million or 62.2% of the gross proceeds from the Public Issue for future industrial property development and property investment projects. We do not generally fix the ratio of properties for sale and properties for investment as we aim to maintain a systematic and flexible approach to adjust the mix between the two categories of properties. Our Directors have considered that the development of industrial parks requires substantial capital investment for land acquisitions and construction works. For example, we paid RM36.9 million as deposit for three parcels of land for our i-Park @ SAC industrial park development project in FYE 31 March 2016, and in FYE 31 March 2017 we paid RM197.9 million to purchase two parcels of land measuring in aggregate 112 acres for the project. As at 27 August 2019, we have also paid RM135.1 million and completed the acquisition of the third parcel of land measuring 77 acres for our i-Park @ SAC industrial park development project using our internally generated funds and bank borrowings. Accordingly, the availability of this sum of RM69.1 million will enable us to seize any development opportunities, in the form of a deposit payment, to acquire land that is strategically located and suitable for industrial park development.

As at the LPD, we are in preliminary discussions with certain land owners in and outside Johor on potential acquisition and development opportunities. However, we have not identified or committed to any acquisition and development targets.

2. DETAILS OF OUR IPO (Cont'd)

Depending on the actual funding required for our future industrial property development and investment projects, we may fund any shortfall through internally generated funds and/or external borrowings. To maintain our cost competitiveness, our Board will continue to identify reasonably priced land as well as assess and monitor the process of tendering and contract negotiation, making sure our future industrial property development and investment projects are carried out on a commercially viable basis.

2.7.2 Working capital for our i-Park @ SAC development project

We intend to use RM23.0 million or 20.7% of the gross proceeds from the Public Issue as working capital to pay for the construction costs, consultants and contractors' fees and marketing expenses relating to our i-Park @ SAC industrial park development project.

Details of the working capital are as follows:

Details	Estimated timeframe for the use of proceeds upon Listing	RM'000	% of total gross proceeds from the Public Issue
Partially fund construction of clubhouse ⁽¹⁾	Within 12 months	9,000	8.1
Payment to external consultants and contractors ⁽²⁾	Within 36 months	12,000	10.8
Marketing expenses ⁽³⁾	Within 36 months	2,000	1.8
Total		23,000	20.7

Notes:

- (1) As part of the development of our i-Park @ SAC industrial park project, we intend to construct a clubhouse on a piece of land within the industrial park for use by the employees of the owners and tenants of the industrial park. The clubhouse is estimated to occupy a land area of about 0.87 acres, with a total build-up area of around 29,000 sq. ft. that will house facilities such as a cafeteria, business centre, gym, swimming pool, game courts, multi-purpose studio and multi-purpose hall which can be used for various events. The total cost for the construction of the clubhouse is estimated to be RM10 million, of which RM9 million will be funded from the gross proceeds of the Public Issue, to be used for the following:

Details	RM'000
Building and external works	7,000
Interior design and landscaping	1,100
Professional and local authorities' fees	700
Internet-of-things related licences, software cost, maintenance and equipment	200
Total	9,000

The estimated construction cost of the clubhouse was based on our internal estimates. As we have yet to commence preparation of the design and layout of the clubhouse, our internal estimates were derived based on the intended floor space and purpose. We plan to commence the construction of the clubhouse by the fourth quarter of 2019 after receipt of all relevant approvals for the construction and expect to complete the construction by the third quarter of 2020. We intend to commence operation of the clubhouse by the fourth quarter of 2020.

2. DETAILS OF OUR IPO (Cont'd)

- (2) We expect to commence the development of Phase 3 of our i-Park @ SAC development project by the first quarter of 2020 after receipt of all relevant approvals for the construction and propose to allocate about RM12 million of the gross proceeds from the Public Issue as working capital to fund the initial development costs for the site, as set out below:

Details	RM'000
Site preparation and infrastructure works	6,700
Building works	4,440
Professional fees	500
Local authorities fees	360
Total	12,000

- (3) Being marketing expenses, including for events, roadshows, billboards, banners, brochures and commissions relating to our i-Park @ SAC development project.

If the allocated proceeds from the Public Issue are insufficient to fund the estimated construction cost for the clubhouse at our i-Park @ SAC industrial park project and the payment of fees and expenses relating to Phase 3 of the project as shown above, we will fund any shortfall through internally generated funds and/or bank borrowings.

2.7.3 Complete the expansion of our precast concrete fabrication capacity

We intend to use RM9.0 million or 8.1% of the gross proceeds from the Public Issue to partially fund the expansion of our precast concrete fabrication capacity of RM12.49 million. From the RM9.0 million that we have allocated, we intend to use about RM6 million to fund the construction costs of Phase 2 of the New Facility and about RM3 million to purchase machineries and equipment as follows with the balance of up to RM3.49 million to be funded through internally generated funds and/or borrowings:

Details of Phase 2 of the New Facility	Estimated cost
	RM'000
1. Construction costs of Phase 2 of the New Facility	
(i) Open yard and infrastructure works as well as ancillary and accessory buildings ⁽¹⁾	5,015
(ii) Electrical, plumbing and firefighting works	770
(iii) Other related expenses and contingencies ⁽²⁾	350
	⁽³⁾ 6,135
2. Purchase of machineries and equipment	
(i) Six units of gantry crane	3,000
(ii) Concrete batching plant	1,300
(iii) Waste water treatment plant	385
(iv) One unit of wheel loader	350
(v) One unit of concrete truck	300
(vi) One unit of weighbridge scale	180
(vii) Two units of flatbed truck	838
	6,353
Total	12,488

2. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) *The construction of the open yard with reinforced concrete floor slab and infrastructure works comprises, amongst other things, piling work as well as rebar and concrete work for ground beam and slab. Ancillary and accessory buildings include electrical substation, prayer room, quality control testing laboratory, guardhouse and bin centre.*
- (2) *Other related expenses comprise, amongst other things, consultant fees for architect, mechanical, electrical, civil and structural engineers as well as preliminary works. Contingencies include construction contingency costs to cater for fluctuations in construction material costs, overtime costs and/or costs due to changes in architectural design.*
- (3) *The estimated construction costs of Phase 2 of the New Facility were based on internal costing.*

We commenced construction of Phase 2 of the New Facility in May 2019 and expect to complete in the fourth quarter of 2019.

The expansion of our precast concrete production capacity will allow us to accept projects with larger and heavier customised precast concrete products which will require higher tonnage gantry cranes than the overhead cranes we currently have at our Existing Facility. As at 16 July 2019, we have two production lines and nine units of overhead cranes with a lifting capacity of up to 15 tonnes each installed at our Existing Facility. However, upon expiry of the Sub-Tenancy Agreement described in Section 5.10 of this Prospectus, we will be able to revert to a total of four production lines and 16 units of overhead cranes which can be used for both precast concrete and steel structures fabrication works.

We plan to purchase and install six units of gantry cranes in Phase 2 of our expansion of the New Facility with lifting capacity of up to 40 tonnes each to facilitate our intention to fabricate larger and heavier customised precast concrete products.

Any excess funds not used for this purpose will be used for the working capital requirements of our Group. However, if the allocated proceeds are insufficient for the expansion of our precast concrete fabrication capacity, we may fund any shortfall through internally generated funds and/or bank borrowings.

2.7.4 Estimated listing expenses

We estimate that about RM10.0 million of the gross proceeds from the Public Issue will be used for our listing expenses relating to the Public Issue, details of which are as follows:

Details	RM'000	% of total gross proceeds from the Public Issue
Professional fees	5,400	4.9
Fees to authorities	560	0.5
Brokerage, underwriting and placement fees	3,100	2.8
Other fees and expenses such as printing, advertising, travel and roadshow expenses incurred in connection with the Public Issue	500	0.4
Miscellaneous expenses and contingencies ⁽¹⁾	440	0.4
Total	10,000	9.0

Note:

- (1) *This includes other incidental charges or related expenses in connection with the Public Issue, such as fees to be paid to the translator, public or investor relation consultant and funds reserved for contingency purposes.*

2. DETAILS OF OUR IPO (Cont'd)

If the actual listing expenses are higher than estimated, the deficit will be funded out of internally generated funds. However, if the actual listing expenses are lower than estimated, the excess will be used for working capital purposes.

2.8 FINANCIAL IMPACT FROM USE OF PROCEEDS

The financial impact and benefits from the use of proceeds from the Public Issue include the following:

2.8.1 Expansion of our portfolio of industrial property projects

Prior to our IPO, the financial resources available to us to acquire land for the development of industrial parks rely largely on internally generated funds; loans from our shareholders which are limited and bank borrowings which involve recurring interest. This substantially hinders the development and expansion of our property development business.

With our IPO, we will have the financial strength to accelerate the growth of our business and increase the streams of income from our property development and property investment segment. In this respect, the majority of our IPO proceeds of about RM69.1 million coupled with the reinvestment of excess funds generated through the sale and lease of properties, place us in a good position to seize any opportunities to acquire new development land that is strategically located and suitable to be developed into sizeable industrial parks. Further, our Directors believe that by having our own equity to invest, opportunities may be offered by owners of strategic land bank to enter into joint ventures for the development of industrial parks in the future.

Our completed i-Park @ Indahpura (Phases 1 and 2) industrial park project with a total GDV of RM600.0 million took about 14 to 18 months from the initial sourcing of land to delivery of the first batch of five completed units. Further, out of 51 total saleable units of the Phase 1 and 2 development of our i-Park @ SAC industrial park project, we have sold 22 factory units with an aggregate sales volume of RM205.8 million and leased another 15 factory units (including three factory units which will commence post LPD), as at the LPD. In the next 36 months following our Listing, we aim to identify opportunities to acquire development land or enter into joint ventures with the objective of developing more industrial park projects similar to the concept of our i-Parks.

2.8.2 Enhancement of working capital for our on-going industrial park development project

Since the first quarter of 2017, we have been involved in the development of Phases 1 and 2 of our i-Park @ SAC industrial park project as part of a RM717 million GDV industrial park project which incorporates built-to-order and ready-built industrial properties within a resort-like environment. Our strategy for the development of our i-Park @ SAC industrial park is to differentiate ourselves from other industrial estates, amongst others, by placing emphasis on comprehensive infrastructure, gated and guarded security, and integrated amenities to meet the needs and requirements of owners and tenants. As at the LPD, about 61% and 15% of the total units launched have been sold and leased, respectively.

2. DETAILS OF OUR IPO (Cont'd)

We have allocated about RM23.0 million of the gross proceeds from the Public Issue as working capital for the development of the project, in particular for the construction cost of a clubhouse at our i-Park @ SAC industrial park project and payment of consultants and contractors' fees and marketing expenses in respect of Phase 3 of the project. This will allow us to reduce the use of external funding to finance the development of our i-Park @ SAC industrial park project, which is expected to complete by 2025 and enable us to recognise gross development profits progressively until then.

2.8.3 Increase in annual production capacity for precast concrete fabrication works

We are in the process of expanding our precast concrete fabrication capacity by establishing the New Facility next to our Existing Facility in Johor. We estimate that the total cost for the New Facility will be about RM16.2 million ("**Investment Cost**"). The payback period (when the cumulative net cash flow is sufficient to cover the Investment Cost) is about 64 months. We intend to allocate RM9.0 million of the proceeds from the Public Issue to fund the construction of Phase 2 of the New Facility and to acquire machineries and equipment, including gantry cranes and a batching plant. The balance of RM7.2 million is for the construction cost as well as the cost for purchase of machineries and equipment for Phase 1 of the New Facility, which will be funded via internally generated funds and bank borrowings.

Upon completion of the New Facility, we expect to have two new precast concrete production lines measuring 63,000 sq. ft. each that will increase our total precast concrete fabrication capacity by 12,000 m³ of precast concrete per year. The New Facility will increase our operational efficiencies in planning and coordinating construction projects as most of our current projects are based in Kulai and Senai, Johor as well as in Singapore. Setting up the New Facility next to our Existing Facility facilitates ease of management, allows our various construction jobs to be carried out simultaneously and is expected to result in logistics efficiencies. In this connection, our Directors believe the available production capacity offered by the New Facility would not only enable us to capture growth opportunities in Malaysia, but also position us for greater business development with our customers in Singapore and other contractors there, who are our potential customers.

Through the concrete batching plant set up at our New Facility, we also expect to have a stable and speedy supply of ready-mix concrete to support our business expansion plan and achieve a sustainable growth of our business in the manufacture and sale of precast concrete. In this regard, the batching plant will focus on the supply of ready-mix concrete to our Existing Facility and New Facility as the ready-mix concrete supplied by the batching plant can satisfy the production capacity of both our Existing Facility and New Facility. Producing our own ready-mix concrete will allow us to better control the quality of our precast concrete products. It also makes us less dependent on external parties for ready-mix concrete and enables us to be more competitive in bidding for contracts.

As such, our Directors believe that the expansion would (i) enable us to benefit from economies of scale from the expansion of our production capacity, (ii) cater to the expected increase in demand for various precast concrete products from our existing and potential customers and (iii) contribute to our revenue and profits in the future.

2. DETAILS OF OUR IPO (Cont'd)

2.9 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE**2.9.1 Brokerage**

We will pay brokerage in respect of our IPO Shares under the Retail Offering at the rate of 1.0% of the Final Retail Price in respect of all successful applications which bear the stamp of the 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 commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

2.9.2 Underwriting commission

As stipulated in the Underwriting Agreement, each of the Joint Underwriters has agreed to underwrite our IPO Shares under the Retail Offering for an underwriting commission of 2.0% of the Retail Price multiplied by the number of IPO Shares underwritten under the Retail Offering in accordance with the terms of the Underwriting Agreement.

2.9.3 Placement fee

The Joint Bookrunners have agreed to place our IPO Shares to identified Bumiputera investors approved by the MITI as well as other Malaysian institutional and selected investors. We will pay the Joint Bookrunners a placement fee and aggregate selling commission of 2.0% and may pay a discretionary incentive fee of up to 0.5% of the Institutional Price multiplied by the number of IPO Shares sold to institutional and/or selected investors under the Institutional Offering in accordance with the terms of the Placement Agreement. The placement fee incurred by the Selling Shareholders will be paid by the Selling Shareholders to the Joint Bookrunners from the proceeds from the Offer for Sale.

2.10 DETAILS OF UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS**2.10.1 Underwriting**

On 3 September 2019, we have entered into the Underwriting Agreement with the Managing Underwriter and Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 17,084,800 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions set out in Section 2.3.4 of this Prospectus and subject to the conditions of the Underwriting Agreement.

Details of the underwriting commission are set out in Section 2.9.2 of this Prospectus, while the salient terms of the Underwriting Agreement are as follows:

- (i) unless waived by the Managing Underwriter (on behalf of all the Joint Underwriters), the underwriting obligations of the Managing Underwriter and Joint Underwriters are subject to certain conditions precedent;
- (ii) the Managing Underwriter (acting for and on behalf of the Joint Underwriters) may by notice to our Company given at any time before the date of Listing, terminate, cancel and withdraw its underwriting commitment if:

2. DETAILS OF OUR IPO (Cont'd)

- (a) there is any breach by us of any of our respective obligations or any of the warranties or undertakings set out in the Underwriting Agreement in any respect;
- (b) our Company withholds any information, which in the opinion of Managing Underwriter and Joint Underwriters, would have or is likely to have, a material adverse effect whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following;
 - (aa) the condition (financial or otherwise), general affairs, business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company and our Group taken as a whole;
 - (bb) the ability of our Company to perform in any respect its or their obligations under or with respect to, or to consummate the transactions contemplated by, the Prospectus, the Placement Agreement or Underwriting Agreement;
 - (cc) the ability of our Company or our subsidiaries, and jointly-controlled entity to conduct its businesses and to own or lease its assets and properties as described in this Prospectus; or
 - (dd) the IPO.

(“Material Adverse Effect”)

- (c) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Managing Underwriter and the Joint Underwriters by reason of Force Majeure (as defined below) which would have or can reasonably be expected to have, a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of the IPO or which would have or is reasonably likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms. “Force Majeure” means cause which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:
 - (aa) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
 - (bb) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or
 - (cc) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other acts of God;
- (d) there shall have occurred any government requisition or other events whatsoever which would have or is reasonably likely to have a Material Adverse Effect on the business, operations, financial condition or prospects of our Group or the success of the IPO;

2. DETAILS OF OUR IPO (Cont'd)

- (e) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Managing Underwriter would have or is reasonably likely to have a Material Adverse Effect or a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
- (aa) on or after the date of the Underwriting Agreement; and
 - (bb) prior to the closing date of the Retail Offering,

lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (f) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading in securities is imposed for three consecutive Market Days or more;
- (g) there shall have announced or carried into force any new laws or change in laws in any jurisdiction which in the opinion of the Managing Underwriter and the Joint Underwriters may prejudice the success of the IPO or the Listing or which would have or is reasonably likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the Shares or making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;
- (h) the Institutional Offering and/or the Retail Offering is stopped or delayed by our Company or any regulating authorities for any reason whatsoever (unless such delay has been approved by the Managing Underwriter and the Joint Underwriters);
- (i) the closing date of the Retail Offering does not occur within 10 calendar days from the issuance date of the Prospectus or such other extended date as may be agreed in writing by the Managing Underwriter;
- (j) the Listing does not take place by 14 October 2019 or such other extended date as may be agreed in writing by the Managing Underwriter;
- (k) any commencement of legal proceedings or action against any member of our Group or any of our directors, which in the opinion of the Managing Underwriter and the Joint Underwriters, would have or is reasonably likely to have a Material Adverse Effect or make it impracticable to market the IPO or to enforce contracts to allot and/or transfer the shares;
- (l) the Placement Agreement shall have been terminated or rescinded in accordance with its terms; or

2. DETAILS OF OUR IPO (Cont'd)

- (m) any of the approvals required in relation to the IPO, the admission of our Company's entire issued share capital to the Official List and the Listing, including but not limited to approvals from the regulating authorities having been obtained and are in full force and effect as at the closing date of the Retail Offering and that all conditions of the approvals (except for any which can only be complied with after the IPO has been completed) have been complied is being revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is reasonably likely to have a Material Adverse Effect;
- (n) any material statements contained in this Prospectus and Application Form has become or been discovered to be untrue, inaccurate or misleading in any respect; or
- (o) any other event in which Material Adverse Effect which have occurred or which in the opinion of the Managing Underwriter is reasonably likely to occur.

2.10.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Bookrunners in relation to the placement of up to 111,050,000 IPO Shares under the Institutional Offering, subject to clawback and reallocation provisions set out in Section 2.3.4 of this Prospectus. We and the Selling Shareholders will be requested, on a several basis, to give various representations, warranties and undertakings, and to indemnify the Joint Bookrunners against certain liabilities in connection with our IPO.

2.10.3 Lock-up arrangements

- (i) Our Company had agreed to a lock-up arrangement with the Joint Bookrunners on 3 September 2019 that from the date of such agreement until the date falling 6 months from the date of our Listing, our Company shall not and shall procure that their affiliates and/or nominees and/or trustees holding the Shares on trust for or on their behalf shall not, without the prior written consent of the Placement Agent, directly or indirectly;
 - (a) issue, allot, sell, offer to sell, contract or agree to sell, grant any option or right to purchase or security over, or otherwise dispose of or agree to dispose of, conditionally or unconditionally any Shares or any other securities of the Company that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase or subscribe, the foregoing whether any such transaction is to be settled by delivery of the Shares or such other securities, in cash or otherwise;
 - (b) enter into any swap, hedge, derivative or other agreement, transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any other securities of the Company that are substantially similar to the Shares, or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;

2. DETAILS OF OUR IPO (Cont'd)

- (c) deposit any Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Shares) in any depository receipt facilities; or
 - (d) agree to do or announce any intention to do any of the above or an offering or sale of any of the Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive , or are substantially similar, such Shares (or any interest therein or in respect thereof) with respect to any of the foregoing.
- (ii) By respective agreements dated 3 September 2019, Lee Chai, Lee Sai Boon, Lim Yook Kim and Kang Ah Chee had respectively agreed to lock-up agreements with the Joint Bookrunners that from the date of such agreements until the date falling 6 months from the date of our Listing, they respectively shall not and shall procure that their affiliates and/or nominees and/or trustees holding the Shares on trust for or on their behalf shall not, without the prior written consent of the Joint Bookrunners, directly or indirectly:
 - (a) sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant any option or right to purchase or security over, or otherwise dispose of or agree to dispose of, conditionally or unconditionally any Shares or any other securities of the Company that are substantially similar to the Shares (or any interest therein or in respect thereof), or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase or subscribe, the foregoing whether any such transaction is to be settled by delivery of the Shares or such other securities, in cash or otherwise;
 - (b) enter into any swap, hedge, derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any other securities of the Company that are substantially similar to the Shares, or any securities convertible into or exchangeable or exercisable for the Shares, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;
 - (c) deposit any Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Shares) in any depository receipt facilities;
 - (d) agree to do or announce any intention to do any of the above or an offering or sale of any of the Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive , or are substantially similar, such Shares (or any interest therein or in respect thereof) with respect to any of the foregoing; or
 - (e) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of the Shares.

2. DETAILS OF OUR IPO (Cont'd)

2.11 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS (which is operated by Bursa Depository). This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, our Company will not deliver share certificates to the subscribers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in 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 the shareholders of our Company in respect of the number of Shares credited to the respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

All Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that our IPO Shares will not commence trading on Bursa Securities until about 10 Market Days after the close of the Retail Offering. Holders of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfers to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

3.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

3.1.1 Shareholdings of our Promoters and substantial shareholders in our Group

The direct and indirect interest of our Promoters and/or substantial shareholders in our Company before our IPO and after our IPO is set out below:

Nationality	Before our IPO				After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
<u>Promoters and substantial shareholders</u>								
Lee Chai	101,940,300	29.8	-	-	89,694,100	21.0	-	-
Lim Yook Kim	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Kang Ah Chee	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Lee Sai Boon	35,823,600	10.5	-	-	29,898,000	7.0	-	-
<u>Promoter</u>								
Lim Pei Shi ⁽¹⁾	-	-	-	-	(2)290,000	<0.1	-	-

Notes:

(1) Lim Pei Shi is the Alternate Director to Lim Yook Kim.

(2) Assuming full subscription for her entitlement of 290,000 Issue Shares under the allocation to the Eligible Persons of our Group.

The Promoters and substantial shareholders do not have different voting rights from other shareholders of our Company as all our Shares before and after our IPO are of the same class. In addition, save as disclosed above, there is no other person who, directly or indirectly, jointly or severally, exercises control over our Company.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

3.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

- (i) **Lee Chai**, a Malaysian aged 56, is our Group Managing Director.

Mr Lee was appointed to our Board on 27 August 2018. He was appointed as the Managing Director of our Company on 1 September 2018. Mr Lee has around 35 years of experience in the construction industry and around eight years of experience in property development, which began with the launch of i-Park @ SiLC in 2011.

He obtained his Sijil Tinggi Persekolahan Malaysia certificate after completing his studies in Sekolah Menengah Kebangsaan Sultan Ismail, Johor in 1983.

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 and was instrumental in expanding our 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, a company that provides fire protection system and M&E engineering services for building and construction projects. Subsequently, Mr Lee, together with Lim Yook Kim and Kang Ah Chee, established Amsun Capital 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, where his role involved the management of overall business activities such as strategic planning and business development activities.

As our Group Managing Director, he is responsible for the business growth and direction, strategic corporate planning and the overall operations and management of our Group. Mr Lee is also in charge of the property investment and management services division where he plans and identifies properties to invest and develop, and oversees the management operations of I Stay Management and our Group's investment properties.

He is the brother to Lee Sai Boon, brother-in-law to Lim Yook Kim, uncle to both Lim Khai Wen and Lim Pei Shi.

Mr Lee currently holds directorships in other private limited companies.

- (ii) **Lim Yook Kim**, a Malaysian aged 65, is our Executive Director.

Mr Lim was appointed to our Board on 27 August 2018. Mr Lim has around 45 years of experience in the construction industry and around eight years in property development, which began with the launch of i-Park @ SiLC in 2011.

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 1976.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 1976, 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 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, a company that provides fire protection system and M&E engineering services for building and construction projects. Subsequently, Mr Lim, together with Lee Chai and Kang Ah Chee, established Amsun Capital 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, 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.

Mr Lim and Kang Ah Chee, both our Executive Directors, are responsible for the on-site operations and activities carried out by the construction and engineering division.

He is the brother-in-law to both Lee Chai and Lee Sai Boon and father to both Lim Khai Wen and Lim Pei Shi.

Mr Lim currently holds directorships in other private limited companies.

(iii) **Kang Ah Chee**, a Malaysian, aged 64, is our Executive Director.

Mr Kang was appointed to our Board on 27 August 2018. Mr Kang has around 47 years of experience in the construction industry and around eight years in property development, which began with the launch of i-Park @ SiLC in 2011.

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 1976, 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, a company that provides fire protection system and M&E engineering services for building and construction projects. Subsequently, Mr Kang, together with Lee Chai and Lim Yook Kim, established Amsun Capital in February 1997 and was appointed as a Director in July 1999 for the provision of heavy construction equipment and machinery hiring services.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In September 2008, he co-founded AME Engineering, a company principally involved as a contractor for fabrication of building structures and its related business.

Mr Kang and Lim Yook Kim, both our Executive Directors, are responsible for the on-site operations and activities carried out by the construction and engineering division.

He is the father to Kang Koh Wei.

Mr Kang currently holds directorships in other private limited companies.

- (iv) **Lee Sai Boon**, a Malaysian aged 55, is our Executive Director.

Mr Lee was appointed to our Board on 27 August 2018. Mr. Lee has around 25 years of experience in construction and around eight years in property development, which began with the launch of i-Park @ SiLC in 2011.

He 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, United States of America ("USA").

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, USA, 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, USA, 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 on November 1994.

In December 1994, Mr Lee together with Lee Chai, Lim Yook Kim and Kang Ah Chee, were instrumental in incorporating Asiamost, a company that provides fire protection system for building and construction projects. He was appointed as a Director of Asiamost in December 1994 and Director of AME Construction in March 1996.

In September 2008, he co-founded AME Engineering, a company principally involved as a contractor for fabrication of building structures and its related business.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Mr Lee oversees our property development division and M&E services division. He plays an important role in negotiations for land acquisition as well as the planning of development projects. He is also responsible for the overall operations and performance of the M&E services division.

In addition, as our Executive Director in charge of the finance and IT department, he makes recommendations to the Board on the Group's financial budgets, assisted by the Group Financial Controller and decisions on our Group's IT investments and improvements.

He is the brother to Lee Chai, brother-in-law to Lim Yook Kim, uncle to both Lim Khai Wen and Lim Pei Shi.

Mr Lee currently holds directorships in other private limited companies.

- (v) **Lim Pei Shi**, a Malaysian aged 31, is our Executive Director and holds the position as Marketing Director of AME Development. She is an Alternate Director to Lim Yook Kim in our Company.

She is currently responsible for the overall sales and marketing of the property development division.

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 company and product presentations (including to prospective buyers, business associations, bankers, representatives from state or federal authorities as well as foreign embassies, developers and various property awards bodies), 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.

She is the daughter to Lim Yook Kim, sister to Lim Khai Wen and niece to both Lee Chai and Lee Sai Boon.

Ms Lim does not hold any other directorships outside our Group.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

3.1.3 Changes in our Promoters and substantial shareholders shareholdings in our Group for the past three years up to LPD

As our Company was incorporated on 27 August 2018, the table below sets out our Promoters' and/or substantial shareholders' direct and indirect interests in our Company before and after our IPO are set out below:

	Before our IPO				After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>								
Lee Chai	101,940,300	29.8	-	-	89,694,100	21.0	-	-
Lim Yook Kim	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Kang Ah Chee	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Lee Sai Boon	35,823,600	10.5	-	-	29,898,000	7.0	-	-
<u>Promoter</u>								
Lim Pei Shi ⁽¹⁾	-	-	-	-	⁽²⁾ 290,000	<0.1	-	-

Notes:

- (1) *Lim Pei Shi is the Alternate Director to Lim Yook Kim.*
- (2) *Assuming full subscription for her entitlement of 290,000 Issue Shares under the allocation to the Eligible Persons of our Group.*

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3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

3.2 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

Currently, half of the members of our Board comprise Independent Directors. Our Board believes that our Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of our shareholders and to govern our Group effectively. Our Board has also taken cognisance of the recommendation by the MCCG for companies to work towards a Board which comprises 30% women directors. In this regard, in relation to the target of having at least 30% of our Board comprising women directors, we endeavour to achieve the target within three to five years from our Listing by appointing an additional women director(s) to our Board. The nomination committee will be tasked to ensure diversity among the board members regardless of age, ethnicity, cultural background and gender, at the same ensuring they possess the requisite skills, knowledge, experience, foresight and sound judgement to best serve our Group and our business and operations as a whole.

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3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**3.2.1 Shareholdings of our Directors**

The following table sets out the direct and indirect shareholdings of each of our Directors before and after our IPO, assuming our Directors subscribe in full for their respective entitlements under the allocation to Eligible Persons as set out in Section 2.3.2 (i) of this Prospectus:

Director	Designation	Nationality	Before our IPO			After our IPO				
			Direct		Indirect		Direct		Indirect	
			No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Tengku Azrina Binti Raja Abdul Aziz	Independent Non-Executive Chairperson	Malaysian	-	-	-	-	(3)200,000	<0.1	-	-
Lee Chai	Group Managing Director	Malaysian	101,940,300	29.8	-	-	89,694,100	21.0	-	-
Lim Yook Kim	Executive Director	Malaysian	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Kang Ah Chee	Executive Director	Malaysian	101,964,100	29.8	-	-	89,694,100	21.0	-	-
Lee Sai Boon	Executive Director	Malaysian	35,823,600	10.5	-	-	29,898,100	7.0	-	-
Lim Pei Shi	Executive Director ⁽¹⁾	Malaysian	-	-	-	-	(2)290,000	<0.1	-	-
Chang Tian Kwang	Independent Non-Executive Director	Malaysian	-	-	-	-	(3)200,000	<0.1	-	-
Tan Lay Beng	Independent Non-Executive Director	Malaysian	-	-	-	-	(3)200,000	<0.1	-	-
Wee Soon Chit	Independent Non-Executive Director	Malaysian	-	-	-	-	(3)200,000	<0.1	-	-

Notes:

- (1) Lim Pei Shi is the Alternate Director to Lim Yook Kim.
(2) Assuming full subscription for her entitlement of 290,000 Issue Shares under the allocation to the Eligible Persons of our Group.
(3) Assuming full subscription for his/her entitlement of 200,000 Issue Shares under the allocation to the Eligible Persons of our Group.

Save for the dividends declared and paid by the Group for the FYE 31 March 2016, 2017, 2018, 2019 and up to the LPD, issuance of Shares to our Promoters as consideration for the Restructuring Exercise, our Directors' respective entitlements under the allocation to Eligible Persons as set out in Section 2.3.2(i) of this Prospectus and directors remuneration, fees and material benefits-in-kind as disclosed in Section 3.2.4 of this Prospectus, there is no other amount or benefit paid or intended to be paid or given to any of our Promoters, substantial shareholders and Directors, within the two years preceding the date of this Prospectus.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

3.2.2 Profiles of Directors

Save for the profiles of Lee Chai, Lim Yook Kim, Kang Ah Chee, Lee Sai Boon and Lim Pei Shi which is set out in Section 3.1.2 of this Prospectus, the profiles of our other Directors are as follows:

- (i) **Tengku Azrina Binti Raja Abdul Aziz**, a Malaysian aged 46, is our Independent Non- Executive Chairperson.

She was appointed to our Board on 5 September 2018. She has around 20 years working experience in legal practice.

Tengku Azrina graduated with a Bachelor of Arts (Jurisprudence) from the University of Oxford, United Kingdom in July 1996 and was later conferred a Master of Arts by the same institution in March 2005. She was called to the Bar of England and Wales in July 1997. In June 1998, she was admitted as an advocate and solicitor of the High Court of Malaya upon completion of her pupillage with Messrs Zain & Co.

She joined Tenaga Nasional Berhad as a Legal Executive in June 1998 and left in June 1999. She subsequently joined Messrs Wong & Partners in July 1999 as an Associate and left in September 2000. Thereafter, she joined Messrs Zaid Ibrahim & Co as an Associate in November 2000. She is currently a Partner of Messrs Lee & Tengku Azrina, a firm which she co-founded in April 2005 after leaving Messrs Zaid Ibrahim & Co in the same month.

Her scope of work from commencement of her legal practice until the present time includes rendering advice to various corporations in relation to corporate and commercial matters, regulatory issues and tax incentives, representing financial institutions on matters relating to banking and finance, as well as property development projects. She also supervises and conducts due diligence exercises in relation to acquisition of assets and shares, IPOs and corporate exercises.

Tengku Azrina has no family relationship with the Promoters, substantial shareholders, Directors and key senior management of our Group.

- (ii) **Chang Tian Kwang**, a Malaysian aged 54, is our Independent Non- Executive Director.

He was appointed to our Board on 5 September 2018. He has around 25 years working experience in corporate finance, finance & accounting and audit.

Mr Chang graduated with a Bachelor of Accounting from the University of Malaya in August 1990. He is a Public Accountant of the Malaysian Institute of Accountants since July 1993.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He started his career as an Audit Assistant in Kassim Chan & Co. in April 1990. He then left Kassim Chan & Co. in March 1991 and joined KPMG Peat Marwick as an Audit Assistant in March 1991 and was promoted in January 1994 as an Audit Supervisor. He then left KPMG Peat Marwick in April 1994 and joined Vicmark Holdings Sdn Bhd as Financial Controller cum Administration Manager in May 1994. His main responsibilities included overseeing the accounts department, liaising with government departments and trade associations on behalf of the company. He left Vicmark Holdings Sdn Bhd in August 1994 and joined V.S. Industry Sdn Bhd as an Accountant in September 1994 and was made Financial Controller in July 1996. Additionally, Mr Chang was also made Joint Company Secretary of V.S. Industry Berhad in August 1996. His responsibilities in the company include accounting and finance, taxation, treasury, corporate finance, company secretarial and management information system. In 1998, he oversaw the listing process of V.S. Industry Berhad and was the key contact person of the company. Further, he led a team of accountants in the subsidiary company of V.S. Industry Berhad which is operating in China, namely, V.S. International Group Limited, in its listing exercise on the Main Board of the Hong Kong Stock Exchange in 2002. Mr Chang was appointed to the board of directors of V.S. Industry Berhad as an Alternate Director in November 2000. He then left V.S. Industry Berhad in August 2014. He does not have any other occupation subsequent to leaving V.S. Industry Berhad.

Mr Chang has no family relationship with the Promoters, substantial shareholders, Directors and key senior management of our Group.

- (iii) **Wee Soon Chit**, a Malaysian aged 52, is our Independent Non- Executive Director.

He was appointed to our Board on 5 September 2018. He has around 27 years working experience in the property consultancy industry.

Mr Wee graduated with a Bachelor of Surveying (Property Management) from Universiti Teknologi Malaysia in September 1991. He is a Registered Valuer and Registered Estate Agent with the Board of Valuers, Appraisers, Estate Agents & Property Managers Malaysia since July 1995. He is a Professional Member of The Royal Institution of Chartered Surveyors since May 2007 and a Fellow of the Institution of Surveyors, Malaysia since May 2010.

Mr Wee began his career with Knight Frank Baillieu, Kuala Lumpur as a Valuation Executive in July 1991. He was primarily involved in conducting property site inspections, preparing draft valuation reports as well as handling real estate agency negotiations. By the end of 1995, he left Knight Frank Baillieu, Kuala Lumpur and joined Olympia Land Berhad as a Real Estate Manager for about 5 months before re-joining Knight Frank Baillieu in Johor Bahru as a Branch Manager. His main responsibilities at Olympia Land Berhad were to identify suitable land banks, evaluate property proposals and make necessary recommendations to the company. In July 1997, he joined Regroup Associates (Johor) Sdn Bhd (later rebranded as CBRE (Johor) Sdn Bhd and now known as Savills (Johor) Sdn Bhd) as a Director. In Knight Frank Baillieu, Johor Bahru and Regroup Associates (Johor) Sdn Bhd, he was in-charge of the day-to-day business operations, focusing primarily in valuation, property research and consultancy as well as real estate agency. He left Regroup Associates (Johor) Sdn Bhd in January 2013 and was appointed as a Director of Landserve (Johor) Sdn Bhd in February 2013. He commenced his employment as a Director on a full-time basis with Landserve (Johor) Sdn Bhd in July 2013. His scope of responsibilities in the company is similar to the preceding companies he worked at.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Mr Wee has no family relationship with the Promoters, substantial shareholders, Directors and key senior management of our Group.

Other than Landserve (Johor) Sdn Bhd, Mr Wee currently holds directorship in one other private limited company.

- (iv) **Tan Lay Beng**, a Malaysian aged 65, is our Independent Non-Executive Director.

She was appointed to our Board on 5 September 2018. She has around 31 years working experience in taxation.

Ms Tan was admitted as an Associate of the Chartered Association of Certified Accountants (now known as Association of Chartered Certified Accountants (“ACCA”)) in December 1984. She is a Fellow of the ACCA since December 1989, a Public Accountant of the Malaysian Institute of Accountants since November 1987 and a Fellow Member of the Chartered Tax Institute of Malaysia. She was the Chairman for southern branch of Chartered Tax Institute of Malaysia from June 2008 to May 2015. She was appointed in July 2018 as the Regional Chairman of Johor of the Malaysian Institute of Accountants.

She started her career as an Audit cum Accounts Clerk with Soh & Co in January 1980. Her duties involved assisting in carrying out audit of companies and writing up the accounts of companies. She left Soh & Co in August 1981 to join Ling Kam Hoong & Co in March 1982 as a Senior Audit Clerk. Her responsibility included audit work and supervision of audit juniors. She left Ling Kam Hoong & Co in May 1983. She joined Khoo & Co as an Audit Supervisor on November 1984. Her responsibility included audit work, reviewing files and training. In August 1987, she left Khoo & Co to join Tax Advisory and Management Services Sdn Bhd as Tax Manager. She was responsible for tax compliance and advisory work which included reviewing income tax computation and training. She then left Tax Advisory and Management Services Sdn Bhd in December 1991 and joined Price Waterhouse Tax Services Sdn Bhd in January 1992 as Senior Consultant. Her responsibilities included tax compliance, tax advisory and heading the personal tax department. In March 1999, she left Price Waterhouse Tax Services Sdn Bhd and joined Tee Tax Services Sdn Bhd in April 1999 as a Consultant and was made a Director in April 2001. She is currently in charge of tax compliance, tax advisory and reviewing of files and training. She is also a tax consultant to practitioners and body corporates.

She was an independent non-executive Director of Sersol Technologies Berhad, a company listed on the ACE Market of Bursa Securities in September 2004 until December 2013.

Ms Tan has no family relationship with the Promoters, substantial shareholders, Directors and key senior management of our Group.

In addition to being a Director of Tee Tax Services Sdn Bhd, Ms Tan holds directorship in one other public listed company, Solid Automotive Berhad since August 2014.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

3.2.3 Principal business performed outside our Group and principal directorships

The principal business outside our Group performed by our Directors as at the LPD and the directorships of our Directors outside our Group at present and in the past five years preceding the LPD are as follows:

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director	
Tengku Azrina Binti Raja Abdul Aziz	<u>Present directorships:</u>				
	Messrs Lee & Tengku Azrina	Provision of legal services	Partner	Nil	
	Decorative Pots Sdn Bhd	Property investment	Nil	Shareholder of 0.83% equity interest	
	<u>Past directorships:</u>				
	Nil	Nil	Nil	Nil	
Lee Chai	<u>Present directorships:</u>				
	Dermaga Emas Sdn Bhd	Winding up Previously provision of security services	Director/Shareholder	Shareholder of 30.00% equity interest	
	Lifestyle Capital Sdn Bhd	Property investment and short term investment in quoted shares	Director/Shareholder	Shareholder of 25.00% equity interest	
	LKL Industries (JB) Sdn Bhd	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest	
	Lotus Ideal Sdn Bhd	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest	
	W-Link Sdn Bhd	Winding up Previously supplier and contractor of security systems and computers	Director/Shareholder	Shareholder of 25.00% equity interest	
	Zone Capacity Sdn Bhd	Winding up Previously dormant	Director/Shareholder	Shareholder of 30.00% equity interest	
	<u>Involvement in business activities performed outside our Group other than director</u>				

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
	<i>Past directorships:</i>			
	Axis AME Sdn Bhd (ceased directorship on 2 November 2017)	(1)	Director/Shareholder	Shareholder of 50.00% equity interest
	Bestrans Industries Sdn Bhd (ceased directorship on 29 August 2018)	Winding up Previously property investment	Director	Nil
	Care Land Sdn Bhd (formerly known as AME Land Sdn Bhd) (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest
	Care Realty Sdn Bhd (formerly known as AME Realty Sdn Bhd) (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest
	Danga Bayfront Sdn Bhd (ceased directorship on 12 September 2018)	Dormant ⁽²⁾	Director	Nil
	Danga Eighty Eight Sdn Bhd (ceased directorship on 29 August 2018)	Property development	Director	Nil
	Infinity Park Management Sdn Bhd (formerly known as AME Management Services Sdn Bhd) (ceased directorship on 12 September 2018)	Provision of property management services	Director	Nil
	Ipark Holdings Sdn Bhd (ceased directorship on 12 September 2018)	Dormant ⁽²⁾	Director	Nil

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
	Lotus Hub Sdn Bhd (ceased directorship on 29 November 2017) ⁽³⁾		Director/Shareholder	Shareholder of 30.00% equity interest
	Nusajaya Square Development Sdn Bhd (ceased directorship on 8 October 2018)	Property development	Director	Nil
	Nusajaya Square Sports Sdn Bhd (ceased directorship on 1 April 2018)	Administrative recreational, cultural, arts and sports services	Director	Nil
	Smart Combination Sdn Bhd (ceased directorship on 6 February 2018) ⁽⁴⁾		Director	Nil
	Syarikat Asia Mechanical Engineering Sdn Bhd (ceased directorship on 29 August 2018)	Property investment	Director	Nil
	THAB Development Sdn Bhd (ceased directorship on 8 October 2018)	Property development	Director	Nil
	THAB PTP Sdn Bhd (ceased directorship on 8 October 2018)	Property development and investment	Director	Nil
	W-Link Technology Sdn Bhd (ceased directorship on 5 February 2014) ⁽⁵⁾		Director/Shareholder	Shareholder of 20.00% equity interest

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- (1) The company was struck off on 2 November 2017 following an application by the members of the Company.
- (2) The company has not commenced any business activities since commencement.
- (3) The company was struck off on 29 November 2017 following an application by the members of the Company.
- (4) The company was struck off on 6 February 2018 following an application by the members of the Company.
- (5) The company has been struck off on 5 February 2014 following an application by the members of the Company.

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Lim Yook Kim	<u>Present directorships:</u>			
	Dermaga Emas Sdn Bhd	Winding up Previously provision of security services and property investment	Director/Shareholder	Shareholder with 30.00% equity interest
	Lifestyle Capital Sdn Bhd	Property investment and short term investment in quoted shares	Director/Shareholder	Shareholder with 25.00% equity interest
	LKL Industries (JB) Sdn Bhd	Property investment	Director/Shareholder	Shareholder with 30.00% equity interest
	Lotus Ideal Sdn Bhd	Property investment	Director/Shareholder	Shareholder with 30.00% equity interest
	Zone Capacity Sdn Bhd	Winding up Previously dormant	Director/Shareholder	Shareholder with 30.00% equity interest
	<u>Past directorships:</u>			
	Bestrans Industries Sdn Bhd (ceased directorship on 29 August 2018)	Winding up Previously property investment	Director	Nil
	Care Land Sdn Bhd (formerly known as AME Land Sdn Bhd) (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder with 30.00% equity interest

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
	Care Realty Sdn Bhd <i>(formerly known as AME Realty Sdn Bhd).</i> (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder with 30.00% equity interest
	Danga Bayfront Sdn Bhd (ceased directorship on 27 September 2017)	Dormant	Director	Nil
	Infinity Park Management Sdn Bhd <i>(formerly known as AME Management Services Sdn Bhd)</i> (ceased directorship on 12 September 2018)	Provision of property management services	Director	Nil
	Ipark Holdings Sdn Bhd (ceased directorship on 12 September 2018)	Dormant ⁽¹⁾	Director	Nil
	Lotus Hub Sdn Bhd (ceased directorship on 29 November 2017)	⁽²⁾	Director/Shareholder	Shareholder with 30.00% equity interest
	Syarikat Asia Mechanical Engineering Sdn Bhd (ceased directorship on 29 August 2018)	Property investment	Director	Nil

Notes:

- (1) The company has not commenced any business activities since commencement.
- (2) The company was struck off on 29 November 2017 following an application by the members of the Company.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Kang Ah Chee	<u>Present directorships:</u>			
	Dermaga Emas Sdn Bhd	Winding up Previously provision of security services	Director/Shareholder	Shareholder of 30.00% equity interest
	Lifestyle Capital Sdn Bhd	Property investment and short term investment in quoted shares	Director/Shareholder	Shareholder of 25.00% equity interest
	LKL Industries (JB) Sdn Bhd	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest
	Lotus Ideal Sdn Bhd	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest
	W-Link Sdn Bhd	Winding up Previously supplier and contractor of security systems and computers	Director/Shareholder	Shareholder of 25.00% equity interest
	Zone Capacity Sdn Bhd	Winding up Previously Dormant	Director/Shareholder	Shareholder of 30.00% equity interest
	<u>Past directorships:</u>			
	Bestrans Industries Sdn Bhd (ceased directorship on 29 August 2018)	Winding up Previously property investment	Director	Nil
	Care Land Sdn Bhd (formerly known as AME Land Sdn Bhd) (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest
Care Realty Sdn Bhd (formerly known as AME Realty Sdn Bhd) (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder of 30.00% equity interest	

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
	Danga Bayfront Sdn Bhd (ceased directorship on 27 September 2017)	Dormant ⁽¹⁾	Director	Nil
	Infinity Park Management Sdn Bhd (formerly known as AME Management Services Sdn Bhd) (ceased directorship on 12 September 2018)	Provision of property management services	Director	Nil
	Ipark Holdings Sdn Bhd (ceased directorship on 12 September 2018)	Dormant ⁽¹⁾	Director	Nil
	Lotus Hub Sdn Bhd (ceased directorship on 29 November 2017)	⁽²⁾	Director/Shareholder	Shareholder of 30.00% equity interest
	Syarikat Asia Mechanical Engineering Sdn Bhd (ceased directorship on 29 August 2018)	Property investment	Director	Nil

Notes:

- (1) The company has not commenced any business activities since commencement.
(2) The company was struck off on 29 November 2017 following an application by the members of the Company.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Lee Sai Boon	<u>Present directorships:</u>			
	Dermaga Emas Sdn Bhd	Winding up Previously provision of security services and property investment	Shareholder	Shareholder of 10.00% equity interest
	Lifestyle Capital Sdn Bhd	Property investment and short term investment in quoted shares	Director/Shareholder	Shareholder of 25.00% equity interest
	LKL Industries (JB) Sdn Bhd	Property investment	Director/Shareholder	Shareholder of 10.00% equity interest
	Lotus Ideal Sdn Bhd	Property investment	Director/Shareholder	Shareholder of 10.00% equity interest
	W-Link Sdn Bhd	Winding up Previously supplier and contractor of security systems and computer	Director/Shareholder	Shareholder of 25.00% equity interest
	Zone Capacity Sdn Bhd	Winding up Previously Dormant	Director/Shareholder	Shareholder of 10.00% equity interest
	<u>Past directorships:</u>			
	Axis AME Sdn Bhd (ceased directorship on 2 November 2017)	(1)	Director	Nil
	Care Land Sdn Bhd (formerly known as AME Land Sdn Bhd) (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder of 10.00% equity interest
Care Realty Sdn Bhd (formerly known as AME Realty Sdn Bhd) (ceased directorship on 29 August 2018)	Property investment	Director/Shareholder	Shareholder of 10.00% equity interest	

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
	Danga Bayfront Sdn Bhd (ceased directorship on 27 September 2017)	Dormant ⁽²⁾	Director	Nil
	Danga Eighty Eight Sdn Bhd (ceased directorship on 29 August 2018)	Property development	Director	Nil
	Ezen Engineering Sdn Bhd (ceased directorship on 10 March 2015)	Supply, installation, commissioning, maintenance of fire fighting and protection equipment and system	Director	Nil
	Future Series Sdn Bhd (ceased directorship on 11 August 2017)	⁽³⁾	Director/Shareholder	Shareholder of 16.67% equity interest
	Infinity Park Management Sdn Bhd (formerly known as AME Management Services Sdn Bhd)	Provision of property management services	Director	Nil
	Ipark Holdings Sdn Bhd (ceased directorship on 12 September 2018)	Dormant ⁽²⁾	Director	Nil
	Lotus Hub Sdn Bhd (ceased directorship on 29 November 2017)	⁽⁴⁾	Director/Shareholder	Shareholder of 10.00% equity interest
	Nusajaya Concept Development Sdn Bhd (ceased directorship on 2 November 2018)	Property development	Director	Nil

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
	Nusajaya Square Development Sdn Bhd (ceased directorship on 8 October 2018)	Property development	Director	Nil
	Nusajaya Square Management Sdn Bhd (ceased directorship on 2 November 2018)	Management consultancy activities	Director/Shareholder	Shareholder of 50.00% equity interest
	Nusajaya Square Sports Sdn Bhd (ceased directorship on 1 April 2018)	Administrative recreational, cultural, arts and sports services	Director	Nil
	Restu Anggun Sdn Bhd (ceased directorship on 28 August 2018)	Property investment	Director/Shareholder	Shareholder of 16.67% equity interest
	Smart Combination Sdn Bhd (ceased directorship on 6 February 2018)	(5)	Director	Nil
	THAB Development Sdn Bhd (ceased directorship on 8 October 2018)	Property development	Director	Nil
	THAB PTP Sdn Bhd (ceased directorship on 8 October 2018)	Property development and investment	Director	Nil

Notes:

- (1) The company was struck off on 2 November 2017 following an application by the members of the Company.
- (2) The company has not commenced any business activities since commencement.
- (3) The company is dissolved via a voluntary winding up by its members.
- (4) The company was struck off on 29 November 2017 following an application by the members of the Company.
- (5) The company was struck off on 6 February 2018 following an application by the members of the Company.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Lim Pei Shi	<u>Present directorships:</u> Nil	Nil	Nil	Nil
	<u>Past directorships:</u> Danga Bayfront Sdn Bhd (ceased directorship on 12 September 2016)	Dormant ⁽¹⁾	Director	Nil
	Danga Eighty Eight Sdn Bhd (ceased directorship on 29 August 2018)	Property development	Director	Nil

Note:

⁽¹⁾ The company has not commenced any business activities since commencement.

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Chang Tian Kwang	<u>Present directorships:</u> Nil	Nil	Nil	Nil
	<u>Past directorships:</u> V.S. Industry Berhad (ceased directorship on 1 August 2014)	Investment holding of original equipment manufactured and original design manufactured products and manufacturing, assembling and sale of electronic and electrical products and plastic moulded components	Director	Nil
	V.S. Integrated Management Sdn Bhd (ceased directorship on 1 August 2014)	Hostel management services	Director	Nil

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Tan Lay Beng	<u>Present directorships:</u>			
	Tee Tax Services Sdn Bhd	Professional services as tax consultants, tax advisers and management consultants	Director/Shareholder	Shareholder of 1.00% equity interest
	Solid Automotive Berhad	Investment holding and Provision of Management Services	Independent Non-Executive Director	Nil
	<u>Past directorships:</u>			
	Sersol Berhad (ceased directorship on 31 December 2013)	Provision of management services and investment holding of paint and coating manufacturing	Independent Non-Executive Director	Nil
	Era Minda Kreatif Sdn Bhd (ceased directorship on 8 June 2018)	⁽¹⁾	Director	Nil

Note:

(1) The company was struck off on 8 June 2018 following an application by the members of the Company.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Name of company	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Wee Soon Chit	<u>Present directorships:</u> Landserve (Johor) Sdn Bhd	Professional services covering valuation, estate agency, property management research	Director/Shareholder	Shareholder with 49.00% equity interest
	Landserve Malaysia Sdn Bhd	Dormant	Director/Shareholder	Shareholder with 17.50% equity interest
	<u>Past directorships:</u> Savills (Johor) Sdn Bhd (ceased directorship on 1 January 2013)	Valuation services, real estate agency and research consultancy	Director	Nil
	Stupa Sdn Bhd (ceased directorship on 8 September 2017)	(1)	Director/Shareholder	Shareholder with 2.94% equity interest

Note:

(1) The company was struck off on 8 September 2017 following an application by the members of the Company.

Save as disclosed in Section 9 of this Prospectus, as at the LPD, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in other businesses or corporations which may give rise to a situation of conflict of interest with our Group.

Our Executive Directors are not actively involved in any business activities outside our Group. Their involvement will not affect their ability to perform their roles and responsibilities as well as their contribution to the Group.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

3.2.4 Directors' remuneration, fees and material benefits-in-kind

The aggregate remuneration, fees and material benefits-in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 31 March 2018, 2019 and 2020 are as follows:

FYE 31 March 2018 (Actual)

Director	Salaries	Directors' fees	Bonus	Allowances and benefits-in-kind	Total
RM					
Tengku Azrina Binti Raja Abdul Aziz	-	-	-	-	-
Lee Chai	585,480	75,000	⁽¹⁾ 2,306,033	28,000	2,994,513
Lim Yook Kim	357,000	-	⁽¹⁾ 593,623	28,000	978,623
Kang Ah Chee	357,000	-	⁽¹⁾ 593,623	28,000	978,623
Lee Sai Boon	456,960	99,000	1,114,093	28,000	1,698,053
Lim Pei Shi	127,680	-	252,000	11,960	391,640
Chang Tian Kwang	-	-	-	-	-
Tan Lay Beng	-	-	-	-	-
Wee Soon Chit	-	-	-	-	-

Note:

(1) During the FYE 31 March 2016, 2017 and 2018, the directors of AME Construction, namely Lee Chai, Lim Yook Kim, Kang Ah Chee, Lee Sai Boon and Kang Koh Wei were entitled to an annual performance bonus calculated based on 1% to 3% of the audited pre-tax profit (before the performance bonus) of AME Construction for the immediate preceding financial year. The amount of bonus for FYE 31 March 2018 shown above takes into account the outstanding performance bonus for the FYE 2017 and 2018 that was paid by AME Construction to Lee Chai (RM2,241,960), Lim Yook Kim (RM747,320) and Kang Ah Chee (RM747,320) after FYE 31 March 2018.

FYE 31 March 2019 (Actual)

Director	Salaries	Directors' fees	Bonus	Allowances and benefits-in-kind	Total
RM					
Tengku Azrina Binti Raja Abdul Aziz	-	61,800	-	-	61,800
Lee Chai	1,003,170	117,968	⁽¹⁾ 1,955,170	19,370	3,095,678
Lim Yook Kim	517,650	42,968	⁽¹⁾ 391,510	28,000	980,128
Kang Ah Chee	517,650	42,968	⁽¹⁾ 391,510	28,000	980,128
Lee Sai Boon	756,840	123,968	1,564,850	28,000	2,473,658
Lim Pei Shi	183,120	-	250,880	17,400	451,400
Chang Tian Kwang	-	41,200	-	-	41,200
Tan Lay Beng	-	48,067	-	-	48,067
Wee Soon Chit	-	41,200	-	-	41,200

Note:

(1) There was no performance bonus paid for FYE 31 March 2019. Further, AME Construction will not be paying performance bonus to its directors following the listing.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

FYE 31 March 2020 (Estimate)

Director	Salaries	Directors' fees	Bonus	Allowances and benefits-in-kind	Total
RM					
Tengku Azrina Binti Raja Abdul Aziz	-	108,000	-	2,000	110,000
Lee Chai	1,142,400	147,000	1,904,000	30,000	3,223,400
Lim Yook Kim	571,200	72,000	357,000	30,000	1,030,200
Kang Ah Chee	571,200	72,000	357,000	30,000	1,030,200
Lee Sai Boon	856,800	147,000	1,428,000	30,000	2,461,800
Lim Pei Shi	183,120	-	252,000	17,400	452,520
Chang Tian Kwang	-	72,000	-	2,000	74,000
Tan Lay Beng	-	84,000	-	2,000	86,000
Wee Soon Chit	-	72,000	-	2,000	74,000

The remuneration of our Directors which includes salaries, bonuses, fees and allowances as well as other benefits, is approved by our Board, following recommendations made by our Remuneration Committee and subject to our Constitution. Any change in Directors' fees as set out in our Constitution must be approved by shareholders of our Company pursuant to an ordinary resolution passed at a general meeting where appropriate notice of any proposed increase should be given.

3.2.5 Service agreements with our Directors which provide for benefits upon termination of employment

As at the LPD, we do not have any existing or proposed service contracts with our Directors which provide for benefits upon termination.

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3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

3.3 BOARD PRACTICE

3.3.1 Directorship

In accordance with our Constitution, the Directors shall have the power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with our Constitution which is 15 directors. At the first annual general meeting of our Company, all our Directors shall retire from office, and at the annual general meeting in every subsequent year, one third of our Directors must retire at each annual general meeting of shareholders but are eligible for re-election. Our Directors must submit themselves for re-election at least once in three years.

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

<u>Name</u>	<u>Date of appointment as Director</u>	<u>Date of expiration of the current term of office</u>	<u>Approximate no. of years in office</u>
Tengku Azrina Binti Raja Abdul Aziz	5 September 2018	subject to retirement by rotation at our first AGM	<1
Lee Chai	27 August 2018	subject to retirement by rotation at our first AGM	>1
Lim Yook Kim	27 August 2018	subject to retirement by rotation at our first AGM	>1
Kang Ah Chee	27 August 2018	subject to retirement by rotation at our first AGM	>1
Lee Sai Boon	27 August 2018	subject to retirement by rotation at our first AGM	>1
Lim Pei Shi	22 October 2018	subject to retirement by rotation at our first AGM	<1
Chang Tian Kwang	5 September 2018	subject to retirement by rotation at our first AGM	<1
Tan Lay Beng	5 September 2018	subject to retirement by rotation at our first AGM	<1
Wee Soon Chit	5 September 2018	subject to retirement by rotation at our first AGM	<1

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

3.3.2 Audit and Risk Management Committee

The composition of our Audit Committee and Risk Management Committee is set out below:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Tan Lay Beng	Chairperson	Independent Non-Executive Director
Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson
Chang Tian Kwang	Member	Independent Non-Executive Director
Wee Soon Chit	Member	Independent Non-Executive Director

The terms of reference of our Audit Committee and Risk Management Committee include the following:

- (i) Review with the external auditors, the audit scope and plan, including any changes to the scope of the audit plan;
- (ii) Ensure the internal audit function is independent of the activities it audits;
- (iii) Review the adequacy of the internal audit scope and plan;
- (iv) Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified;
- (v) Review major audit findings and management's response during the year with management, external auditors and internal auditors, including the status of previous audit recommendations;
- (vi) Review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- (vii) Set policies and procedures to assess the suitability, objectivity and independence of the external auditors;
- (viii) Review the non-audit services provided by the external auditors and/or its network firms to the Group for the financial year;
- (ix) Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- (x) Review the risk profile of the Group (including risk registers) and the risk management team's plans to mitigate business risks as identified from time to time;
- (xi) Review the quarterly results and the year-end financial statements, prior to approval by the Board, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (c) compliance with accounting standards and other legal requirements.
- (xii) Review procedures in place to ensure that the Group is in compliance with the Act and Listing Requirements and other legislative and reporting requirements; and
- (xiii) Review any related party transaction and conflict of interest situation that may arise within the Group, including any transaction, procedure or course of conduct that raises question on Management's integrity.

3.3.3 Remuneration Committee

The composition of our Remuneration Committee is set out below:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Wee Soon Chit	Chairperson	Independent Non-Executive Director
Tan Lay Beng	Member	Independent Non-Executive Director
Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson
Chang Tian Kwang	Member	Independent Non-Executive Director

The terms of reference of our Remuneration Committee, amongst others, include the following:

- (i) Provide assistance to our Board in determining the remuneration of Executive Directors and, if applicable, senior management. In fulfilling this responsibility, the Remuneration Committee is to ensure that the Executive Directors and applicable senior management of our Company:
 - (a) are fairly rewarded for their individual contributions to overall performance;
 - (b) that the compensation is reasonable in light of our Company's objectives; and
 - (c) that the compensation is similar to other companies.
- (ii) Establish the Group Managing Director's goals and objectives; and
- (iii) Review the Group Managing Director's performance against the goals and objective set.

3.3.4 Nomination Committee

The composition of our Nomination Committee is set out below:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Chang Tian Kwang	Chairperson	Independent Non-Executive Director
Tan Lay Beng	Member	Independent Non-Executive Director
Wee Soon Chit	Member	Independent Non-Executive Director
Tengku Azrina Binti Raja Abdul Aziz	Member	Independent Non-Executive Chairperson

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The terms of reference of our Nomination Committee include the following:

- (i) Identify and recommend to our Board, candidates for board directorships of our Company;
- (ii) Recommend to our Board, the directors to fill the seats on Board committees;
- (iii) Review and define orientation and induction plans for new directors;
- (iv) Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors;
- (v) Assess the training needs of each Director, review the fulfilment of such training;
- (vi) Evaluate the effectiveness of our Board and Board committees (including its size and composition) and contributions of each individual director; and
- (vii) Ensure an appropriate framework and plan for Board succession for our Company.

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3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**3.4 KEY SENIOR MANAGEMENT****3.4.1 Shareholdings of the key senior management**

The following table sets out the direct and indirect shareholdings of each of our key senior management (other than Lim Pei Shi, who is also our Marketing Director, AME Development) before and after our IPO, assuming each of our key senior management will subscribe for their respective entitlements under the allocation to Eligible Persons:

Name	Designation	Nationality	Before our IPO			After our IPO				
			Direct		Indirect		Direct		Indirect	
			No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
Lim Khai Wen	Managing Director, AME Engineering	Malaysian	-	-	-	-	325,200	<1	-	-
Kang Koh Wei	Director, AME Construction	Malaysian	-	-	-	-	325,200	<1	-	-
Gregory Lui Poh Sek	Group Financial Controller	Malaysian	-	-	-	-	242,000	<1	-	-
Law Han Meng	Project Director, AME Construction	Malaysian	-	-	-	-	313,000	<1	-	-
Razal Bin Ahmad	Deputy Managing Director, Asiamost	Malaysian	-	-	-	-	290,000	<1	-	-
Teo Kian Jin	Project Director, AME Construction	Malaysian	-	-	-	-	313,000	<1	-	-

Save for our key senior management's respective entitlement under the allocation to Eligible Persons and as disclosed above, there is no other amount or benefit paid or intended to be paid or given to any of our key senior management within the two years preceding the date of this Prospectus.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

3.4.2 Key senior management profiles

Save for Lim Pei Shi, whose profile is set out in Section 3.1.2 of this Prospectus, the profiles of the other key senior management of our Group are as follows:

- (i) **Lim Khai Wen**, a Malaysian aged 39, is the Managing Director of AME Engineering.

He is responsible for overall operation, business development and strategic planning of the Group's engineering division. He has around 11 years of working experience in the construction industry.

Mr Lim graduated with a Diploma in Computer Science from the Sydney Institute of Business and Technology, Australia in October 2002. In June 2014, he obtained a Master of Science in International Business Management from the University of East London, United Kingdom.

He began his career in March 2003 as a Director in W-Link Sdn Bhd where he was responsible for business development and marketing. His responsibilities included developing strategic business plans, liaising with clients and managing, implementing, commissioning and installing IT networking, CCTV Surveillance, Security Alarm and cabling systems.

He was appointed to the board of directors of AME Engineering in September 2008 and was made the Managing Director in January 2018. He is primarily in charge of the overall operations, business development and strategic planning of the company.

He is the son to Lim Yook Kim, brother to Lim Pei Shi and nephew to both Lee Chai and Lee Sai Boon.

- (ii) **Kang Koh Wei**, a Malaysian aged 37, is the Director of AME Construction.

He is currently responsible for contract and project management of the Group's construction division.

Mr Kang graduated with a Bachelor of Engineering (Civil) from Queensland University of Technology, Australia in September 2007.

He joined AME Construction as a Project Engineer in October 2007 and was then appointed as Site Manager in May 2011 and Project Director in June 2013.

He was appointed to the board of directors of AME Construction on August 2013 where his job function includes overseeing the business development and operational activities of the company. In this capacity, he directs and supervises the purchasing, contracts, projects, safety and human resource, quality assurance and quality control departments. He is also responsible for the operational activities relating to the projects and overall business development.

He is the son to Kang Ah Chee.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (iii) **Gregory Lui Poh Sek**, a Malaysian aged 51, is our Group Financial Controller.

He was appointed as our Group Financial Controller in November 2016. He is currently overseeing our Group's overall financial matters including accounting, taxation, corporate finance and treasury functions.

Mr Lui graduated with a Bachelor of Business from University of Southern Queensland, Australia in September 1994. He is a Professional Member of the Australian Society of Certified Practising Accountants (now known as CPA Australia) since December 1994 and a Chartered Accountant of the Malaysian Institute of Accountants since August 1997.

He began his career in July 1988 as an Audit Assistant in Price Waterhouse. He then left the firm in October 1991 to pursue his tertiary education. Upon graduating from University of Southern Queensland, Australia, he re-joined Price Waterhouse as an Audit Senior in September 1994. In February 1996, he left Price Waterhouse and joined Oriental Assemblers Sdn Bhd (a joint venture company between Honda Motor Japan and Oriental Holdings Berhad) as their Accountant. He was re-designated as Finance Manager in 2000 where he was in charge of overseeing the finance, accounting, taxation, payroll and information technology functions. Mr Lui left Oriental Assemblers Sdn Bhd in January 2008.

In February 2008, Mr Lui joined Iskandar Regional Development Authority ("IRDA"), a governmental body, as Vice President of Finance & Corporate Services. He was then promoted to Senior Vice President of Finance & Corporate Services in June 2010 where he was responsible for the implementation of policies and procedures, finance, accounting, budgeting as well as treasury matters. In April 2012, he left IRDA and joined Dialog Engineering Pte Ltd, Singapore, in May 2012 as the Head of Corporate Services. He was responsible for overseeing the Departments of Finance, Taxation, Human Resources, Administration, Information Technology and Business Development. In July 2013, Mr Lui left Dialog Engineering Pte Ltd and thereafter joined Edaran Tan Chong Motor (Selatan) Sdn Bhd as General Manager of Finance in August 2013. He subsequently assumed an additional role as the Head of Sales System Compliance Southern Region in January 2016. His primary role was to oversee the operational compliance and administration of the branches in the region. Mr Lui left in October 2016 to assume his current position.

Mr Lui has no family relationship with the Promoters, substantial shareholders, Directors and key management of our Group.

- (iv) **Law Han Meng**, a Malaysian aged 55, is the Project Director of AME Construction.

He is currently responsible for the management of the construction projects undertaken by the company. In this role he supervises the project team as well as monitors the execution of projects to ensure compliance with the requirements of the contracts, licenses, approved project plans and specifications. In addition, he is also involved in project planning, project scheduling and providing input in the tender exercise for the projects. He has around 29 years of experience working in the construction industry.

Mr Law attended a Diploma course in Technology (Materials Engineering) in Tunku Abdul Rahman University College (then known as Tunku Abdul Rahman College) from 1986 to 1987.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He started his career with a building contractor in Singapore and was seconded as a Surveyor in Kajima (Malaysia) Sdn Bhd on July 1990, where he was involved in surveying and supervision of construction projects. He then left Kajima (Malaysia) Sdn Bhd and joined Nakano (Malaysia) Sdn Bhd in May 1991 as a Surveyor. In September 1993, he became self-employed as a building sub-contractor under the name Pembinaan & Kejuteraan Cahaya Maju. The business ceased in July 1995. In October 1995, he joined the Group as a Project Coordinator and was promoted to a Site Manager in June 1996. He was then promoted to Project Director in 2005.

Mr Law has no family relationship with the Promoters, substantial shareholders, Directors and key senior management of our Group.

- (v) **Razal Bin Ahmad**, a Malaysian aged 47, is the Deputy Managing Director of Asiamost.

He currently manages and leads all the heads of departments of the company. In addition, he is also involved in the operation of the business including strategic business planning, business development, budget control, sales and marketing. He has around 26 years of experience in mechanical and electrical works including approximately 23 years in the construction industry.

In 1992, Mr Razal obtained the Intermediate Malaysian Skills Certificate as a Domestic and Industry Electrician from Majlis Latihan Vokasional Kebangsaan. He subsequently obtained the certificate of competency as a wireman for the category of three-phase and testing endorsement (PW4) in July 1996. He also obtained the certificate of competency as an electrical chargineman for the category of low voltage system (A4-2) in April 2001.

He started his career as an Electrical Technician in Malaysian Sheet Glass Berhad in March 1993 where he was responsible for the supervision and management of his team and third-party contractors in respect of the installation of machinery and cables. He then left Malaysian Sheet Glass Berhad, in July 1994 and joined Felda Johore Bulkurs Sdn Bhd as an Electrician with a similar scope of work. He left Felda Johore Bulkurs Sdn Bhd and joined Asiamost in April 1996 as a Wireman and was promoted to the position of Senior Project Co-ordinator in June 2001, Project Manager in February 2008, Project Director in April 2010 and Deputy Managing Director in June 2015.

Mr Razal has no family relationship with the Promoters, substantial shareholders, Directors and key management of our Group.

- (vi) **Teo Kian Jin**, a Malaysian aged 61, is the Project Director of AME Construction.

He is currently responsible for the management of project operations, the implementation of the quality control procedures within the company and providing the technical specifications in the tender documents. He has around 37 years of experience working in the construction industry.

Mr Teo graduated with Bachelor of Science (Civil and Structural Engineering) from Cardiff University (then known as University of Wales, Cardiff) in June 1982.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Upon graduation, Mr Teo began his career with the Housing & Development Board, Singapore as a Structural Engineer in the Structural Engineering Department in August 1982. He was later promoted to the position of Executive Project Manager in the Project Management Department in 1989. He was involved in the design of multi-storey flats and the management of construction projects for public housing in Singapore. He subsequently left the Housing & Development Board in 1992 and immediately joined Long Hock Huat Construction Pte Ltd, Singapore as a Director, where he was responsible for the supervision and management of housing development projects. In May 2003, he left Long Hock Huat Construction Pte Ltd, Singapore and joined Sykt. Lian Mee Engineering Sdn Bhd as a Project Manager. His primary role was to supervise and manage industrial building projects in the state of Johor. He was transferred to Lian Mee Construction Sdn Bhd in December 2003 and held the position of Project Manager. Mr Teo left Lian Mee Construction Sdn Bhd in June 2007 and thereafter immediately joined AME Construction as Project Manager. He was promoted to his current position of Project Director in May 2011.

Mr Teo has no family relationship with the Promoters, substantial shareholders, Directors and key senior management of our Group.

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3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**3.4.3 Principal business performed outside our Group and principal directorships**

The principal business outside our Group performed by our key senior management as at the LPD and the directorships of our key senior management outside our Group at present and in the past five years preceding the LPD are as follows:

Name	Companies	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Lim Khai Wen	<u>Present directorships:</u> W-Link Sdn Bhd	Winding up Previously supplier and contractor of security systems and computer	Director/Shareholder	Shareholder of 25.00% equity interest
	<u>Past directorships:</u> Landscape Artist Sdn Bhd (ceased directorship on 26 June 2018)	Care and maintenance of landscaping	Director	Nil
	W-Link Technology Sdn Bhd (ceased directorship on 5 February 2014)	(¹)	Director/Shareholder	Shareholder of 20.00% equity interest
Note:				
⁽¹⁾ The company has been struck off on 5 February 2014 following an application by the members of the Company.				
Name	Companies	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Kang Koh Wei	<u>Present directorships:</u> Nil	N/A	N/A	N/A
	<u>Past directorships:</u> Nil	N/A	N/A	N/A

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Gregory Lui Poh Sek	<u>Present directorships:</u> Nil	Nil	Nil	Nil
	<u>Past directorships:</u> Edaran Tan Chong Motor (Selatan) Sdn Bhd (ceased directorship on 9 November 2016)	Trading and marketing of motor vehicle	Director	Nil
Name	Companies	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director

Razal bin Ahmad	<u>Present directorships:</u> Nil	Nil	Nil	Nil
	<u>Past directorships:</u> Jati Orbit Sdn Bhd (ceased directorship on 12 April 2018) Ezen Engineering Sdn Bhd (ceased directorship on 25 September 2018)	Firefighting equipment supplier and service contractor Supply, installation, commissioning, maintenance of firefighting and protection equipment and system	Director/Shareholder Director	Shareholder of 40.00% equity shares Nil

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Companies	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Teo Kian Jin	<u>Present directorships:</u> Nil	Nil	Nil	Nil
	<u>Past directorships:</u> Fortunate Dockyard & Fabrication Sdn Bhd (ceased directorship on 1 August 2018)	Dormant	Director	Nil
Name	Companies	Principal activities	Relationship	Involvement in business activities performed outside our Group other than director
Law Han Meng	<u>Present directorships:</u> Nil	Nil	Nil	Nil
	<u>Past directorships:</u> Nil	Nil	Nil	Nil

As at LPD, our key senior management do not hold any directorships or performed any principal business outside our Group.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

3.4.4 Remuneration and material benefits-in-kind of our key senior management

The remuneration, which includes salaries, bonus, fees and allowances as well as material benefits-in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our key senior management for services rendered in all capacities to our Group for the FYE 31 March 2018, 2019 and 2020 are as follows:

Key senior management	Remuneration band		
	FYE 31 March 2018 (Actual)	FYE 31 March 2019 (Actual)	FYE 31 March 2020 (Estimate)
	RM		
Lim Khai Wen	300,000-350,000	600,000-650,000	600,000-650,000
Kang Koh Wei	⁽¹⁾ 600,000-650,000	⁽²⁾ 550,000-600,000	550,000-600,000
Lim Pei Shi	⁽³⁾	⁽³⁾	⁽³⁾
Gregory Lui Poh Sek	650,000-700,000	650,000-700,000	650,000-700,000
Law Han Meng	600,000-650,000	550,000-600,000	550,000-600,000
Razal Bin Ahmad	300,000-350,000	300,000-350,000	300,000-350,000
Teo Kian Jin	300,000-350,000	300,000-350,000	300,000-350,000

Key senior management	Material benefits-in-kind		
	FYE 31 March 2018 (Actual)	FYE 31 March 2019 (Actual)	FYE 31 March 2020 (Estimate)
	RM		
Lim Khai Wen	<50,000	<50,000	<50,000
Kang Koh Wei	<50,000	<50,000	<50,000
Lim Pei Shi	⁽³⁾	⁽³⁾	⁽³⁾
Gregory Lui Poh Sek	<50,000	<50,000	<50,000
Law Han Meng	<50,000	<50,000	<50,000
Razal Bin Ahmad	<50,000	<50,000	<50,000
Teo Kian Jin	<50,000	<50,000	<50,000

Notes:

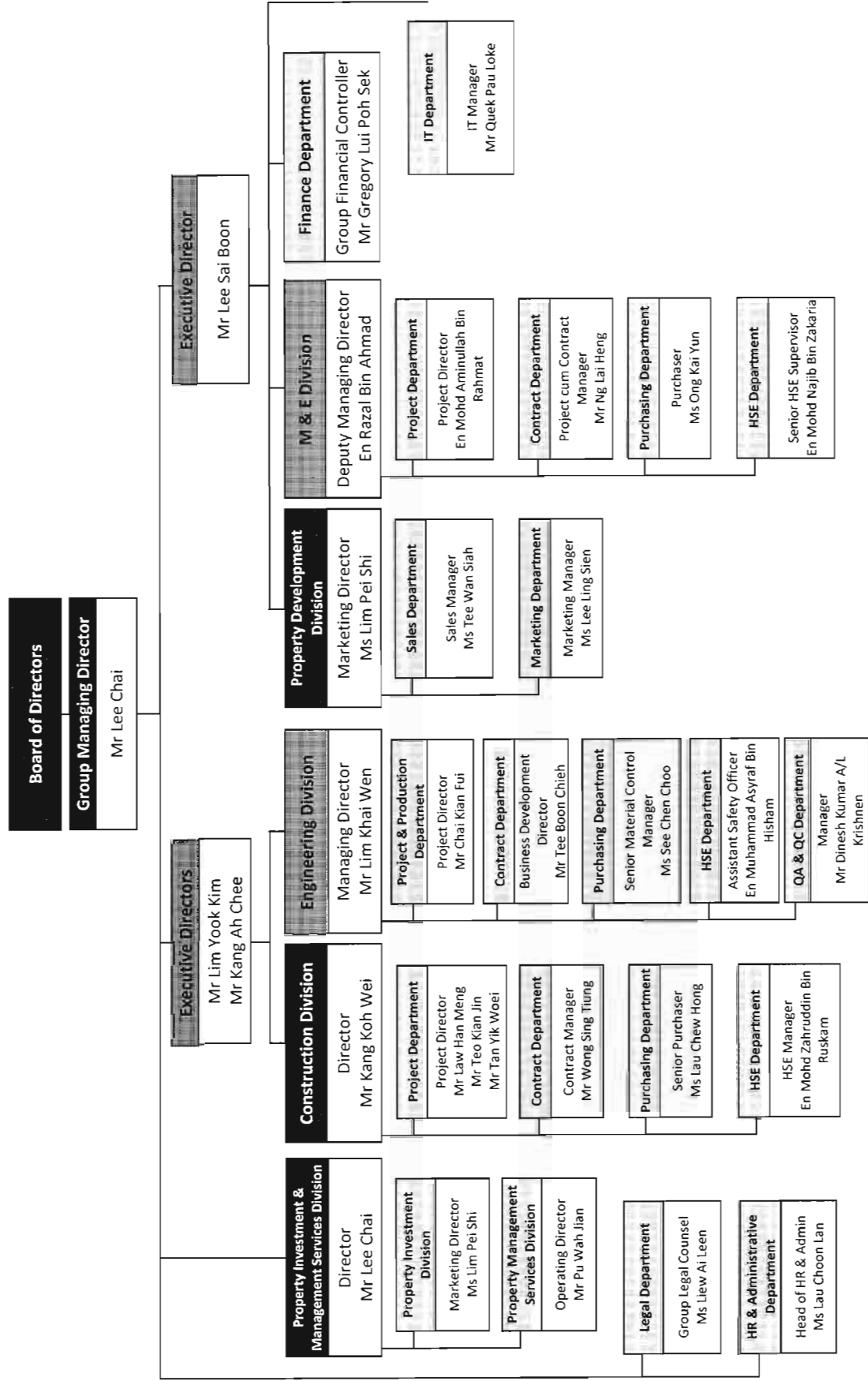
- (1) During the FYE 31 March 2016, 2017 and 2018, the directors of AME Construction, including Kang Koh Wei were entitled to an annual performance bonus calculated based on 1% to 3% of the audited pre-tax profit (before the performance bonus) of AME Construction for the immediate preceding financial year. The amount of remuneration for FYE 31 March 2018 takes into account the outstanding performance bonus for the FYE 2017 and 2018 amounting to RM501,760 that was paid by AME Construction to Kang Koh Wei after FYE 31 March 2018.
- (2) There was no performance bonus paid for FYE 31 March 2019. Further, AME Construction will not be paying performance bonus to its key senior management following the listing.
- (3) The remuneration and material benefits-in-kind of Lim Pei Shi is disclosed in Section 3.2.4 of this Prospectus.

3.4.5 Service agreements with our key senior management which provide for benefits upon termination of employment

As at the LPD, we do not have any existing or proposed service contracts with our key senior management which provide for benefits upon termination.

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

3.4.6 Management reporting structure



3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

3.5 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a director or key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, being the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) subject of any current investigation or disciplinary proceeding, or in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) having an unsatisfied judgment against him.

3.6 FAMILY RELATIONSHIPS AND/OR ASSOCIATIONS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there is no family relationship and/or association between any of our Promoters, substantial shareholders, Directors and key senior management as at the LPD:

<u>Name</u>	<u>Position</u>	<u>Relationship</u>
Lee Chai	Promoter, substantial shareholder and Group Managing Director	<ul style="list-style-type: none"> • Brother to Lee Sai Boon; • Brother-in-law to Lim Yook Kim; • Uncle to Lim Khai Wen; and • Uncle to Lim Pei Shi.
Lee Sai Boon	Promoter, substantial shareholder and Executive Director	<ul style="list-style-type: none"> • Brother to Lee Chai; • Brother-in-law to Lim Yook Kim; • Uncle to Lim Khai Wen; and • Uncle to Lim Pei Shi.
Lim Yook Kim	Promoter, substantial shareholder and Executive Director	<ul style="list-style-type: none"> • Brother-in-law to Lee Chai; • Brother-in-law to Lee Sai Boon; • Father to Lim Khai Wen; and

3. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name</u>	<u>Position</u>	<u>Relationship</u>
		<ul style="list-style-type: none"> • Father to Lim Pei Shi.
Kang Ah Chee	Promoter, substantial shareholder and Executive Director	<ul style="list-style-type: none"> • Father to Kang Koh Wei
Lim Pei Shi	Promoter, Executive Director and Key senior management	<ul style="list-style-type: none"> • Daughter to Lim Yook Kim; • Niece to Lee Chai; • Niece to Lee Sai Boon; and • Sister to Lim Khai Wen
Lim Khai Wen	Key senior management	<ul style="list-style-type: none"> • Son to Lim Yook Kim; • Nephew to Lee Chai; • Nephew to Lee Sai Boon; and • Brother to Lim Pei Shi
Kang Koh Wei	Key senior management	<ul style="list-style-type: none"> • Son to Kang Ah Chee

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4. INFORMATION ON OUR GROUP**4.1 OUR COMPANY**

Our Company 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.

We are principally an investment holding company. The formation of our Group was undertaken through the Restructuring Exercise. Accordingly, our Company had on 11 November 2018 entered into the Restructuring Agreement in relation to the following:

4.1.1 Acquisitions of shares in respect of the following companies

On 1 June 2019, our Company established the acquisition of ordinary shares held by Lee Chai, Kang Ah Chee, Lim Yook Kim, Lee Sai Boon, Kang Koh Wei, Lim Khai Wen, Tan Mui Heong, Kang Chai Poh, Lim Pei Shi and Oh Nancy in the following companies:

No.	Company	Vendors	% acquired	No. of ordinary shares acquired	⁽⁶⁾ Purchase consideration	⁽⁹⁾ No. of Shares issued
1.	Amsun Industries	(i) Lee Chai	30%	233,333	124,125,045	82,750,030
		(ii) Kang Ah Chee	30%			
		(iii) Lim Yook Kim	30%			
		(iv) Lee Sai Boon	10%			
2.	AME Development	(i) Lee Chai	30%	1,000,000	184,619,859	123,079,906
		(ii) Kang Ah Chee	30%			
		(iii) Lim Yook Kim	30%			
		(iv) Lee Sai Boon	10%			
3.	AME Industrial Park	(i) Lee Chai	30%	100	59,882,205	39,921,470
		(ii) Kang Ah Chee	30%			
		(iii) Lim Yook Kim	30%			
		(iv) Lee Sai Boon	10%			
4.	AME Engineering	(i) Lee Chai	30%	750,000	25,524,444	⁽⁹⁾ 17,016,296
		(ii) Kang Koh Wei ⁽¹⁾	30%			
		(iii) Lim Khai Wen ⁽²⁾	30%			
		(iv) Lee Sai Boon	10%			

4. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Vendors	% acquired	No. of ordinary shares acquired	(6) Purchase consideration RM	(9) No. of Shares issued
5.	Asiamost	(i) Lee Chai	25%	1,000,000	16,520,232	11,013,488
		(ii) Kang Ah Chee	25%			
		(iii) Lim Yook Kim	25%			
		(iv) Lee Sai Boon	25%			
6.	Amsun Capital	(i) Lee Chai	30%	100,000	4,248,005	2,832,003
		(ii) Kang Ah Chee	30%			
		(iii) Lim Yook Kim	30%			
		(iv) Lee Sai Boon	10%			
7.	Tanjung Bebas	(i) Lee Chai	30%	250,000	18,746,109	12,497,406
		(ii) Kang Ah Chee	30%			
		(iii) Lim Yook Kim	30%			
		(iv) Lee Sai Boon	10%			
8.	I Stay Management	(i) Lee Chai	21%	70,000	(7) 69,999	46,666
		(ii) Kang Ah Chee	21%			
		(iii) Lim Yook Kim	21%			
		(iv) Lee Sai Boon	7%			
9.	Twin Sunrich	(i) Tan Mui Heong ⁽³⁾	30%	10	4,505,535	(9) 3,003,690
		(ii) Kang Chai Poh ⁽¹⁾	30%			
		(iii) Lim Pei Shi ⁽⁴⁾	30%			
		(iv) Oh Nancy ⁽⁵⁾	10%			
10.	LKL Industries	(i) Lee Chai	30%	100,000	18,570,420	12,380,280
		(ii) Kang Ah Chee	30%			
		(iii) Lim Yook Kim	30%			
		(iv) Lee Sai Boon	10%			

4. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Being the son of Kang Ah Chee.
 (2) Being the son of Lim Yook Kim.
 (3) Being the spouse of Lee Chai.
 (4) Being the daughter of Lim Yook Kim.
 (5) Being the spouse of Lee Sai Boon.
 (6) Save for I Stay Management, the purchase consideration for the acquisition of shares in the companies was arrived at based on the audited NA of the companies as at 31 March 2018 and, where applicable, after adjusting for the net revaluation surplus arising from the market value of its property assets as at 25 June 2018, as follows:

Company	Audited NA/(NL) as at 31 March 2018	Market value of property assets ^(a)	Revaluation surplus	Estimated deferred tax	Net revaluation surplus	Adjusted NA
			RM			
Amsun Industries	124,125,048	-	-	-	-	-
AME Development	116,980,942	275,000,000	88,373,581	(20,734,660)	67,638,921	184,619,863
AME Industrial Park	37,216,129	^(b) 99,500,000	59,647,579	(14,315,419)	45,332,160	^(c) 59,882,209
AME Engineering	25,524,445	-	-	-	-	-
Asiamost	16,520,235	-	-	-	-	-
Amsun Capital	4,248,006	-	-	-	-	-
Tanjung Bebas	18,746,114	39,000,000	-	-	-	-
I Stay Management	(761,864)	-	-	-	-	-
Twin Sunrich	4,315,538	14,500,000	200,000	(10,000)	190,000	4,505,538
LKL Industries	18,380,421	13,100,000	200,000	(10,000)	190,000	18,570,421

(a) Market value of property assets as ascribed by C H Williams Talhar & Wong, the independent valuers in relation to our IPO.

(b) Property assets are held by Axis AME IP, a jointly-controlled entity of AME Industrial Park.

(c) Computed based on the audited NA of AME Industrial Park as at 31 March 2018 plus 50% of the net revaluation surplus attributable to its equity interest in Axis AME IP.

(7) Purchase consideration based on I Stay Management's issued share capital of RM70,000 which is also the original cost of investment by the vendors as I Stay Management became profitable for the FYE 31 March 2018. Our Directors do not expect a subsequent impairment in the cost of investment in I Stay Management after the Proposed Listing as I Stay Management has made a profit of RM522,389 for FYE 31 March 2018 and the occupancy rate of the dormitory has reached 95% as at FYE 31 March 2018.

(8) Being the total number of Shares issued at an issue price of RM1.50 per Share as settlement of the purchase consideration.

4. INFORMATION ON OUR GROUP (Cont'd)

(9) The Shares were issued to Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon (as the case may be) as Kang Koh Wei and Lim Khai Wen previously held the shares in AME Engineering, and Tan Mui Heong, Kang Chai Poh, Lim Pei Shi and Oh Nancy previously held the shares in Twin Sunrich, in trust for Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon in accordance with six declarations of trust made by the parties on 18 August 2018 which took effect on the dates of issue and allotment of shares in the respective companies.

Through Amsun Industries and Asiamost, our Company owns 100% equity interest in AME Construction and Asiamost Engineering, respectively while through AME Industrial Park, our Company owns 50% equity interest in a jointly-controlled entity, Axis AME IP.

4.1.2 Subscription of shares in respect of the following companies

On 1 June 2019, our Company completed the subscription of shares in the following companies, at a subscription price of RM0.001 per share:

- (i) Subscription of 100,000 ordinary shares, representing 99.9% equity interest in AME Integrated for a total cash consideration of RM100;
- (ii) Subscription of 500,000,000 ordinary shares, representing 99.9% equity interest in Active Gold for a total cash consideration of RM500,000; and
- (iii) Subscription of 300,000,000 ordinary shares, representing 99.9% equity interest in Symphony Square for a total cash consideration of RM300,000.

Through AME Integrated, our Company owns 80% equity interest in Ipark Development.

Details of the audited NA and/or adjusted NA of AME Integrated, Active Gold and Symphony Square are as follows:

No.	Company	Audited NA as at 31 March 2018	Market value of property assets ⁽¹⁾	Revaluation surplus	Estimated deferred tax	Net revaluation surplus	Adjusted NA
RM							
1.	AME Integrated	26,374,687	⁽²⁾ 259,000,000	46,110,872	(11,066,609)	35,044,263	⁽³⁾ 54,410,097
2.	Active Gold	11,552,150	18,000,000	-	-	-	-
3.	Symphony Square	4,816,069	23,300,000	-	-	-	-

Notes:

(1) Market value of property assets as ascribed by C H Williams Taihar & Wong, the independent valuers to our Company our IPO.

(2) Property assets are held by Ipark Development, an 80%-owned subsidiary of AME Integrated.

4. INFORMATION ON OUR GROUP (Cont'd)

(3) Computed based on the audited NA of AME Integrated as at 31 March 2018 plus 80% of the net revaluation surplus attributable to its equity interest in Ipark Development.

4.1.3 Capitalisations of amount due to Directors

Over the years, Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon have extended advances to Amsun Capital, AME Development, AME Industrial Park, Tanjung Bebas, AME Integrated, I Stay Management, Symphony Square, Twin Sunrich and LKL Industries for our Group's working capital and investment purposes. In addition, Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon have on 18 June 2019 made additional advances to our Company amounting to RM1,500,000 ("**Additional Advances**") to fund the shares subscriptions under Section 4.1.2 above as well as provision for stamp duties payable in relation to the share transfers under the Restructuring Exercise.

As at 4 November 2018, an aggregate amount of RM54,225,172 is owing by the abovementioned companies to Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon. As at LPD, the entire amount (including the Additional Advances) of RM55,725,172 was capitalised into 37,149,865 Shares at an issue price of RM1.50 per Share.

No.	Company	Amount due to Directors					Total amount capitalised
		Lee Chai	Kang Ah Chee	Lim Yook Kim	Lee Sai Boon	RM	
1.	AME	450,000	450,000	450,000	150,000	1,500,000	
2.	Amsun Capital	60,000	60,000	60,000	20,000	200,000	
3.	AME Development	276,077	276,077	276,077	92,025	920,257	
4.	AME Industrial Park	988,774	988,774	988,774	329,591	3,295,914	
5.	Tanjung Bebas	3,213,732	3,213,732	3,213,732	1,071,244	10,712,441	
6.	AME Integrated	8,933,411	8,933,411	8,933,411	2,977,804	29,778,036	
7.	I Stay Management	498,030	498,030	498,030	166,010	1,660,100	
8.	Symphony Square	1,195,864	1,195,864	1,195,864	398,621	3,986,213	
9.	Twin Sunrich	1,076,653	1,076,653	1,076,653	358,884	3,588,843	
10.	LKL Industries	-	35,729	35,729	11,910	83,368	

4. INFORMATION ON OUR GROUP (Cont'd)

A summary of the number of Shares issued to Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon arising from the Restructuring Exercise is as follows:

	<u>Lee Chai</u>	<u>Kang Ah Chee</u>	<u>Lim Yook Kim</u>	<u>Lee Sai Boon</u>	<u>Total no. of Shares issued</u>
Acquisition of shares in the following companies:					
- Amsun Industries	24,825,009	24,825,009	24,825,009	8,275,003	82,750,030
- AME Development	36,923,972	36,923,972	36,923,972	12,307,990	123,079,906
- AME Industrial Park	11,976,441	11,976,441	11,976,441	3,992,147	39,921,470
- AME Engineering	5,104,889	5,104,889	5,104,889	1,701,629	17,016,296
- Asiamost	2,753,372	2,753,372	2,753,372	2,753,372	11,013,488
- Amsun Capital	849,601	849,601	849,601	283,200	2,832,003
- Tanjung Bebas	3,749,222	3,749,222	3,749,222	1,249,740	12,497,406
- I Stay Management	14,000	14,000	14,000	4,666	46,666
- Twin Sunrich	901,107	901,107	901,107	300,369	3,003,690
- LKL Industries	3,714,084	3,714,084	3,714,084	1,238,028	12,380,280
Capitalisation of amount due to Directors	<u>11,128,303</u>	<u>11,152,103</u>	<u>11,152,103</u>	<u>3,717,356</u>	<u>37,149,865</u>
Total no. of Shares issued	<u>101,940,000</u>	<u>101,963,800</u>	<u>101,963,800</u>	<u>35,823,500</u>	<u>341,691,100</u>

The shareholders of our Company and their shareholdings in our Company before and after the Restructuring Exercise are as follows:

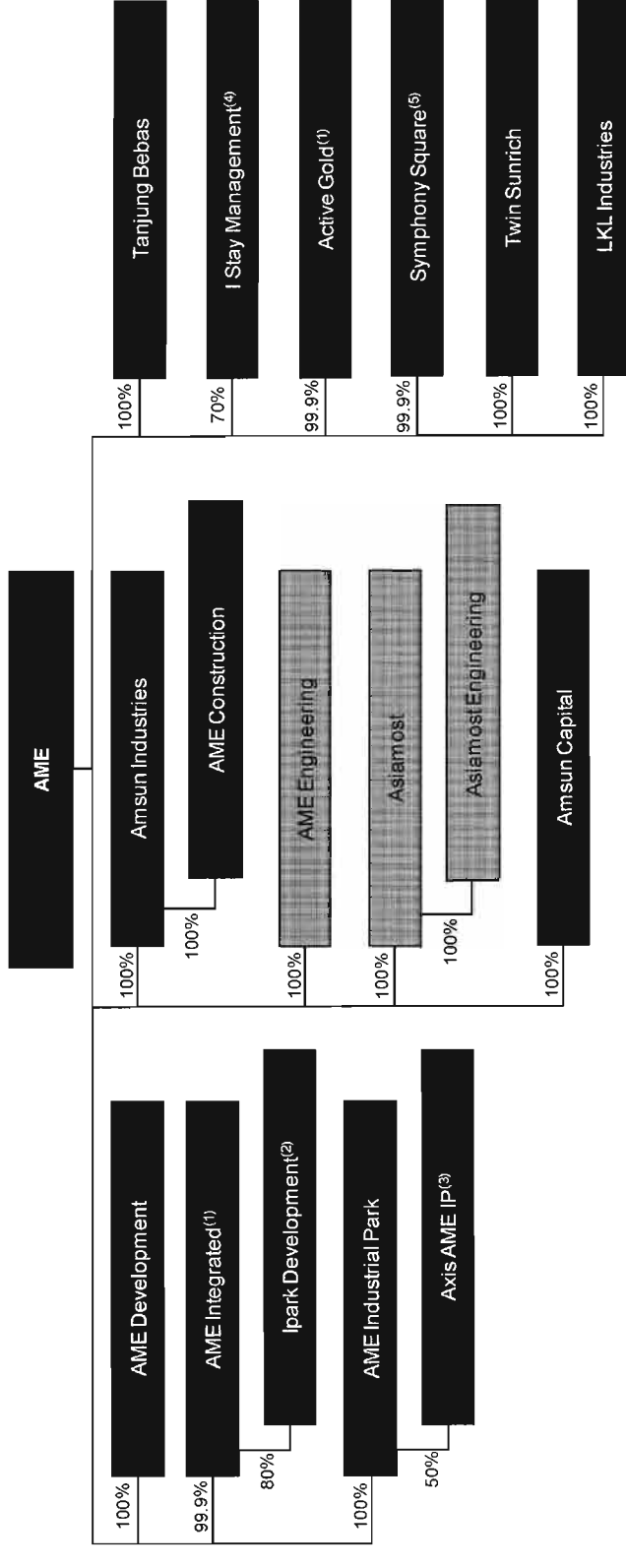
Name	On incorporation		After the Restructuring Exercise	
	No. of Shares	%	No. of Shares	%
Lee Chai	300	30.0	101,940,300	29.8
Kang Ah Chee	300	30.0	101,964,100	29.8
Lim Yook Kim	300	30.0	101,964,100	29.8
Lee Sai Boon	100	10.0	35,823,600	10.5
Yannick Siah Kok Shern	1	< 0.1	1	< 0.1
	<u>1,001</u>	<u>100.0</u>	<u>341,692,101</u>	<u>100.0</u>

Following the completion of the Restructuring Exercise, our Group is principally involved in property development, construction, provision of engineering services and property investment and management services. For further details on our subsidiaries and jointly-controlled entity, please refer to Section 4.4 of this Prospectus.

4. INFORMATION ON OUR GROUP (Cont'd)

4.2 OUR GROUP STRUCTURE

Our current group structure is set out below:



- Property development division
- Construction division
- Engineering division
- Property investment & management services division

Notes:

- (1) Remaining 0.1% equity interest held by Lee Chai (0.03%), Kang Ah Chee (0.03%), Lim Yook Kim (0.03%) and Lee Sai Boon (0.01%).
- (2) Remaining 20% equity interest held by Fujiplates Manufacturing Sdn Bhd.
- (3) Remaining 50% equity interest held by Axis IE.
- (4) Remaining 30% equity interest held by Pu Wah Jian.
- (5) Remaining 0.1% equity interest held by Tan Mui Heong (0.03%), Kang Chai Poh (0.03%), Lim Pei Shi (0.03%) and Oh Nancy (0.01%), in trust for Lee Chai, Kang Ah Chee, Lim Yook Kim and Lee Sai Boon in accordance with declarations of trust made by the parties on 18 August 2018 which took effect on the dates of issue and allotment of shares.

4. INFORMATION ON OUR GROUP (Cont'd)

4.3 OUR SHARE CAPITAL

As at the LPD, our issued share capital is RM512,537,651 comprising 341,692,101 Shares.

The changes in our issued share capital since our incorporation and up to the date of this Prospectus are as follows:

<u>Date of allotment</u>	<u>No of shares</u>	<u>Nature of transaction</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u> RM
27 August 2018	1,001	Incorporation	Subscribers' shares	1,001
1 June 2019	341,691,100	Restructuring Exercise	Other than cash	512,537,651

None of our Shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, neither our Company nor any of our subsidiaries has any outstanding warrants, options, convertible securities or uncalled capital.

Our issued share capital will increase up to 427,115,101 Shares following the completion of our IPO.

4.4 OUR SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITY

Our subsidiaries and jointly-controlled entity as at the LPD are as follows:

<u>Name</u>	<u>Date and country of incorporation</u>	<u>Issued share capital</u> RM	<u>Effective equity interest</u> %	<u>Principal activities</u>
Our directly held subsidiaries				
Amsun Industries	16 November 1996 Malaysia	233,333	100.0%	Investment holding
AME Development	21 January 2008 Malaysia	1,000,000	100.0%	Property development
AME Industrial Park	29 August 2012 Malaysia	100	100.0%	Investment holding
AME Engineering	23 September 2008 Malaysia	750,000	100.0%	Manufacturing, installation and contractor for industrialised building system-precast concrete and steel structure product
AME Integrated	28 August 2012 Malaysia	200	99.9%	Investment holding
Asiamost	2 December 1994 Malaysia	1,000,000	100.0%	Fire protection system and M&E contractor
Amsun Capital	24 February 1997 Malaysia	100,000	100.0%	Provision of heavy equipment for construction industry
Tanjung Bebas	28 August 2008 Malaysia	250,000	100.0%	Property investment
I Stay Management	18 February 2014 Malaysia	100,000	70.0%	Property letting and maintenance
Active Gold	16 July 2007 Malaysia	1,000,000	99.9%	Property investment

4. INFORMATION ON OUR GROUP (Cont'd)

Name	Date and country of incorporation	Issued share capital	Effective equity interest	Principal activities
		RM	%	
Symphony Square	6 November 2012 Malaysia	600,000	99.9%	Property investment
Twin Sunrich	1 November 2012 Malaysia	10	100.0%	Property investment
LKL Industries	13 October 2000 Malaysia	100,000	100.0%	Property investment
Subsidiary of Amsun Industries				
AME Construction	7 October 1993 Malaysia	5,000,000	100.0%	Fabrication works, building contractors and property letting activities
Subsidiary of Asiamost				
Asiamost Engineering	26 November 1996 Malaysia	100,000	100.0%	Provision of servicing, maintenance and installation of firefighting system
Subsidiary of AME Integrated				
Ipark Development	28 September 2012 Malaysia	101,000,000	80.0%	Property development
Jointly-controlled entity of AME Industrial Park				
Axis AME IP	16 November 2012 Malaysia	1,000,000	50.0%	Property development and investment

The details of our subsidiaries and jointly-controlled entity as at the LPD are set out below:

4.4.1 Our directly held subsidiaries**4.4.1.1 Amsun Industries****(i) History and business**

Amsun Industries was incorporated in Malaysia on 16 November 1996 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Amsun Industries is principally involved in investment holding.

The principal place of business of Amsun Industries is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Amsun Industries is RM233,333 comprising 233,333 ordinary shares.

The changes in the issued share capital of Amsun Industries for the past three years preceding the LPD are as follows:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital
			RM
25 October 2018	23,333	Cash	233,333

4. INFORMATION ON OUR GROUP (Cont'd)

(iii) Shareholder

Amsun Industries is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Amsun Industries has a subsidiary, namely AME Construction, details of which are set out in Section 4.4.2.1 of this Prospectus.

As at the LPD, Amsun Industries does not have any associated company or jointly-controlled entity.

4.4.1.2 AME Development

(i) History and business

AME Development was incorporated in Malaysia on 21 January 2008 under CA 1965 as a private limited company and is deemed registered under the CA 2016. AME Development is principally involved in property development.

The principal place of business of AME Development is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of AME Development is RM1,000,000 comprising 1,000,000 ordinary shares.

There has been no change in the issued share capital of AME Development for the past three years preceding the LPD.

(iii) Shareholder

AME Development is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, AME Development does not have any subsidiary, associated company or jointly-controlled entity.

4.4.1.3 AME Industrial Park

(i) History and business

AME Industrial Park was incorporated in Malaysia on 29 August 2012 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. AME Industrial Park is principally involved in investment holding.

The principal place of business of AME Industrial Park is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

4. INFORMATION ON OUR GROUP (Cont'd)

(ii) Share capital

As at the LPD, the issued share capital of AME Industrial Park is RM100 comprising 100 ordinary shares.

There has been no change in the issued share capital of AME Industrial Park for the past three years preceding the LPD.

(iii) Shareholder

AME Industrial Park is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, AME Industrial Park does not have any subsidiary or associated company.

As at the LPD, AME Industrial Park has a jointly-controlled entity, namely Axis AME IP, details of which are set out in Section 4.4.5.1 of this Prospectus.

4.4.1.4 AME Engineering

(i) History and business

AME Engineering was incorporated in Malaysia on 23 September 2008 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. AME Engineering is principally involved in manufacturing, installation and contractor for industrialised building system-precast concrete and steel structure product.

The principal place of business of AME Engineering is PLO 3, Jalan Persiaran Teknologi, Taman Teknologi Johor, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of AME Engineering is RM750,000 comprising 750,000 ordinary shares.

There has been no change in the issued share capital of AME Engineering for the past three years preceding the LPD.

(iii) Shareholder

AME Engineering is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, AME Engineering does not have any subsidiary, associated company or jointly-controlled entity.

4. INFORMATION ON OUR GROUP (Cont'd)**4.4.1.5 AME Integrated****(i) History and business**

AME Integrated was incorporated in Malaysia on 28 August 2012 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. AME Integrated is principally an investment holding company.

The principal place of business of AME Integrated is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of AME Integrated is RM200 comprising of 100,100 ordinary shares.

The changes in the issued share capital of AME Integrated for the past three years preceding the LPD are as follows:

<u>Date of allotment</u>	<u>No of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u>
			<u>RM</u>
1 June 2019	100,000	Cash	200

(iii) Shareholders

As at the LPD, the shareholders of AME Integrated and their shareholdings in AME Integrated are set out below:

<u>Name</u>	<u>No. of shares held</u>	<u>%</u>
AME	100,000	99.90
Lee Chai	30	0.03
Kang Ah Chee	30	0.03
Lim Yook Kim	30	0.03
Lee Sai Boon	10	0.01

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, AME Integrated has a subsidiary, namely Ipark Development, details of which are set out in Section 4.4.3.1 of this Prospectus.

As at the LPD, AME Integrated does not have any associated company or jointly-controlled entity.

4.4.1.6 Asiamost**(i) History and business**

Asiamost was incorporated in Malaysia on 2 December 1994 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Asiamost is principally involved in the provision of fire protection system and M&E contractor.

4. INFORMATION ON OUR GROUP (Cont'd)

The principal place of business of Asiamost is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Asiamost is RM1,000,000 comprising 1,000,000 ordinary shares.

There has been no change in the issued share capital of Asiamost for the past three years preceding the LPD.

(iii) Shareholder

Asiamost is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Asiamost has a subsidiary, namely Asiamost Engineering, details of which are set out in Section 4.4.4.1 of this Prospectus.

As at the LPD, Asiamost does not have any associated company or jointly-controlled entity.

4.4.1.7 Amsun Capital**(i) History and business**

Amsun Capital was incorporated in Malaysia on 24 February 1997 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Amsun Capital is principally involved in the provision of heavy equipment for construction industry.

The principal place of business of Amsun Capital is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Amsun Capital is RM100,000 comprising 100,000 ordinary shares.

There has been no change in the issued share capital of Amsun Capital for the past three years preceding the LPD.

(iii) Shareholder

Amsun Capital is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Amsun Capital does not have any subsidiary, associated company or jointly-controlled entity.

4. INFORMATION ON OUR GROUP (Cont'd)

4.4.1.8 Tanjung Bebas

(i) History and business

Tanjung Bebas was incorporated in Malaysia on 28 August 2008 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Tanjung Bebas is principally involved in property investment.

The principal place of business of Tanjung Bebas is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Tanjung Bebas is RM250,000 comprising 250,000 ordinary shares.

There has been no change in the issued share capital of Tanjung Bebas for the past three years preceding the LPD.

(iii) Shareholder

Tanjung Bebas is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Tanjung Bebas does not have any subsidiary, associated company or jointly-controlled entity.

4.4.1.9 I Stay Management

(i) History and business

I Stay Management was incorporated in Malaysia on 18 February 2014 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. I Stay Management is principally involved in property letting and maintenance.

The principal place of business of I Stay Management is Fasa 1A, Jalan Pekeliling Seroja 28, Kawasan Perindustrian I-Park, Bandar Indahpura, 81000, Kulajaya, Johor.

(ii) Share capital

As at the LPD, the issued share capital of I Stay Management is RM100,000 comprising 100,000 ordinary shares.

The changes in the issued share capital of I Stay Management for the past three years preceding the LPD are as follows:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital
			RM
13 June 2016	99,900	⁽¹⁾ Other than cash	100,000

4. INFORMATION ON OUR GROUP (Cont'd)**Note:**

(1) The consideration of other than cash was the capitalisation of part of an amount due to the existing shareholders of I Stay Management into share capital in the company.

(iii) Shareholders

As at the LPD, the shareholders of I Stay Management and their shareholdings in I Stay Management are set out below:

Name	No. of shares held	%
AME	70,000	70.0
Pu Wah Jian	30,000	30.0

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, I Stay Management does not have any subsidiary, associated company or jointly-controlled entity.

4.4.1.10 Active Gold**(i) History and business**

Active Gold was incorporated in Malaysia on 16 July 2007 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Active Gold is principally involved in property investment.

The principal place of business of Active Gold is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Active Gold is RM1,000,000 comprising 500,500,000 ordinary shares.

The changes in the issued share capital of Active Gold for the past three years preceding the LPD are as follows:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital
			RM
23 May 2016	499,990	Cash	500,000
1 June 2019	500,000,000	Cash	1,000,000

(iii) Shareholders

As at the LPD, the shareholders of Active Gold and their shareholdings in Active Gold are set out below:

Name	No. of shares held	%
AME	500,000,000	99.90
Lee Chai	150,000	0.03
Kang Ah Chee	150,000	0.03
Lim Yook Kim	150,000	0.03
Lee Sai Boon	50,000	0.01

4. INFORMATION ON OUR GROUP (Cont'd)**(iv) Subsidiaries, associated companies and jointly-controlled entity**

As at the LPD, Active Gold does not have any subsidiary, associated company or jointly-controlled entity.

4.4.1.11 Symphony Square**(i) History and business**

Symphony Square was incorporated in Malaysia on 6 November 2012 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Symphony Square is principally involved in property investment.

The principal place of business of Symphony Square is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Symphony Square is RM600,000 comprising 300,300,000 ordinary shares.

The changes in the issued share capital of Symphony Square for the past three years preceding the LPD are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u>
			<u>RM</u>
7 July 2017	299,990	Cash	300,000
1 June 2019	300,000,000	Cash	600,000

(iii) Shareholders

As at the LPD, the shareholders of Symphony Square and their shareholdings in Symphony Square are set out below:

<u>Name</u>	<u>No. of shares held</u>	<u>%</u>
AME	300,000,000	99.90
Tan Mui Heong	90,000	0.03
Lim Pei Shi	90,000	0.03
Kang Chai Poh	90,000	0.03
Oh Nancy	30,000	0.01

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Symphony Square does not have any subsidiary, associated company or jointly-controlled entity.

4. INFORMATION ON OUR GROUP (Cont'd)**4.4.1.12 Twin Sunrich****(i) History and business**

Twin Sunrich was incorporated in Malaysia on 1 November 2012 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Twin Sunrich is principally involved in property investment.

The principal place of business of Twin Sunrich is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Twin Sunrich is RM10 comprising 10 ordinary shares.

There has been no change in the issued share capital of Twin Sunrich for the past three years preceding the LPD.

(iii) Shareholder

Twin Sunrich is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Twin Sunrich does not have any subsidiary, associated company or jointly-controlled entity.

4.4.1.13 LKL Industries**(i) History and business**

LKL Industries was incorporated in Malaysia on 13 October 2000 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. LKL Industries is principally involved in property investment.

The principal place of business of LKL Industries is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of LKL Industries is RM100,000 comprising 100,000 ordinary shares.

There has been no change in the issued share capital of LKL Industries for the past three years preceding the LPD.

(iii) Shareholder

LKL Industries is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, LKL Industries does not have any subsidiary, associated company or jointly-controlled entity.

4. INFORMATION ON OUR GROUP (Cont'd)

4.4.2 Subsidiary of Amsun Industries

4.4.2.1 AME Construction

(i) History and business

AME Construction was incorporated in Malaysia on 7 October 1993 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. AME Construction is principally involved in fabrication works, building contractors and property letting activities.

The principal place of business of AME Construction is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of AME Construction is RM5,000,000 comprising 5,000,000 ordinary shares.

The changes in the issued share capital of AME Construction for the past three years preceding the LPD are as follows:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital
			RM
25 May 2018	900,000	⁽¹⁾ Other than cash	5,000,000

Note:

(1) The consideration of other than cash was pursuant to the capitalisation of retained profits and issuance of bonus shares to existing shareholders.

(iii) Shareholder

As at the LPD, AME Construction is a wholly-owned subsidiary of Amsun Industries, which in turn is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, AME Construction does not have any subsidiary, associated company or jointly-controlled entity.

4.4.3 Subsidiary of AME Integrated

4.4.3.1 Ipark Development

(i) History and business

Ipark Development was incorporated in Malaysia on 28 September 2012 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Ipark Development is principally involved in property development.

The principal place of business of Ipark Development is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

4. INFORMATION ON OUR GROUP (Cont'd)**(ii) Share capital**

As at the LPD, the issued share capital of Ipark Development is RM101,000,000 comprising 5,000,000 ordinary shares and 9,600 NCRPS.

The changes in the issued share capital of Ipark Development for the past three years preceding the LPD are as follows:

Date of allotment	No. of ordinary shares/ preference shares held	Consideration	Cumulative issued share capital RM
Ordinary shares			
12 October 2015	900,000	Cash	1,000,000
26 May 2016	4,000,000	⁽¹⁾ Other than Cash	5,000,000
NCRPS			
26 May 2016	4,600	⁽¹⁾ Other than Cash	51,000,000
29 July 2016	5,000	⁽¹⁾ Other than Cash	101,000,000

Notes:

- (1) The consideration of other than cash was the capitalisation of amount due from Ipark Development to its existing shareholders.
- (2) The total of 9,600 NCRPS amounting to RM96,000,000 were issued to AME Integrated and Fujiplates Manufacturing Sdn Bhd in proportion to their equity in Ipark Development as shown in Section 4.4.3.1 (iii) below. The NCRPS does not have a fixed period of redemption and is redeemable in cash at the option of Ipark Development at the issue price or any other higher price to be determined by Ipark Development at the point of redemption.

(iii) Shareholders

As at the LPD, the shareholders of Ipark Development and their shareholdings in Ipark Development are set out below:

Name	No. of ordinary shares held / preference shares held	%
AME Integrated	4,000,000/ 7,680	80.0
Fujiplates Manufacturing Sdn Bhd	1,000,000/ 1,920	20.0

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Ipark Development does not have any subsidiary, associated company or jointly-controlled entity.

4. INFORMATION ON OUR GROUP (Cont'd)

4.4.4 Subsidiary of Asiamost**4.4.4.1 Asiamost Engineering****(i) History and business**

Asiamost Engineering was incorporated in Malaysia on 26 November 1996 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Asiamost Engineering is principally involved in the provision of servicing, maintenance and installation of firefighting system.

The principal place of business of Asiamost Engineering is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Asiamost Engineering is RM100,000 comprising 100,000 ordinary shares.

There has been no change in the issued share capital of Asiamost Engineering for the past three years preceding the LPD.

(iii) Shareholder

As at the LPD, Asiamost Engineering is a wholly-owned subsidiary of Asiamost, which in turn is our wholly-owned subsidiary.

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Asiamost Engineering does not have any subsidiary, associated company or jointly-controlled entity.

4.4.5 Jointly-controlled entity of AME Industrial Park**4.4.5.1 Axis AME IP****(i) History and business**

Axis AME IP was incorporated in Malaysia on 16 November 2012 under the CA 1965 as a private limited company and is deemed registered under the CA 2016. Axis AME IP is principally involved in property development and investment.

The principal place of business of Axis AME IP is No. 5, Jalan I-Park SAC 2, Taman Perindustrian I-Park SAC, 81400, Senai, Johor.

(ii) Share capital

As at the LPD, the issued share capital of Axis AME IP is RM1,000,000 comprising 1,000,000 ordinary shares.

There has been no change in the issued share capital of Axis AME IP for the past three years preceding the LPD.

4. INFORMATION ON OUR GROUP (Cont'd)

(iii) Shareholders

As at the LPD, the shareholders of Axis AME IP and their shareholdings in Axis AME IP are set out below:

Name	No. of shares held	%
AME Industrial Park	500,000	50.0
Axis IE	500,000	50.0

(iv) Subsidiaries, associated companies and jointly-controlled entity

As at the LPD, Axis AME IP does not have any subsidiary, associated company or jointly-controlled entity.

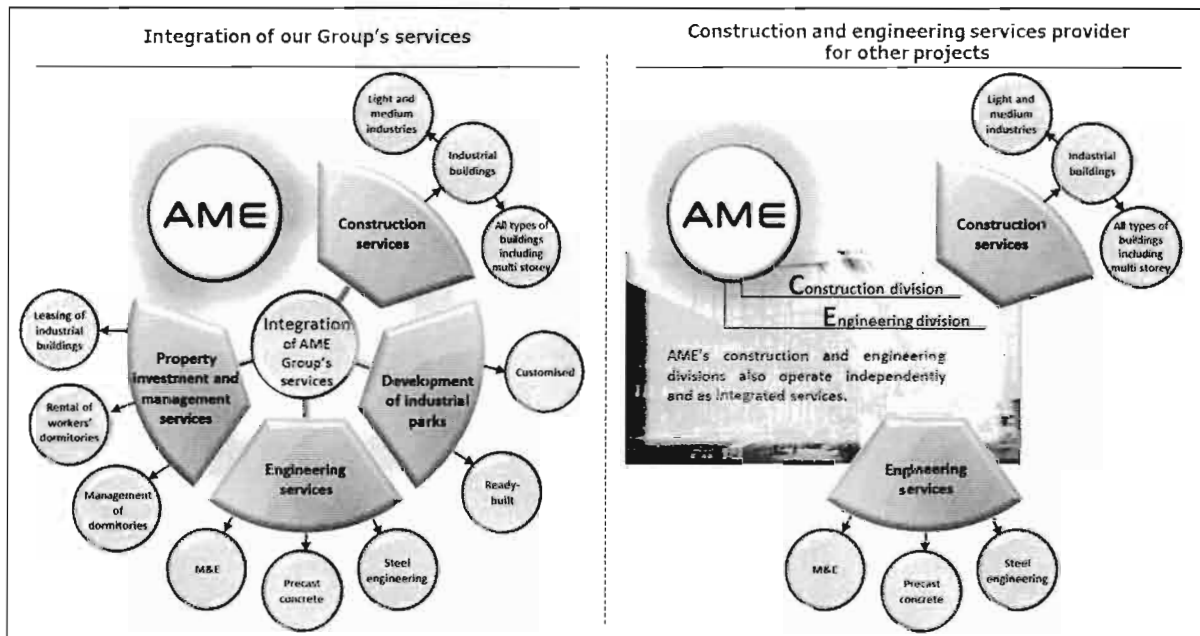
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5. BUSINESS OVERVIEW

5.1 OVERVIEW AND HISTORY

We are a construction and property group with core expertise in the construction of customised large manufacturing plants as well as design-and-build and development of industrial parks, complemented by our offerings in engineering services and property investment and management services in Malaysia.

The following chart illustrates our integrated business model which involves the segments of construction services, industrial property development, engineering services as well as property investment and rental and management of workers' dormitories:



The history of our Group can be traced back to 1995 when we commenced our construction business with our subsidiary, AME Construction being involved in the design and construction of customised large manufacturing plants and industrial buildings for multinational and local enterprises. In this regard, we have completed the construction of around 200 manufacturing plants and industrial buildings of various sizes in Peninsular Malaysia for, amongst others, the steel, oleo chemical, oil and gas, electrical and electronics, consumer products, food and beverage, logistics and automotive industries. Please refer to Section 5.3.1 of this Prospectus for the details of our selected construction projects.

AME Construction is registered with CIDB as a Grade G7 contractor, enabling it to tender for construction contracts of unlimited value, since 2000.

Following our success in the construction business, we ventured into the development of industrial parks in Johor since 2011. Between 2011 and 2016, we completed the development of three industrial parks with a total GDV of RM766 million. We were also involved in the completion of a fourth industrial park with a GDV of RM192 million in 2015, through Axis AME IP, a jointly-controlled entity in which we hold a 50% interest.

As at the LPD, we are developing i-Park @ SAC (Phase 1 and 2) with an estimated GDV of RM717 million through Ipark Development, while Axis AME IP is developing i-Park Indahpura (Phase 3) with an estimated GDV of RM456 million. We also expect to commence the construction of i-Park @ SAC (Phase 3) by the first quarter of 2020 following our acquisition of a parcel of land for the Phase 3 development of the project on 27 August 2019. We estimate all the phases of development of i-Park @ Indahpura and i-Park @ SAC to complete by 2023 and 2025, respectively.

5. BUSINESS OVERVIEW (Cont'd)

We provide a range of services across different phases of a project from property development to construction of customised large manufacturing plants and industrial properties. We support our business proposition with services including steel engineering works, precast concrete works and M&E engineering services as well as property investment and rental and management of workers' dormitories. Our subsidiary, Asiamost, which is engaged in the provision of fire protection systems and its related services, is registered with CIDB as a Grade G7 contractor since 2009, and another subsidiary, AME Engineering, which is involved in steel engineering works and precast concrete works, is registered with CIDB as a Grade G7 contractor since 2013. We also provide rental and management services for workers' dormitories adjacent to our industrial parks since 2014.

Over the past eight years, we have developed and retained a portfolio of investment properties comprising primarily ready-built and customised industrial factory units. As at the LPD, we own and lease 30 single-tenanted industrial factory units in our industrial park projects, namely i-Park @ SiLC, District 6, i-Park @ Indahpura (Phase 1 and Phase 2), and i-Park @ SAC, which together with the rental and management of workers' dormitories provide recurring income to our Group. Under our joint venture industrial park project, namely i-Park @ Indahpura (Phase 3), there are five units tenanted to third parties.

5.2 OUR KEY BUSINESS MILESTONES

The following table highlights the key milestones of our business:

Year	Key milestone
1995	Commenced our construction business through AME Construction, which is involved in the construction of customised large manufacturing plants and industrial buildings in Johor
1996	Commenced our M&E engineering business through Asiamost, which is involved in the provision of servicing, maintenance and installation of fire protection systems
2000	AME Construction was registered as a Grade G7 contractor with CIDB
2004	AME Construction and Asiamost were awarded ISO 9001:2000 Quality Management System
2008	Commenced our steel engineering business through AME Engineering, which is involved in fabrication of structural steel and steel frame and steel piping system works
2009	Asiamost was registered as a Grade G7 contractor with CIDB
2010	Expanded the built-up area of our steel engineering plant from about 46,887 sq ft to 159,796 sq ft, which increased our production capacity from 5,300 tonnes to 18,000 tonnes
2011	<ul style="list-style-type: none"> (i) Launched our maiden industrial park development project, namely i-Park @ SiLC in the fourth quarter of the year (ii) Launched the development of i-Park @ Indahpura in the fourth quarter of the year
2013	<ul style="list-style-type: none"> (i) Through our interest in Axis AME IP, launched SME City in the first quarter of the year (ii) Completed the development of i-Park @ SiLC in the fourth quarter of the year (iii) AME Engineering was registered as a Grade G7 contractor with CIDB

5. BUSINESS OVERVIEW (Cont'd)

Year	Key milestone
2014	Commenced our rental and management services through I Stay Management, which is involved in operation and maintenance of workers' dormitories business at i-Park @ Indahpura
2015	(i) Through our interest in Axis AME IP, completed the development of SME City in the fourth quarter of the year (ii) Commenced our precast concrete business through AME Engineering
2016	Completed the development of i-Park @ Indahpura (Phase 1 & 2) in the fourth quarter of the year
2017	Launched i-Park @ SAC (Phase 1 and 2) in the first quarter of the year, through Ipark Development
As at the LPD	Sold and leased: <ul style="list-style-type: none"> (i) i-Park @ SiLC: 84% and 16% were sold and leased respectively out of the total units launched (ii) SME City: 100% were sold out of the total units launched (iii) i-Park @ Indahpura (Phase 1 and 2): 79% and 16% were sold and leased respectively out of the total units launched (iv) i-Park @ Indahpura (Phase 3): 43% and 14% were sold and leased respectively out of the total units launched (v) i-Park @ SAC (Phase 1 and 2): 61% and 15% were sold and leased respectively out of the total units launched

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5. BUSINESS OVERVIEW *(Cont'd)*

5.3 OUR PRINCIPAL ACTIVITIES

We are a construction and property group with core expertise in the construction of customised large manufacturing plants as well as design-and-build and development of industrial parks, complemented by our offerings in engineering services and property investment and management services in Malaysia.

Our integrated business model and capabilities are the result of our evolution from a construction player in 1995 focusing on the customisation of industrial facilities. Since 2011, our property development business has benefited from the synergistic relationship with our in-house construction and engineering services divisions, which enable us to execute our industrial park development projects by delivering industrial buildings of high quality and in a cost-efficient and timely manner. Arising from our property development business, we have also developed a portfolio of investment properties and expanded our services offerings to include the management of workers' dormitories within our industrial parks.

The key attributes of our Group are interwoven by the principal activities of our subsidiaries, which are involved in the following businesses:

- (i) Construction of large manufacturing plants and industrial properties;
- (ii) Development of industrial parks and sale or lease of industrial factory units;
- (iii) Provision of engineering works and services which includes steel engineering works, precast concrete works and M&E engineering services; and
- (iv) Property investment and rental and management of workers' dormitories.

Our construction services business was the main contributor to our revenue for the FYE 31 March 2016, 2017, 2018 and 2019. Nevertheless, we believe we are able to leverage on our competencies across our various businesses to gain competitive advantage in the property development business, which offers us higher gross profit margins as well as the ability to grow in a market which is less crowded and relatively less competitive as compared to construction and engineering services. Further, industrial park development acts as an enabler to our property investment and management businesses as we are able to retain properties in our development projects for investment or lease pending sale, and to generate additional rental income from the management of workers' dormitories. For further details of our revenue and gross profit margin by business segments, please refer to Sections 10.3.5(i) and 10.3.5(iii) of this Prospectus.

Taking into consideration the strategic objectives of our Group, we have undertaken the Restructuring Exercise to streamline our various businesses to reflect our operations as a construction and property group supported by our complementary services such as engineering services and property investment and management services. The Restructuring Exercise and the use of proceeds from our IPO are also consistent with our Directors' expectations of our future plans in the periods following our Listing.

5.3.1 Construction of large manufacturing plants and industrial buildings

We are a reputable construction company in Malaysia with more than 20 years of experience in the design and construction of customised large manufacturing plants and industrial buildings. As at the LPD, we have completed the construction of around 200 manufacturing plants and industrial buildings of various sizes.

Our technical knowledge and design expertise combined with our experience in undertaking projects as the main contractor allows us to offer a wide range and full suite of construction services from planning and scoping, design, construction and management to post construction maintenance to our customers.

5. BUSINESS OVERVIEW (Cont'd)

AME Construction is registered with the CIDB as a Grade G7 contractor, the highest classification accorded by CIDB, where AME Construction is allowed to tender for construction contracts of unlimited value.

Large manufacturing plants

For the construction of large manufacturing plants, we are engaged directly by our customers, comprising both local and foreign manufacturing companies. These projects include the construction of customised large manufacturing plants for various industries such as steel, oleo chemical, oil and gas, E&E, consumer products, food and beverage, logistics and automotive.

These manufacturing plants may comprise multiple structures such as factory buildings, process plants, fabrication yards, storage and warehousing facilities, office buildings and other supporting amenities such as electrical sub-stations and guard houses, which occupy large areas of space.

Industrial buildings

For the construction of industrial buildings, we provide construction services to our industrial park development projects. We are also engaged by the customers and tenants of our ready-built industrial buildings to provide retrofitting and renovation services to the industrial buildings to better suit their business functions. Additionally, we also provide retrofitting and renovation services as a standalone service to external customers.

Prior to 2010, the contract value of our construction projects were mainly below RM20 million as we were engaged for less complex construction projects such as construction of factories and/or warehouses. However, since 2010 we have completed construction projects with higher contract values as these construction projects have higher levels of complexity in terms of building design, layout and structure.

The following table sets out our completed and on-going construction projects with contract values exceeding RM20 million since 2010:

<u>Description of construction project</u>	<u>State</u>	<u>Expected / Actual completion period</u>
A single-storey warehouse and a two-storey factory unit and warehouse with a six-storey office block	Selangor	2nd quarter 2021
A single-storey industrial factory unit with a two-storey office block in i-Park @ SAC	Johor	1st quarter 2020
A multi-storey logistics warehouse with a multi-storey office block	Kuala Lumpur	3rd quarter 2019
A single-storey facility for aerospace components with a three-storey office block	Selangor	2nd quarter 2019
A single-storey logistics warehouse with a two-storey office block	Selangor	1st quarter 2018
A seven-storey polymer production facility with a two-storey office block	Johor	1st quarter 2018
Integrated petrochemical refinery facility	Johor	4th quarter 2017
100 units single-storey semi-detached and detached industrial facilities with three-storey office block	Johor	1st quarter 2017
A single-storey parts and accessories warehouse with a two-storey office and covered car park	Johor	3rd quarter 2016
A multi-storey consumer products production facility with a single-storey warehouse	Johor	2nd quarter 2015

5. BUSINESS OVERVIEW (Cont'd)

Description of construction project	State	Expected / Actual completion period
A few single-storey buildings being part of a steel manufacturing facility	Johor	1st quarter 2015 ⁽¹⁾
106 units of three and four-storey commercial shop lots	Johor	1st quarter 2015
A four-storey consumer food and product facility with a two-storey office block	Johor	3rd quarter 2012
A multi-storey integrated nutrition manufacturing facility	Johor	2nd quarter 2011
A single-storey integrated flexible pipe manufacturing facility with two-storey office block	Johor	4th quarter 2010

Note:

- (1) *The completion of our works took place in various stages, in particular from third quarter of 2009 to first quarter of 2015.*

The projects disclosed above in Johor and outside Johor amounted to an aggregate value of around RM780.9 million and RM672.8 million, respectively, which constituted 53.7% and 46.3% of the total value of such projects. As at the LPD, we have an outstanding external order book comprising unbilled revenue for construction projects of around RM337.80 million.

5.3.2 Development of industrial parks

We are involved in the development of industrial parks. Our industrial parks comprise industrial buildings developed for light and medium manufacturing activities, such as the manufacturing of pharmaceutical products, consumer electronics and home appliances.

We sell our industrial buildings within our industrial parks to customers, primarily to manufacturing companies for setting up their production plants within our industrial parks. We also market them to investment holding companies, real estate investment trusts and/or individual investors who lease the industrial buildings to tenants. Further, we also lease the industrial buildings we develop and own to tenants, who are manufacturing companies setting up their production plants in our industrial park. For further details of our property investment business, please refer to Section 5.3.4 of this Prospectus.

We offer two types of industrial properties to our customers and tenants:

- (i) **Customised properties**, where plots of land allocated for units of industrial buildings are left vacant until they are sold or leased. For each industrial development project, we obtain approvals from the relevant authorities for development master plans for standard design of industrial buildings. Once a plot of land is sold or leased, our customers have the option to customise the interior and exterior of the building, including building structures, building heights, internal floor layouts, and fixtures and fittings. We will submit amendments of our approved development plans for the plot to the relevant authorities in the event that we are required to customise the buildings on that plot, as there will be variations from the standard designs based on the approved master plans; and

5. BUSINESS OVERVIEW (Cont'd)

- (ii) **Ready-built properties**, where the properties are complete with manufacturing areas and office spaces and generally in 'move-in-condition' for our customers and/or tenants. In addition, some customers and/or tenants may require us to carry out fit out services and to perform renovation works, including partitioning, flooring, building of machine foundations, and installation of fixtures and fittings.

As at the LPD, we have completed the following industrial parks in Johor:

- (i) i-Park @ SiLC;
- (ii) District 6; and
- (iii) i-Park @ Indahpura (Phase 1 and Phase 2).

In addition, our jointly-controlled entity, Axis AME IP in which we hold a 50% interest has completed the development of SME City. As at the LPD, we are developing i-Park @ SAC (Phase 1 and 2) and Axis AME IP is developing i-Park @ Indahpura (Phase 3).

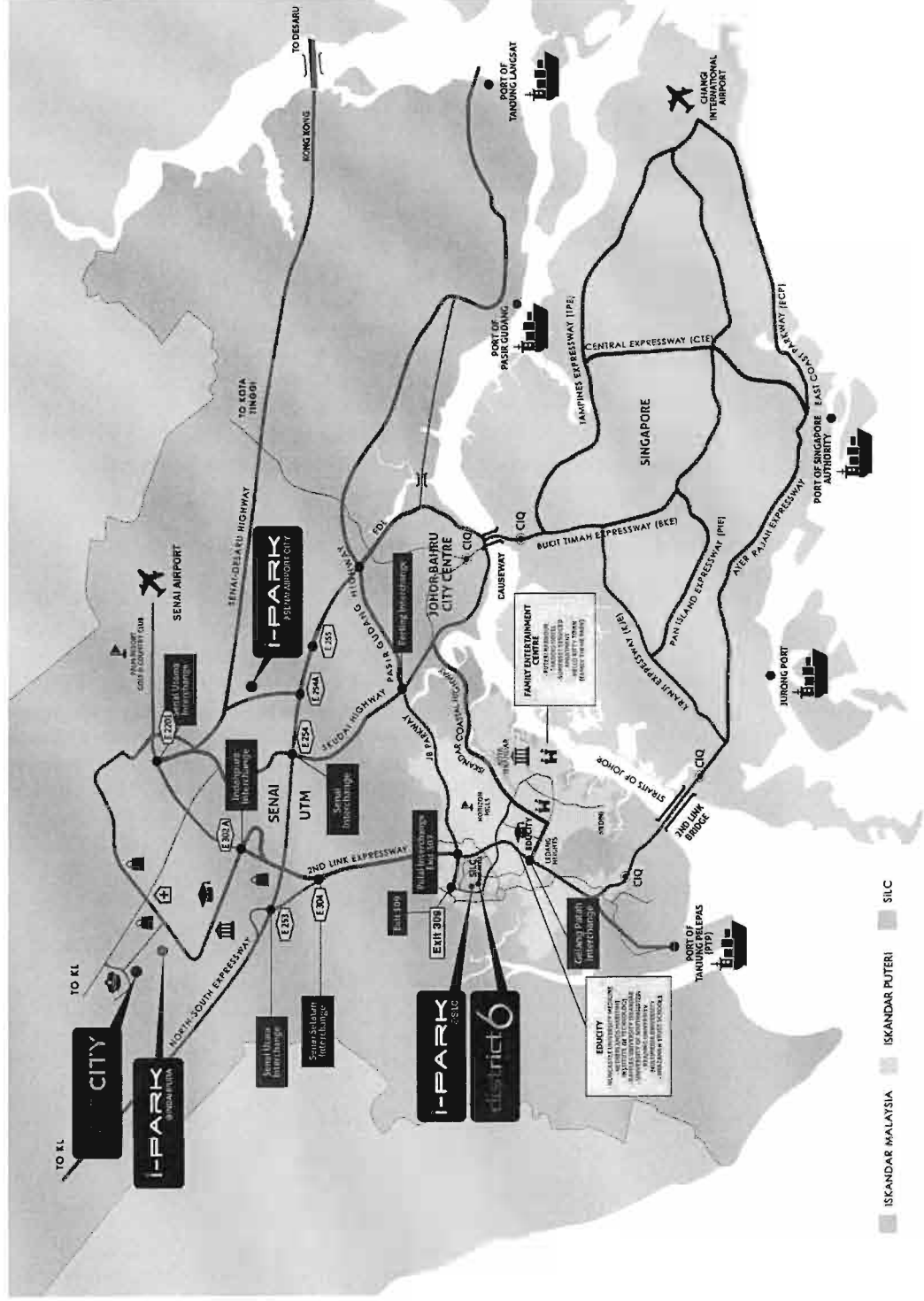
Our i-Park developments are gated and guarded to maximise security for our customers and/or tenants, and designed and built with modern architecture and landscaped surroundings. Our i-Park developments are equipped with round-the-clock security services (365 days a year, seven days a week, 24 hours a day) including CCTVs and related equipment, and general services in common areas within the industrial parks including landscaping services and maintenance of guardhouse buildings. These services are provided by an external property management company.

Further, the attraction of i-Park @ Indahpura and i-Park @ SAC is enhanced by the availability of workers' dormitories. The workers' dormitories are located adjacent to our industrial park and are available for rent to our customers and tenants. The dormitories are built to accommodate our customers' and tenants' workers, whereby it eliminates our customers' and tenants' hassle of finding housing to accommodate their workers as well as solving the workers' logistics issues. The management, operation and maintenance of the workers' dormitories in i-Park @ Indahpura and i-Park @ SAC is undertaken by I Stay Management.

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5. BUSINESS OVERVIEW (Cont'd)

The map of Johor set out below shows the locations where the above industrial park development projects are located.



5. BUSINESS OVERVIEW (Cont'd)

The table below summarises the details of the industrial park development projects that we have been/are involved in, directly and through our jointly-controlled entity, as at the LPD:

(i) Completed industrial park projects

Name of development and location	Interest attributable to our Group	Type of development	Total site area (acres)	Description	Commencement / Completion period	Total saleable units	Total units launched (for sale / lease)	Total sold / leased units as at the LPD	% sold / leased as at the LPD	GDV (RM million) ⁽⁵⁾	Total unsold saleable units ⁽⁶⁾
i-Park @ SiLC, Iskandar Puteri, Johor	100%	Industrial factory (Gated & Guarded)	12.31	<ul style="list-style-type: none"> 18 units of ready-built 1½ storey semi-detached factory 1 unit of customised 1½ storey detached factory 	4th quarter of 2011 / 2nd to 4th quarter of 2013 ⁽¹⁾	19	19	16 units / 3 units	100%	80.0	3
District 6, SiLC Iskandar Puteri, Johor	100%	Industrial factory with office	7.57	<ul style="list-style-type: none"> 6 units of ready-built single-storey detached factory with 3-storey office 	2nd quarter of 2014 / 3rd quarter of 2015	6	6	1 unit / 2 units	50%	86.0	5
i-Park @ Indahpura (Phase 1 and 2), Iskandar Malaysia, Johor	100%	Industrial factory, commercial development and dormitory (Gated & Guarded)	104.84	<ul style="list-style-type: none"> 18 units of ready-built 1½ storey semi-detached factory 27 units of ready-built 1 acre 1½ storey detached factory 14 units of ready-built 2 acres 1½ storey detached factory 3 plots for future customised industrial development 	4th quarter of 2011 / 4th quarter of 2016 ⁽²⁾	64	62	49 units / 10 units	95%	600.0	15

5. BUSINESS OVERVIEW (Cont'd)

Name of development and location	Interest attributable to our Group	Type of development	Total site area (acres)	Description	Commencement / Completion period	Total saleable units	Total units launched (for sale / lease)	Total sold / leased units as at the LPD	% sold / leased as at the LPD	GDV (RM million) ⁽⁵⁾	Total unsold saleable units ⁽⁶⁾
				<u>For future development:</u>							
				<ul style="list-style-type: none"> 1 plot for sales gallery 1 plot for commercial development (1.2869 hectares) 							
				<u>Reserved by our Group⁽³⁾:</u>							
				<ul style="list-style-type: none"> 1 plot for dormitory 							
SME City, Iskandar Malaysia, Johor	50%	Industrial factory and commercial development	40.00	<ul style="list-style-type: none"> 15 units of ready-built 1½ storey detached factories 34 units of ready-built 1½ storey semi-detached factories 36 units of ready-built 1½ storey cluster factory 	1st quarter of 2013 / 2nd quarter of 2015 ⁽⁴⁾	86	85	85 units / nil	100%	192.0	1
				<u>For future development:</u>							
				<ul style="list-style-type: none"> 1 plot for commercial development (1.1179 hectares) 							

5. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) 18 units of ready-built 1½ storey semi-detached factory were completed in the second quarter of 2013, while one unit of customised 1½ storey detached factory was completed in the fourth quarter of 2013.
- (2) Excludes the two plots of commercial land for future development and one plot for the dormitory.
- (3) Being our workers' dormitories, which are reserved by our Group and not considered as saleable unit.
- (4) Excludes the one plot of commercial land for future development.
- (5) For all industrial park development projects which are sold/leased, the GDV is computed based on the sale and purchase price (for units sold) or the selling price (for unsold units) of the said industrial park development project.
- (6) Of the remaining 24 unsold saleable units in respect of the four completed industrial park projects, as at the LPD:
 - (a) three units are held as completed properties for sale;
 - (b) 15 units have been leased; and
 - (c) one plot of land for a sales gallery in i-Park@ Indahpura and five plots of land are for future industrial and/or commercial development.

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5. BUSINESS OVERVIEW (Cont'd)

(ii) On-going industrial park projects

Name of development and location	Interest attributable to our Group	Type of development	Total site area (acres)	Description ⁽¹⁾	Actual commencement / Estimated completion period	Total saleable units	Total units launched (for sale / lease)	Total sold / leased units as at the LPD	% sold / leased as at the LPD	Total sales value as at the LPD (RM million)	Estimated GDV (RM million)	Total unsold saleable units ⁽⁵⁾
i-Park @ Indahpura (Phase 3), Iskandar Malaysia, Johor	50%	Industrial factory (Gated & Guarded)	85.4	<ul style="list-style-type: none"> 11 plots of half acre 1½ storey detached factory units 24 plots of 1 acre and above detached factory units 	1 st quarter of 2013 / 2023	35	35	15 units / 5 units	57%	199.1	456.0	20
i-Park @ SAC (Phase 1 and 2), Iskandar Malaysia, Johor	80%	Industrial factory, commercial development and dormitory (Gated & Guarded)	112.0	<ul style="list-style-type: none"> 12 plots of 1½ storey semi-detached factory units 20 plots of about 1 acres 1½ storey detached factory units 19 plots of 2 acres and/or above 1½ storey detached factory units 	1 st quarter of 2017 / 2025	51	51	22 units / 15 units	72%	205.8	717.0 ⁽⁶⁾	29

Reserved by our Group⁽²⁾.

- 1 plot for dormitory

For future development:

- 2 plots for commercial development (2.3482 hectares)

5. BUSINESS OVERVIEW (Cont'd)

Name of development and location	Interest attributable to our Group	Type of development	Total site area (acres)	Description ⁽¹⁾	Actual commencement / Estimated completion period	Total units launched (for sale / lease)	Total sold / leased units as at the LPD	% sold / leased at the LPD	Total sales value as at the LPD (RM million)	Estimated GDV (RM million)	Total unsold saleable units ⁽⁶⁾
				On-going commercial development ⁽³⁾ .	1st quarter of 2019 / 2021	48	38 units ⁽⁴⁾ / nil	79%	50.6	68.0	10
				<ul style="list-style-type: none"> 2 plots for commercial development comprising 48 units of retail shops (5.6426 hectares) 							

Notes:

- (1) The description is based on the planned layout. As our on-going development projects mainly cater for customised properties, customers and/or tenants have the option to decide on the number of plots to buy or lease for industrial buildings, which could be half a plot or even two plots.
- (2) Being our workers' dormitories, which are reserved by our Group and not considered as saleable unit.
- (3) Being our Group's on-going commercial development project and it is not gated and guarded, details are set out in Section 5.5.1 (f) of this Prospectus.
- (4) Includes three units where booking fees have been received but pending for signing of agreement.
- (5) Of the remaining 59 unsold saleable units in respect of the two on-going industrial park projects, as at the LPD:
 - (a) Two units are held as completed properties for sale;
 - (b) One unit is held as the head office for our Group which is also available for sale;
 - (c) 20 units have been leased;
 - (d) 26 plots of land are properties under development; and
 - (e) 10 units of retail shops are under development and are available for sale.
- (6) Estimated GDV excludes the two plots of land for on-going commercial development (i.e. The Jacaranda with an estimated GDV of RM68 million) and the Phase 3 development of i-Park @ SAC measuring around 76.59 acres and with an estimated GDV of RM555 million.

5. BUSINESS OVERVIEW *(Cont'd)*

We classify the properties of our industrial park development projects into four categories based on their respective development stages:

- (i) **Completed properties**, representing properties for which construction of all the constituents of the buildings have been completed and the CCC has been obtained.
- (ii) **Properties under development**, representing properties for which all necessary approvals and permits have been obtained and construction work has commenced but the property has not been completed.
- (iii) **Properties reserved**, representing one of our completed workers' dormitories and another which is under development.
- (iv) **Land for future development**, representing land which we have either not applied for approvals and permits to develop, or if applied and obtained have not commenced construction work.

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5. BUSINESS OVERVIEW (Cont'd)

The following table sets out an overview of the saleable industrial factory units, commercial retail shops and land plots by industrial park, as at the LPD. Unless otherwise indicated, the categorisation of the properties, as well as information presented with respect to such properties in this Prospectus, is based on the development progress made as at the LPD.

	Total number of saleable industrial factory units, commercial retail shops and land plots, where applicable										
	Completed			Under development			Reserved		Future development		Total
	Units sold	Units leased ⁽¹⁾	Remaining unsold saleable units ⁽²⁾	Units sold	Units leased ⁽¹⁾	Remaining unsold saleable units ⁽³⁾	Plots reserved ⁽⁴⁾	Plots / Planned units ⁽⁵⁾	Total saleable units		
i-Park @ SiLC	16	3	-	-	-	-	-	-	-	19	
District 6	1	2	3	-	-	-	-	-	-	6	
i-Park @ Indahpura (Phase 1 and 2)	49	10	-	-	-	-	1 ⁽⁴⁾	5	5	64	
SME City	85	-	-	-	-	-	-	1	1	86	
i-Park @ Indahpura (Phase 3)	14	4	3	1	1	12	-	-	-	35	
i-Park @ SAC (Phase 1 and 2)											
- Industrial factory units	17	13	5 ⁽⁶⁾	5	2	9	1 ⁽⁴⁾	2 ⁽⁷⁾	51		
- Commercial retail shops ⁽⁸⁾	-	-	-	38	-	10	-	-	48		
Total	182	32	11	44	3	31	2⁽⁴⁾	8	309		

Notes:

- (1) Being investment properties and inventory units which are leased or will be leased, as the case may be.
- (2) Being completed properties held for sale.
- (3) Being properties under development.
- (4) Being our workers' dormitories, which are reserved by our Group and not considered as saleable units.
- (5) Being land held for future development and could be open for sale or lease in the future.
- (6) Includes one unit of our Group's head office which is also available for future sale.
- (7) Being our Group's future commercial development plan and not considered as saleable units.
- (8) Being our Group's on-going commercial development project, details of which are set out in Section 5.5.1 (i) of this Prospectus.

5. BUSINESS OVERVIEW (Cont'd)

Our classification of properties is different from the classification of properties in the Accountants' Report included in Section 11 of this Prospectus. The table below sets out our classification of properties in the Prospectus and the corresponding classification of properties in the Accountants' Report.

This Prospectus	Accountants' Report
<ul style="list-style-type: none"> • Completed properties 	<ul style="list-style-type: none"> • Inventory for sale • Investment properties
<ul style="list-style-type: none"> • Properties under development 	<ul style="list-style-type: none"> • Property development cost • Investment properties
<ul style="list-style-type: none"> • Properties reserved⁽¹⁾ 	<ul style="list-style-type: none"> • Investment properties
<ul style="list-style-type: none"> • Properties for future development 	<ul style="list-style-type: none"> • Land held for development for sale

Note:

(1) *Being our workers' dormitories which are reserved by our Group.*

Further, we have entered into a sale and purchase agreement dated 11 August 2015 and a supplementary agreement dated 15 March 2016 for the acquisition of a parcel of freehold land measuring about 76.59 acres for the Phase 3 development plan of i-Park @ SAC. On 27 August 2019, we completed the acquisition of the land, which is adjacent to Phase 1 and 2 of i-Park @ SAC. We plan to launch the development and commence the construction of Phase 3 of the project by the fourth quarter of 2019 and first quarter of 2020, respectively.

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5. BUSINESS OVERVIEW (Cont'd)

The details of our industrial park development projects are as follows:

(i) i-Park @ SiLC



i-Park @ SiLC was our first industrial park development project. The project marked the establishment of our "i-Park" brand of industrial park development as a gated and guarded industrial park with security features and well-managed landscaping at common areas within the industrial park. i-Park @ SiLC is situated within Iskandar Puteri and it is about 4km from Singapore 2nd Link Expressway, 18km from Tanjung Pelepas Port, 26km from Senai International Airport, 44km from Pasir Gudang Port and 67km from Singapore Changi Airport.

i-Park @ SiLC occupies a total land area of 12.31 acres and it is a freehold gated and guarded industrial park. 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 lush environment in the industrial park. In addition, the common areas are maintained regularly by an external property management company to retain its appearance.

i-Park @ SiLC was developed by our wholly-owned subsidiary, AME Development. The project comprises 18 units of 1½ storey semi-detached factories and one unit of 1½ storey detached factory, with built-up areas ranging from about 12,785 sq. ft. to about 21,281 sq. ft.

The construction of i-Park @ SiLC commenced in the fourth quarter of 2011 and was completed in the fourth quarter of 2013. As at the LPD, we have sold 16 of the total saleable units of the project and the remaining three unsold saleable units are tenanted by third parties.

	Completed		Total	
	Units sold	Units leased	Remaining unsold saleable units	Total saleable units
1½ storey semi-detached factory (ready-built)	15	3	-	18
1½ storey detached factory (customised)	1	-	-	1
Total	16	3	-	19

5. BUSINESS OVERVIEW (Cont'd)

(ii) District 6



District 6 is a freehold industrial area situated within SiLC Iskandar Puteri and located next to Nusajaya Square, a new 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 fronts the Pontian Link Expressway and it is also close to the Singapore 2nd Link Expressway which is about 4km away.

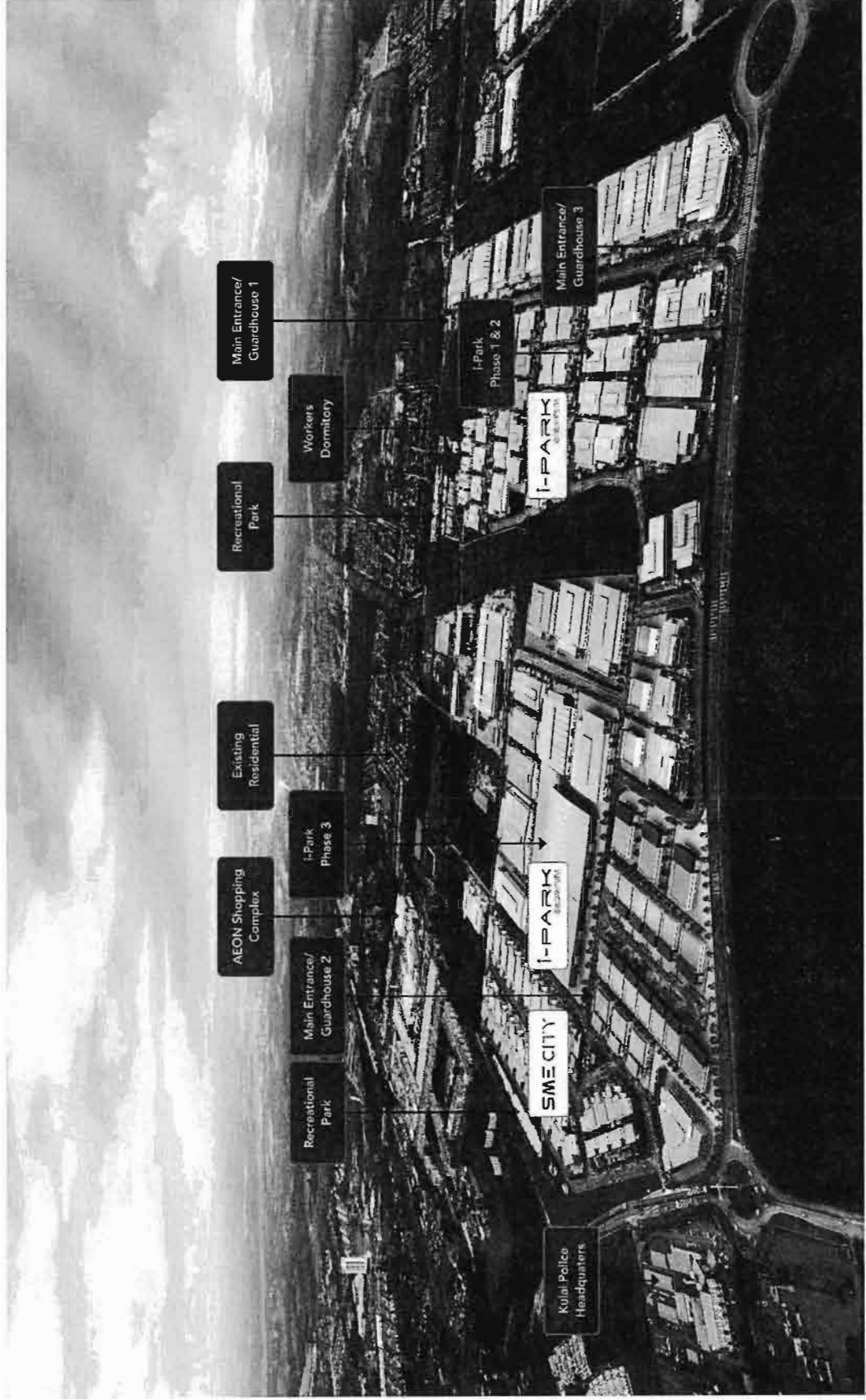
District 6, which occupies a total land area of 7.57 acres, is the smallest of our industrial park development projects. The project is a row of industrial buildings, comprising detached factory units built with modern architecture design and glass frontage with adjoining office block at the front. The six units of single-storey detached factories with three-storey offices have a total built-up area of 46,101.22 sq. ft. each. The factory has nine 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.

District 6 was developed by our wholly-owned subsidiary, AME Development. The construction of the project commenced in the second quarter of 2014 and was completed in the third quarter of 2015. As at the LPD, we have sold one of the total saleable units of the project and of the remaining five unsold saleable units, two are tenanted by third parties and the remaining three unsold saleable units of the project are held as inventory for sale.

	Completed		Total	
	Units sold	Units leased	Remaining unsold saleable units	Total saleable units
Single-storey detached factory with three-storey office (ready-built)	1	2	3	6

5. BUSINESS OVERVIEW (Cont'd)

(iii) i-Park @ Indahpura



5. BUSINESS OVERVIEW (Cont'd)

i-Park @ Indahpura was our second i-Park development project after i-Park @ SiLC. The project is located in Bandar Indahpura, a township within Iskandar Malaysia and the corridor of Kulai District, Johor. i-Park @ Indahpura is located about 7km from Singapore 2nd Link Expressway, 8km from North-South Highway and Senai-Desaru Highway, 11km from Senai International Airport, and 33km from Johor Bahru Customs, Immigration and Quarantine ("CIQ") complex.

i-Park @ Indahpura is a freehold industrial park development project built with lush landscaping and planned drainage systems and also complemented with a recreational park. Further, it is a gated and guarded industrial park and features a vehicle and visitor access control system, where all vehicles entering the industrial park are required to pass through an entrance with guard post. For security and safety purposes, visitors are required to register themselves at the guard post prior to entering the industrial park.

The project is also built with five blocks of workers' dormitories with a capacity of about 3,200 beds, situated adjacent to the industrial park. The workers' dormitories are aimed at providing a safe, comfortable and convenient living environment for our customers and tenants' workers. The workers' dormitories are equipped with, amongst others, a canteen, convenience store, automated laundry shop, first aid room and sports and game facilities such as park gymnasium, volleyball court and futsal court.

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 setup their production plants within the industrial park. i-Park @ Indahpura is also an award-winning industrial park and has received several accolades since 2014. For the details of some of the awards received for this project, please refer to Section 5.7 of this Prospectus.

i-Park @ Indahpura occupies a total land area of 190.24 acres. Phase 1 and Phase 2 of the project measuring 104.84 acres was developed by our wholly-owned subsidiary, AME Development. Phase 1 and Phase 2 of the project comprises a total of 64 saleable units of 1½ storey semi-detached factories and 1½ storey detached factories, with built-up areas ranging from about 12,110 sq. ft. to about 150,000 sq. ft.

The construction of Phase 1 and Phase 2 of i-Park @ Indahpura commenced in the fourth quarter of 2011 and was completed in the fourth quarter of 2016. As at the LPD, we have sold 49 of the total saleable units of the project and of the remaining 15 unsold saleable units, 10 units are tenanted by third parties, one plot for the sales gallery is held for future development, three plots are held for future customised industrial development and one plot is held for future commercial development.

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5. BUSINESS OVERVIEW (Cont'd)

	Completed		Under development			Reserved	Future development	Total
	Units sold	Units leased	Units sold	Units leased	Remaining unsold saleable units			
1½ storey semi-detached factory (ready-built)	17	1	-	-	-	-	-	18
1 acre 1½ storey detached factory (ready-built)	22	5	-	-	-	-	-	27
2 acres 1½ storey detached factory (ready-built)	10	4	-	-	-	-	-	14
3 plots for industrial development (customised)	-	-	-	-	-	-	3	3
<u>For future development:</u>								
1 plot for sales gallery	-	-	-	-	-	-	1	1
1 plot for commercial development	-	-	-	-	-	-	1	1
<u>Reserved by our Group⁽¹⁾:</u>								
1 plot for dormitory	-	-	-	-	-	1 ⁽¹⁾	-	1 ⁽¹⁾
Total	49	10	-	-	-	1⁽¹⁾	5	64

Note:

(1) Being our workers' dormitories, which are reserved by our Group and not considered as saleable unit.

5. BUSINESS OVERVIEW (Cont'd)

The development of Phase 3 of i-Park @ Indahpura is being undertaken by our jointly-controlled entity, Axis AME IP. As at the LPD, the Phase 3 development of the project is on-going and the project is expected to be completed by 2023. The Phase 3 development is planned to be built with larger sizes of detached factories with built-up areas ranging from about 11,800 sq. ft. to about 150,000 sq. ft, as compared to the factory sizes in Phase 1 and Phase 2. The industrial land in Phase 3 is segregated into plots of lands with different sizes and they will be left vacant until sale or lease to customers or tenants. As at the LPD, we have sold 15 of the total saleable units of the project and of the remaining 20 unsold saleable units, five units are tenanted by third parties, three units are held as inventory for sale and 12 plots are properties under development.

	Completed			Under development			Total
	Units sold	Units leased	Remaining unsold saleable units	Units sold	Units leased	Remaining unsold saleable units	Total saleable units
Half acre 1½ storey detached factory	4	-	2	-	-	5	11
1 acre and above detached factory	10	4	1	1	1	7	24
Total	14	4	3	1	1	12	35

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5. BUSINESS OVERVIEW (Cont'd)

(iv) SME City

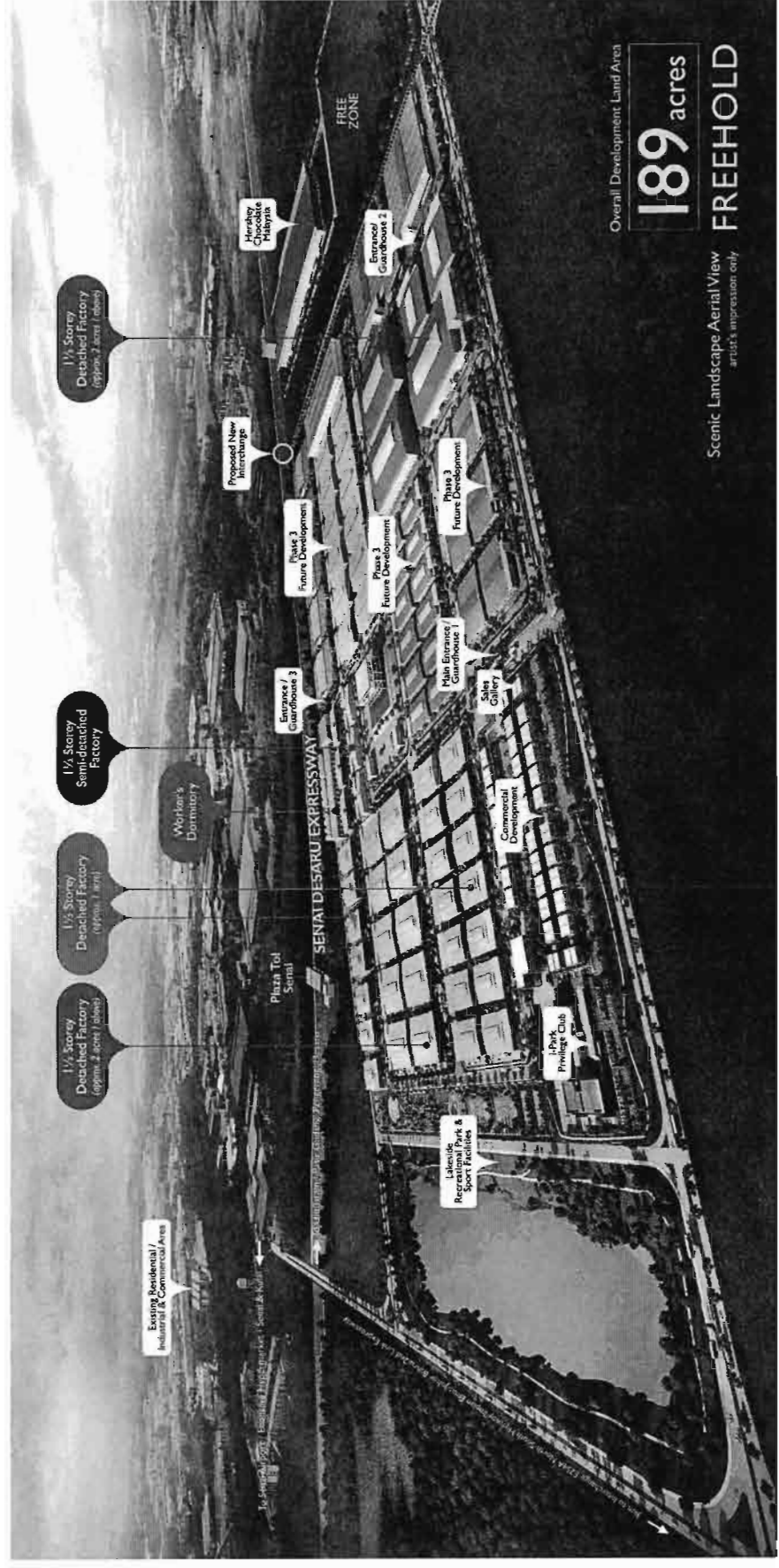
SME City is a freehold industrial park development project located adjacent to i-Park @ Indahpura. The project is located close to Singapore 2nd Link Expressway, North-South Highway, Senai-Desaru Highway, and Senai International Airport. Apart from the accessibility to major highways and the airport, SME City is also close to Aeon Mall Kulaijaya (about 3km away), Kulai Hospital (about 5km away), Johor Premium Outlet (about 6km away) and Palm Resort Golf & Country Club (about 12 km away).

SME City occupies a total land area of 40.0 acres. It features green landscaping around the industrial park, including a recreational park with a man-made lake. All the factories in SME City are ready-built units with modern architecture design. There are three types of units available for this project, i.e. 1½ storey semi-detached factory, 1½ storey detached factory and 1½ storey cluster factory. The factories have built-up areas ranging from 5,562.93 sq. ft. to 14,444.96 sq. ft. mainly to cater to SME businesses.

SME City was developed by our jointly-controlled entity, Axis AME IP. The construction of SME City commenced in the first quarter of 2013 and was completed in the second quarter of 2015. As at the LPD, Axis AME IP has sold all the total saleable units of this project, whilst the remaining one plot of land is held for future commercial development.

5. BUSINESS OVERVIEW (Cont'd)

(v) i-Park @ SAC



i-Park @ SAC is our third and latest i-Park development project as at the LPD. The project is located in Senai Airport City, which is next to the Senai-Desaru Expressway. It is located about 3km from North-South Highway, 4km from Senai-Desaru Expressway, 5km from Singapore 2nd Link Expressway, 6km from Senai International Airport and 20km from Johor Bahru CIQ complex. In addition, it is also located close to retail and recreational amenities such as Econsave hypermarket (about 4km away), Palm Resort Golf & Country Club (about 8km away), IOI Mall Shopping Centre (about 10km away), Johor Premium Outlet (about 10km away) and Aeon Kulai Shopping Centre (about 11km away).

5. BUSINESS OVERVIEW *(Cont'd)*

i-Park @ SAC is planned to be built with multiple types of factories, workers' dormitories, and sports and recreational facilities. The project retains our previous i-Park development concept with security features and well-managed landscaping. It is a freehold gated and guarded industrial park and has a vehicle and visitor access control system. There is currently a man-made lakeside recreational park within the industrial park. We have plans to build a clubhouse, which comes equipped with a swimming pool, game courts and a gym. We also plan to establish a business centre, multipurpose hall and studio and a cafeteria to be located in the clubhouse. For further details of our plans to build these additional value-added facilities in i-Park @ SAC, please refer to Section 5.5.2 of this Prospectus.

The project is also built with five blocks of workers' dormitories with a capacity of around 2,570 beds to accommodate our customers and tenants' workers. With facilities such as sheltered walkways, thumb print or facial scan access system, convenience store, automated laundry shop and park gymnasium, the workers' dormitories will provide a comfortable, convenient and safe place for the workers to live.

Further, we also commenced the development of a commercial hub, namely The Jacaranda in the first quarter of 2019 on the two plots of vacant commercial land next to the sales gallery of our i-Park @ SAC development project. The Jacaranda is expected to complete in 2021 and is expected to complement our i-Park @ SAC development project and increase the attractiveness of the industrial park project. The details of the development plan of The Jacaranda is set out in Section 5.5.1 (i) of this Prospectus.

i-Park @ SAC has received several accolades since it was launched in 2017. For the details of the awards received for the project, please refer to Section 5.7 of this Prospectus.

i-Park @ SAC occupies a total land area of around 189 acres and is intended to be developed in three phases. Phase 1 and Phase 2 of the project measuring 112.0 acres is being developed by our 80%-owned subsidiary, Ipark Development. Phase 1 and Phase 2 of the project comprises a total of 51 saleable units or plots of 1½ storey semi-detached factories and 1½ storey detached factories, with built-up areas ranging from about 12,073 sq. ft. to about 233,106 sq. ft. On top of that, there are 48 retail shops which are currently under construction under our on-going commercial development project, The Jacaranda.

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5. BUSINESS OVERVIEW (Cont'd)

The construction of Phase 1 and Phase 2 of i-Park @ SAC commenced in the first quarter of 2017 and development is currently on-going. As at the LPD, we have sold 60 of the total saleable industrial and commercial units or plots of the project and of the remaining 39 unsold saleable units or plots, 15 units are tenanted by third parties, five units are held as inventory for sale and 19 plots are properties under development.

	Completed			Under development			Reserved	Future development	Total
	Units sold	Units leased	Remaining unsold saleable units	Units sold	Units leased	Remaining unsold saleable units	Plots reserved	Plots / Planned units	Total saleable units
1½ storey semi-detached factory	8	-	4	-	-	-	-	-	12
1 acre 1½ storey detached factory	7	6	1 ⁽¹⁾	3	-	3	-	-	20
2 acres and/or above 1½ storey detached factory	2	7	-	2	2	6	-	-	19
<u>Reserved by our Group⁽²⁾:</u>									
1 plot for dormitory	-	-	-	-	-	-	1 ⁽²⁾	-	1 ⁽²⁾
<u>For future development⁽³⁾:</u>									
2 plots for commercial development	-	-	-	-	-	-	-	2 ⁽³⁾	2 ⁽³⁾
<u>On-going commercial development⁽⁴⁾:</u>									
Retail shops	-	-	-	38 ⁽⁵⁾	-	10	-	-	48
Total	17	13	5	43	2	19	1⁽²⁾	2⁽³⁾	99

Notes:

- (1) Being our Group's head office which is also available for future sale.
- (2) Being our workers' dormitories, which are reserved by our Group and not considered as saleable unit.
- (3) Being our Group's future commercial development plan and not considered as saleable units.
- (4) Being our Group's on-going commercial development project, details of which are set out in Section 5.5.1 (i) of this Prospectus.
- (5) Includes three units where booking fees have been received but pending for signing of agreement.

5. BUSINESS OVERVIEW (Cont'd)

The percentage completion for the industrial factory units under development in i-Park @ SAC as at LPD are as follows:

	% completion							Total saleable units
	0%	1% - 20%	- 21% - 40%	41% - 60%	61% - 80%	81% - 99%	100%	
1 ½ storey semi-detached factory (unit)	-	-	-	-	-	-	12	12
1 acre 1 ½ detached factory (unit)	-	3	-	-	1	2	14	20
2 acres and/or above 1 ½ detached factory (unit)	-	8	-	1	1	-	9	19
Total (units)	-	11	-	1	2	2	35	51

As at the LPD, we are in the midst of outlining the Phase 3 development plan of i-Park @ SAC on a freehold land area measuring around 76.59 acres, adjacent to Phase 1 and 2 of the project. We expect to launch Phase 3 development of the project by the fourth quarter of 2019 with construction commencing by the first quarter of 2020. The development of all the three phases of i-Park @ SAC is expected to complete by 2025. The development concept will be similar to the concept of Phase 1 and Phase 2 of i-Park @ SAC.

5.3.3 Provision of engineering works and services

We provide steel engineering works, precast concrete works and M&E engineering services as standalone services to external customers as well as to complement our construction projects. In line with our property development and construction business, we focus on the provision of these works and services to projects involving industrial properties. Nevertheless, we also provide our M&E engineering services to residential and commercial buildings such as hotels and serviced residences.

As at the LPD, AME Engineering and Asiamost are registered with CIDB as a Grade G7 contractor, where:

- (i) AME Engineering is allowed to tender for steel engineering work and precast concrete work contracts of unlimited value; and
- (ii) Asiamost is allowed to tender for contracts of unlimited value to provide fire protection system and its related services.

In addition, Asiamost Engineering is registered with CIDB as a G3 contractor, where Asiamost Engineering is allowed to tender for contracts with contract value of not more than RM1 million to provide M&E engineering services.

Steel engineering works

Our steel engineering works include structural steel fabrication, steel frame fabrication and steel piping system works. The scope of our steel engineering works is as follows:

- (i) Design and detailing of structural steel, steel frame and steel piping connections;
- (ii) Supply, fabrication and surface treatment of structural steel, steel frames and piping materials;
- (iii) Erection and installation of structural steel works, steel frame works and piping system works; and
- (iv) Fabrication of mechanical equipment frameworks.

5. BUSINESS OVERVIEW (Cont'd)

- (iii) Erection and installation of structural steel works, steel frame works and piping system works; and
- (iv) Fabrication of mechanical equipment frameworks.

Precast concrete works

Our precast concrete works involve the manufacture of precast concrete products, such as wall panels, beams and staircases. The scope of our precast concrete works is as follows:

- (i) Design and manufacture of precast concrete products; and
- (ii) Supply and installation of precast concrete products.

M&E engineering services

Our M&E engineering services involve the design, supply and installation of M&E engineering systems in industrial, residential and commercial buildings. The scope of our M&E engineering services is as follows:

- (i) Design of fire protection systems, including layout of sprinklers, smoke detectors and fire alarms; and supply and installation of fire protection equipment such as sprinkler systems, smoke detectors, fire alarms, fire hoses and fire extinguishers;
- (ii) Design, supply and installation of HVAC systems;
- (iii) Design, supply and installation of medium and low voltage electrical systems including transformers, main distribution boards and lighting systems; and
- (iv) Design, supply and installation of extra low voltage electrical systems including audio visual systems, CCTV and security systems.

We offer our steel engineering works, precast concrete works and M&E engineering services to external customers for their industrial buildings and projects. In addition, we provide steel engineering works, precast concrete works and M&E engineering services to our in-house construction projects, allowing us to control our costs and manage the logistics of our projects more efficiently.

The following table sets out our completed and on-going engineering works and services projects with contract values of about RM3 million to around RM31 million since 2010:

<u>Description of engineering works and/or services project</u>	<u>Location</u>	<u>Expected / Actual completion period</u>
Precast works for a residential flat development comprising two blocks of apartment	Singapore	2nd quarter 2020
Fit out work for a one-storey home appliances production facility with a two-storey office block in i-Park @ SAC	Johor	3rd quarter 2019
Fire protection system for a one-storey home appliances production facility with a two-storey office block in i-Park @ SAC	Johor	2nd quarter 2019
Prefabrication and delivery of steel structures for an industrial chemical plant	Terengganu	2nd quarter 2019
Fire protection system and smoke spill system for two new two-storey light industrial warehouses with a two-storey office block	Johor	4th quarter 2018

5. BUSINESS OVERVIEW (Cont'd)

Description of engineering works and/or services project	Location	Expected / Actual completion period
Sprinkler system for a demolished and rebuilt two-storey industrial warehouse with a three-storey office block	Johor	3rd quarter 2018
Fire protection system for two new expanded single-storey medium industrial warehouses with a single-storey production factory and a four-storey hostel	Johor	1st quarter 2018
Precast components for a four-storey research building within a university campus	Singapore	4th quarter 2017
Civil and structural engineering and M&E services for a single-storey detached industrial factory with a two-storey office block	Johor	2nd quarter 2017
Steel and precast components for part of a resort	Johor	4th quarter 2016
Steel structure works for the construction of five blocks of dormitories	Johor	2nd quarter 2016
Fire protection system for a one-storey consumer product production facility with a two-storey office block	Johor	4th quarter 2015
Engineering works to retrofit three single-storey detached industrial factories	Johor	3rd quarter 2015
Fire protection system for two single-storey medium industrial warehouses with a three-storey office block and a single-storey production plant with a four-storey hostel and three-storey apartment	Johor	1st quarter 2015
Fire protection system for an expanded single-storey warehouse and upgrade on existing sprinkle system for a single-storey production facility.	Johor	4th quarter 2014
Fire protection system for a multi-storey consumer products facility with a single-storey warehouse	Johor	3rd quarter 2014
Fire protection system for an existing one-storey warehouse with a two-storey office block	Johor	4th quarter 2014
Fabrication of steel structural frames of cold boxes	Johor	3rd quarter 2014
Fire protection system for an existing thirty-storey hotel building and lobby with an existing five-storey car park	Johor	2nd quarter 2014
Fire protection system for an existing seven-storey commercial complex	Johor	3rd quarter 2013

As at the LPD, we have an outstanding external order book comprising unbilled revenue for the provision of engineering works and services of around RM39.08 million.

5. BUSINESS OVERVIEW (Cont'd)

5.3.4 Property investment and management services

Our property investment and management services business comprises the leasing of the industrial properties that we have developed and own, as well as the rental and management of workers' dormitories.

As at the LPD, 35 industrial properties within our wholly-owned and joint venture industrial parks are tenanted by third parties. The following table summarises the industrial properties that we lease to our tenants, by industrial park project, as at the LPD:

	i-Park @ SiLC	District 6	i-Park @ Indahpura	i-Park @ SAC
Property type	Industrial factory	Industrial factory with office	Industrial factory	Industrial factory
Location	SiLC Iskandar Puteri, Johor	SiLC Iskandar Puteri, Johor	Iskandar Malaysia, Johor	Iskandar Malaysia, Johor
No. of units leased	3	2	15	15
Aggregate rental income or expected rental income per month (RM'000)	61	140	856	1,100
Aggregate book value as at 31 March 2019 (RM'000)	12,800	24,120	121,284	266,504

As at the LPD, leased properties accounted for around 11.33% of the total number of saleable units of our industrial parks, comprising properties under leasing contracts and tenancy agreements.

As at the LPD, the range of fixed tenure of our leasing contracts and tenancy agreements are between two and 10 years, whereas the renewable tenure of our leasing contracts, where applicable, is between one to six years.

Leasing contracts		Tenancy agreements	
Range of fixed tenure	Number of leased units	Range of fixed tenure	Number of leased units
4 years	3	2 years	3
5 years	9	3 years	9
6 years	5		
7 years	2		
10 years	4		
Total	23	Total	12

We also have five years of experience in the rental and management of workers' dormitories in Johor. We develop, own, rent and manage such workers' dormitories. The workers' dormitories are rented to customers and tenants of our industrial parks as accommodation for their workers. In addition, we provide management services that involve managing and operating of the workers' dormitories, including the maintenance of the dormitories' interior and exterior conditions. Our maintenance services include maintenance of lifts and elevators, exterior building walls and mechanical and electrical systems.

As at the LPD, we have two operational workers' dormitories with a total operational capacity of about 5,770 beds (i.e. about 3,200 beds for our i-Park @ Indahpura project and about 2,570 beds for our i-Park @ SAC project). The range of tenure of our rental contracts of our workers' dormitories in i-Park @ Indahpura and i-Park @ SAC are one to five years and one to three years respectively, with an option to renew for another one to two years.

5. BUSINESS OVERVIEW (Cont'd)

The details of our workers' dormitories in i-Park @ Indahpura and i-Park @ SAC are as follows:

Workers' dormitories	Description of units	Average size per unit (sq ft)	Facilities and services	Average monthly rental per unit	Term of tenancy	Occupancy rate as at the LPD (%)
i-Park @ Indahpura	- Maximum capacity: 3,206 beds	881.46	• Thumb-print / facial turnstile access control	About RM2,475	One to five years	83.4
	- Five blocks of dormitories with a total of 229 units, each with two bedrooms		• Park gymnasium			
	- Each unit has a maximum capacity to accommodate 14 beds for each unit		• Volleyball court and futsal court • Firefighting system • Canteen • Convenient store • Automated laundry shop • Mobile phone store • First aid room • Mineral water vending machine			
i-Park @ SAC	- Maximum capacity: 2,572 beds	Type 1: 1,161.53	• Thumb-print / facial turnstile access control	Type 1: About RM2,633.12	One to three years	74.7
	- Five blocks of dormitories with a total of 186 units, each with 3 bedrooms for type 1 and 2 bedrooms for type 2	Type 2: 841.85	• Park gymnasium • Firefighting system • Café • Convenient store • Multipurpose hall • Automated laundry shop • Mobile phone store • Treatment room • First aid room • Mineral water vending machine			

5. BUSINESS OVERVIEW (Cont'd)

Our property investment and property management services business provide us recurring income through the rental fees from the tenants who lease our industrial properties, and rental and management fees from the customers and tenants of our worker' dormitories. This recurring income supplements our revenue derived from property sales, as well as revenue from construction and engineering services which are typically project-based.

5.4 OUR COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

5.4.1 Our expertise in construction and engineering services enables us to capitalise on value engineering alternatives for our projects, and to offer this as service to our customers

We engage in value engineering. This is in-built into the implementation processes of our construction and engineering projects, which helps us to complete our projects in an efficient and/or cost-saving manner, and contributes to our profitability and track record.

We also offer value engineering as a service to our customers for our construction and engineering projects. Our project team is able to recommend construction methodologies and systems by analysing tenders for potential projects and evaluating the project specifications, with a view to reducing construction costs, improving quality and/or lowering the building maintenance costs. Although the construction drawings from our customers may have stated the architectural design and construction by which the project will be constructed, our project team is able to propose design solutions for the steel engineering works and precast concrete works to fit the requirements in the architectural drawings.

Our project department is equipped with computer-aided designed equipment and detailing software which enable us to create detailed, constructible three-dimensional model of any steel structure to plan the fabrication and erection works efficiently. This allows us to provide construction and engineering solutions, such as a more cost-saving methodology for structural steelwork installation or mobility of pre-fabricated steel structures on the project site. Additionally, our expertise in precast concrete works enables us to better understand the practical challenges in the construction process and recommend a more efficient construction methodology, including the use of precast components to keep construction sites clear and safe, as well as facilitate faster construction. Further, our steel engineering and precast concrete production facilities located in Taman Teknologi, Johor allows us to customise steel structures and precast concrete in an off-site factory. Site storage is eliminated as precast components can be stored at our factory and delivered 'just-in-time'. In addition, conditions found on-site which may affect quality, such as the weather are eliminated in an off-site factory.

As such, our focus on value engineering provides us with an advantage to take on more complex and larger construction projects. We are also able to propose a more efficient design for our customers to save the overall cost and duration of the project, while maintaining the quality of our construction and engineering services as well as our profitability.

5. BUSINESS OVERVIEW (Cont'd)

5.4.2 We are able to provide a comprehensive suite of industrial property solutions for the development of industrial parks and construction of large manufacturing plants

Having been in the construction industry for over 20 years to-date and in the development of industrial parks since 2011, we have established a reputation for being able to provide a comprehensive suite of industrial property solutions for the development of industrial parks and construction of customised large manufacturing plants, which are supported by our engineering services as well as property investment and management services.

Our integrated service offerings and implementation capabilities allow us to deliver a wide variety of customised industrial property projects based on our customers' needs and specifications, and to control the quality, cost and schedule of such projects. This enables us to continuously improve overall build quality, reduce wastages and ensure timely completion of our projects. Further, we are able to leverage on our capacity to offer our construction and engineering services to external customers and operate these segments as independent standalone businesses.

We are one of the industrial property developers in Malaysia that are able to provide both design-and-build capabilities and sale or lease options under our property development or property investment business to suit our customers' capital allocation, financing and operational needs. As part of our property management services business, we also rent and manage workers' dormitories as accommodation for workers in our industrial parks.

5.4.3 We have a proven track record of attracting businesses and investments to our industrial parks and providing facilities and services that make our industrial park a desirable place for operations

Between 2011 and 2017, we have launched four industrial park projects, and two other industrial park projects through our jointly-controlled entity, Axis AME IP. The majority of the industrial parks projects, particularly our "i-Park" brand of industrial park projects, have received positive market acceptance based on the percentage of properties sold/leased. For further details of the market acceptance of our projects, please refer to Section 5.2 of this Prospectus.

The reception towards our property development projects is primarily due to our eight years of accumulated experience in industrial park design and development. The experience has honed our understanding of our customers and tenants' demand for industrial spaces, and enhanced our ability to attract more businesses and investments to our industrial parks.

Based on our experience in the industrial park development and construction activities, our understanding of market demands and the feedback received from our customers over the years, we have developed internal standardised systems for our construction processes, methodologies and products to optimise the functionality and sustainability of the buildings within our industrial parks by using good quality building materials, fixtures and fittings in the construction of our industrial parks. For our i-Park @ SAC, in particular, we make available infrastructure facilities that meet the requirements of many MNCs such as high-speed fibre-optic broadband, optimum power supply, piped-in water and natural gas utilities, as well as wellness amenities such as recreational parks, jogging tracks and sports amenities. We also provide gated and guarded 24-hour security control, perimeter fencing, patrols, access cards for fast-lane service, and an in-house security team to ensure the safety and security of our industrial parks.

5. BUSINESS OVERVIEW (Cont'd)

In addition, we offer value-added services to our customers by renting our meeting facilities and workers' dormitories. We also help to coordinate with third parties with respect to business registration and application for permits and licenses, as well as cleaning and landscaping services.

Through all these efforts, we have endeavoured to form an integrated working and living community for occupants of our industrial parks. This in turn improves our attractiveness to businesses which are considering relocating to or otherwise establishing their business in our industrial parks, and increases our occupancy rate.

We are also able to attract major industrial companies and MNCs to become customers and/or tenants of our industrial parks. These customers and/or tenants enhance the cluster effect of our industrial parks to help to attract more businesses to our industrial parks. Our success in securing MNC customers is testament to our in-house expertise, quality control and customer service as MNC customers typically have strict building quality requirements and compliance, including requirements on usage of high quality building materials, overall build quality, environmental compliance and social considerations.

These together with the awards for our industrial park developments as set out in Section 5.7 of this Prospectus, provide us strong references and the credentials to support our future expansion and growth.

5.4.4 We have the capability and credentials to replicate our business model within and outside of Johor

We believe our business model is sustainable and replicable as our industrial park development projects provide the following benefits to:

- (i) **Occupants of our industrial parks.** Our industrial parks are equipped with infrastructure facilities such as high-speed fibre-optic broadband, optimum power supply, piped-in water and natural gas utilities, as well as wellness amenities to attract MNCs and local enterprises. A healthy flow of people and business activities to our industrial parks not only accelerates the development of the industrial parks, but also facilitates demand for our industrial properties by other businesses and investors. Our industrial parks are also strategically located, allowing our tenants to benefit from close proximity to major transportation networks and established industrial clusters.
- (ii) **Owners of industrial properties.** As our industrial parks mature following the full development of our industrial parks, the value of the properties located within and the areas around our industrial parks are expected to increase and provide returns to the owners of industrial properties.
- (iii) **Local governments.** The development of our industrial parks is closely aligned with local governments' industry initiatives and economic development plans such as in pursuing Industry 4.0. Our industrial parks contribute to growth and wealth creation as they act as an enabler of business activity, generate tax revenue, create employment, upgrade local industry mix and accelerate infrastructure construction.

Our success in industrial park development is supported by our track record in construction and engineering services. Whilst we have completed many construction and engineering projects since commencement of our business, primarily in Johor, we also completed the construction of a logistics warehouse and a factory for aerospace components in Selangor, in 2018 and 2019 respectively. We also expect to complete the construction of a multi-storey logistics warehouse in Kuala Lumpur in the third quarter of 2019, and the construction of a warehouse with factory unit in Selangor in the second quarter of 2021.

5. BUSINESS OVERVIEW (Cont'd)

Although we expect to continue to benefit from the growth of the manufacturing sector and FDI inflow in Johor, the extensive experience that we have gained over the years have equipped us with the capability and credentials to replicate our integrated business model in other states in Peninsular Malaysia.

5.4.5 We have an experienced and hands-on management team

Our Executive Directors and key senior management personnel have substantial industry experience and in-depth knowledge of our operations.

Name	Designation	Years of relevant experience ⁽¹⁾
Lee Chai	Group Managing Director	35
Lim Yook Kim	Executive Director	45
Kang Ah Chee	Executive Director	47
Lee Sai Boon	Executive Director	25
Gregory Lui Poh Sek	Group Financial Controller	28
Lim Pei Shi	Alternate Director to Lim Yook Kim/ Executive Director/ Marketing Director, AME Development	8
Kang Koh Wei	Director, AME Construction	12
Lim Khai Wen	Managing Director, AME Engineering	11
Razal bin Ahmad	Deputy Managing Director, Asiamost	26
Teo Kian Jin	Project Director, AME Construction	37
Law Han Meng	Project Director, AME Construction	29

Note:

(1) *The years of relevant experience reflects the experience relevant to their respective work scope or relevant to AME's core businesses (i.e. property development, construction, engineering and property investment and management services), whichever comes earlier.*

Lee Chai, our Group Managing Director, has over 30 years of experience in construction and industrial property development. Our Executive Directors, Lim Yook Kim and Kang Ah Chee both have more than 40 years of experience in construction operations, while Lee Sai Boon has been involved in the construction and engineering and property development business of our Group since the 1990's.

Each of our key senior management team has substantial years of experience in their respective work scope relevant to our core business and has played an instrumental role in promoting our growth. Our major business departments, such as project, marketing and finance are led by such key senior management personnel. We believe that our key senior management personnel, with their knowledge and understanding of the industry enhanced through experience, and coupled with cohesion between them, will contribute to our growth in the future. Most of our key senior management personnel have been with us for over a decade, which demonstrates their contribution and commitment to our Group. For the profiles of our Executive Directors and key senior management personnel, please refer to Sections 3.1.2, and 3.4.2 of this Prospectus respectively.

5. BUSINESS OVERVIEW (Cont'd)

5.5 OUR FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

5.5.1 We plan to take advantage of the expected growth of the Malaysian economy and opportunities presented in the manufacturing industry to expand our industrial park development business

Our business model is aligned with the Malaysian Government's economic development plan and strategies for the manufacturing sector such as in pursuing the Industry 4.0. With the continuous growth of the Malaysian economy, steady stream of fixed asset investments and the initiatives by local governments for industry development, we believe our business model of industrial park development would benefit from this setting.

We plan to seize the opportunity to replicate our business model, by taking advantage of our experience in industrial park development accumulated over the years to:

(i) Complete the development of on-going industrial park projects and increase our portfolio of industrial properties in Johor

As at the LPD, both industrial park development projects undertaken by us and our jointly-controlled entity, Axis AME IP, are located within Iskandar Malaysia. We are developing i-Park @ SAC (Phase 1 and 2) with an estimated GDV of RM717 million, while Axis AME IP is developing i-Park Indahpura (Phase 3) with an estimated GDV of RM456 million.

We expect that the properties sold and leased from our development of i-Park @ SAC (Phase 1 and 2) will contribute to our revenue and earnings from property development and property investment in the periods up until their completion. On the other hand, Axis AME IP's development of i-Park Indahpura (Phase 3) is expected to contribute to our share of profit from joint venture for the periods up until its completion.

Our future development projects in Johor will continue to focus on industrial property projects, particularly on our "i-Park" brand of gated and guarded industrial parks. In this regard, we completed the acquisition of a parcel of land measuring about 76.59 acres adjacent to Phase 1 and 2 of i-Park @ SAC for the Phase 3 development of i-Park @ SAC on 27 August 2019 and expect to commence construction by the first quarter of 2020.

We estimate all the phases of development of i-Park Indahpura and i-Park @ SAC to complete by 2023 and 2025, respectively.

The completion of the Phase 3 development of i-Park @ SAC will increase our portfolio of industrial properties for sale and lease in Johor and ensure that we continue to recognise revenue from property development and property investment up to 2025. It will also strengthen our position in industrial property development in line with our plan to expand our business within Johor and other regions in Peninsular Malaysia.

5. BUSINESS OVERVIEW (Cont'd)

Further, we also commenced the development of a commercial hub, namely The Jacaranda, on the vacant commercial land next to the sales gallery in i-Park @ SAC in the first quarter of 2019. The Jacaranda is designed to be built with retail shops to cater to all types of businesses such as food and beverages outlets, boutique hotels, offices, convenience stores and other amenities. By having a variety of retail shops and offices next to the industrial lots in i-Park @ SAC, The Jacaranda is expected to complement and increase the attractiveness of i-Park @ SAC by providing convenience to the customers and tenants of i-Park @ SAC. The Jacaranda has an estimated GDV of RM68 million. The construction of the commercial shop lots in The Jacaranda is expected to complete in 2021.

(ii) Expand our business through the acquisition of land bank and potential joint ventures for future property development and investment projects in other states in Peninsular Malaysia

We are committed to becoming a leading industrial park developer and services provider in Malaysia. We aim to expand our business model, which consists of the development of industrial parks and the sale and lease of industrial properties currently in Johor, to other states in Peninsular Malaysia where there is a potential for developing industrial parks that meet the standards and requirements set by our customers within the next 36 months following our Listing.

The continued development of industrial park projects supported by our in-house construction and engineering expertise, is key to our aspirations to become a leading industrial park developer and services provider in Malaysia. Further, our Directors believe that having a spread of industrial parks in various geographical locations at various stages of development and of varying construction duration, phasing and anticipated completion ensures business sustainability and continuous revenue. In addition, holding an appropriate amount of investment properties will provide us recurring revenue and enhance our financial performance and asset value in the long term.

As such, we intend to use RM69.1 million of the gross proceeds from the Public Issue to seize opportunities to acquire new industrial land for development that is strategically located and suitable to be developed into sizeable industrial parks and/or aid in the payment of initial development costs for the development of our industrial parks. Where appropriate, we will also explore potential joint ventures to develop and/or invest in industrial land in Malaysia by leveraging on the background and financial standing of suitable partners and our expertise and experience built up over the years, to undertake the development of industrial parks of a larger scale.

We may also consider, at the appropriate time in the future, the formation of an industrial real estate investment trust to unlock the value of the properties that we own and lease and free up capital for future growth and investments. As at the LPD, we are actively identifying suitable land for industrial park development throughout Peninsular Malaysia. We plan to apply a cautious expansion and investment approach to identify suitable sites for industrial park development. We will monitor market conditions and target regions where there is high concentration of enterprises and industries, and which offer us the potential to generate returns from the development of our "i-Park" brand of gated and guarded industrial parks. We envisage such industrial parks that we develop in the future will be modelled and enhanced after our i-Park @ SAC industrial park, which is gated and guarded and has features such as workers' dormitories, clubhouse as well as sports and recreational facilities and utilities infrastructure such as high-speed broadband and piped-in natural gas.

5. BUSINESS OVERVIEW (Cont'd)

In addition, the buildings in the industrial park will be built with the aim of obtaining GBI accreditation.

To mitigate risk, we plan to actively seek sites which have the relevant planning and development consents in place, thus providing us with greater certainty and a quicker turnaround time from acquisition to launch.

5.5.2 We plan to continue our focus on developing industrial parks that target multinational and local industrial companies and forming an integrated working and living community for the existing and future occupants of our industrial parks

We intend to continue to improve the attractiveness and competitiveness of our industrial parks. We believe that the environment of our industrial parks will encourage more potential customers to select our properties and enhance our reputation.

In i-Park @ SAC, we plan to build a clubhouse, which comes equipped with a swimming pool, game courts and a gym. This clubhouse will be open for membership to executives of the business operators in our industrial parks. Certain facilities of our clubhouse will also be made available on a pay-per-use basis. We also plan to establish a business centre, multipurpose hall and studio and a cafeteria to be located in the clubhouse. The business centre will enable workers from different companies in the respective industrial parks to interact and share information with each other, while the multipurpose hall and studio can be used to hold events. Further, the cafeteria is expected to provide convenience to the workers as they will have access to meals. We intend to use RM9.0 million of our IPO proceeds to partially fund the construction of the clubhouse. By having the additional social and sports and recreational facilities in our industrial parks, we will be able to provide more value to our customers and tenants apart from the basic factory facilities and infrastructure. We intend to commence operation of the clubhouse by the fourth quarter of 2020.

In addition, we plan to increase our business development efforts to attract more renowned international and domestic enterprises to become our long-term tenants. We also intend to strengthen our customer relationship management and to deliver more value-added services to tenants, thereby enhancing recognition of and loyalty towards our brand. We propose to establish a membership and loyalty club, namely the "Privilege Club", which will be a networking platform among the executives of the business operators in all our industrial parks to strengthen the cohesion of our brand value among our industrial park customers and tenants. Additionally, we have a dedicated team focusing on marketing and plan on investing more resources in advertising our brand through different media channels, including newspapers, the Internet and outdoor advertisements, and various other activities such as forums and roadshows, to enhance our brand image and reputation. The focus of our marketing strategies vary from year to year depending on our industrial park projects at the time. Our current marketing strategies and resources will focus on the marketing of i-Park @ SAC, being our most recent industrial park project. As such, we have allocated RM2.0 million of the gross proceeds from the Public Issue to fund the marketing expenses for i-Park @ SAC, to be used within the next 36 months following our Listing. If there is any shortfall in the proceeds from the Public Issue, the marketing expenses for i-Park @ SAC will be funded through internally generated funds and/or bank borrowings.

We believe that having renowned international and domestic enterprises as our tenants will improve the image of our industrial parks and enhance the value of our properties. We further endeavour to establish strategic relationships with such tenants, to support our mutual business expansion strategies in the future. We believe that, while expanding our development in new regions, cooperating with such renowned businesses will help enhance the recognition of our new projects and our marketing efforts.

5. BUSINESS OVERVIEW (Cont'd)

5.5.3 We intend to expand our precast concrete business by increasing our precast concrete production capacity

We currently fabricate steel structures and precast concrete at our Existing Facility and the completed Phase 1 of our New Facility in Taman Teknologi, Johor. We have four production lines at our Existing Facility, each measuring 50,456 sq. ft., and one production line at our New Facility measuring 63,000 sq. ft. (which commenced production in April 2019). AME Engineering entered into the Sub-Tenancy Agreement for the rental of a designated area encompassing two of our four production lines and seven of our 16 units of overhead cranes at our Existing Facility. As such, during the Tenancy Period, we only have two available production lines and nine units of overhead cranes at our Existing Facility. After the Tenancy Period, we will again have four production lines and 16 units of overhead cranes available at our Existing Facility. The production lines at our Existing Facility largely enables us to switch fabrication processes between steel structures and precast concrete depending on demand.

As our fabrication capacity is limited by the production floor area of our Existing Facility, type of machinery and equipment and manpower, we typically determine the utilisation rate of our Existing Facility based on the estimated steel structures and precast concrete fabrication works performed.

Set out below are the details of the production capacity and utilisation rate of our Existing Facility for the FYE 31 March 2016, 2017, 2018 and 2019, respectively.

	Steel structures (tonnes)				Precast concrete (m ³)			
	FYE 31 March				FYE 31 March			
	2016	2017	2018	2019	2016	2017	2018	2019
Annual production capacity ⁽¹⁾⁽²⁾	18,000	18,000	18,000	⁽⁷⁾ 20,700	24,000	24,000	24,000	⁽⁷⁾ 27,600
No. of lines used	3 lines	3 lines	2 lines	2 lines	1 line	1 line	2 lines	2 lines
Annual production capacity based on no. of lines used	13,500	13,500	9,000	10,350	6,000	6,000	12,000	13,800
Annual production volume ⁽³⁾⁽⁴⁾	4,862	7,217	3,168	3,219	2,115	1,153	5,062	2,768
Average utilisation rate ⁽⁵⁾⁽⁶⁾	36.01%	53.46%	35.20%	31.10%	35.25%	19.22%	42.18%	20.06%

Notes:

- (1) The annual production capacity of our Existing Facility for steel structures is measured in tonnes and based on the number of production lines and production workers assuming we operate all four production lines for 12 hours per day and 300 days per year. The capacity per production line based on total quantity of steel structures produced per day is estimated to be 15 tonnes for FYE 31 March 2016, 2017 and 2018, and 17.25 tonnes for FYE 31 March 2019.
- (2) The annual production capacity for precast concrete is measured in m³ and based on the number of production lines and production workers assuming we operate all four production lines for 12 hours per day and 300 days per year. The capacity per production line based on total volume of precast concrete produced per day is estimated to be 20 m³ for FYE 31 March 2016, 2017 and 2018, and 23m³ for FYE 31 March 2019.
- (3) The annual production volume for steel structures is the actual tonnes of steel structures we produced for FYE 31 March 2016, 2017, 2018 and 2019, respectively.
- (4) The annual production volume for precast concrete is the actual m³ of precast concrete we produced for FYE 31 March 2016, 2017, 2018 and 2019, respectively.
- (5) The utilisation rate of our Existing Facility for the production of steel structures was calculated by dividing the annual production volume by the annual production capacity based on the no. of lines used.

5. BUSINESS OVERVIEW (Cont'd)

- (6) *The utilisation rate of our Existing Facility for the production of precast concrete was calculated by dividing the annual production volume by the annual production capacity based on the no. of lines used.*
- (7) *We extended our four production lines at our Existing Facility in April 2018 which increased our annual production capacity for (i) precast concrete by 900 m³ for each line; and (ii) steel structures by 675 tonnes for each line for the FYE 31 March 2019.*

In FYE 31 March 2016 and 2017, we allocated three production lines at our Existing Facility to fabricate steel structures and were able to undertake all the precast concrete fabrication works required for our business using one production line. In FYE 31 March 2018 and 2019, however, we used two of the production lines at our Existing Facility to meet the increased demand for customised precast concrete products from third parties as well as for our own projects in Johor and Singapore.

Based on the production capacity of one production line used for the FYE 31 March 2016 and 2017, and two production lines used for the FYE 31 March 2018 and 2019, the utilisation rate for precast concrete works was about 35.25%, 19.22%, 42.18% and 20.06% respectively in those years.

Taking into cognisance the demand for precast concrete products as well as requests for the larger and heavier customised precast concrete products, we have decided to expand our precast concrete production capacity and align our growth with the increasing demand for customised precast concrete products that have become more prevalent, replacing on-site casting in infrastructure and property construction in Malaysia and Singapore. As such, we extended all our four production lines at our Existing Facility in April 2018 from 39,949 sq. ft. to 50,456 sq. ft. for each line. We have also commenced operations of one production line measuring 63,000 sq. ft. in our New Facility in April 2019 which allows us to produce larger and heavier precast concrete products.

Of the total four production lines at our Existing Facility, we used 39,949 sq. ft. (one line) in FYE 31 March 2016 and 2017, 79,898 sq. ft. (two lines) in the FYE 31 March 2018 and 100,912 sq. ft. (two lines) in FYE 31 March 2019, for the fabrication of precast concrete while the remaining lines were used for the production of steel structures. As at 16 July 2019, the production capacity of our Existing Facility has been temporarily reduced to two production lines due to the Sub-Tenancy Agreement as described in Section 5.10 of this Prospectus. Upon expiry of the Sub-Tenancy Agreement, we will again have four production lines at our Existing Facility. For further details of the Sub-Tenancy Agreement and operating capacity of our Existing Facility, please refer to Section 5.10 of this Prospectus.

We intend to expand our production capacity and increase the utilisation rate of our production lines by further increasing our production area for precast concrete to 63,000 sq. ft. for each line and to acquire nine units of gantry cranes at the New Facility which will enable us to accept projects with larger and heavier customised precast concrete products. The gantry cranes will have a higher tonnage capacity than the overhead cranes we currently have at our Existing Facility. We have installed three units of gantry cranes as part of the completed Phase 1 of the New Facility and plan to purchase and install six units of gantry cranes in Phase 2 of the New Facility. All nine units of the gantry cranes in our New Facility are expected to have a lifting capacity of up to 40 tonnes each to facilitate our intentions to fabricate larger and heavier customised precast concrete products.

Our Directors believe that establishing the New Facility on a piece of leasehold land adjacent to our Existing Facility enables us to take advantage of the strong market fundamentals driving demand for precast construction products without the need to incur substantial additional capital investment to acquire a new piece of land to expand our manufacturing facilities.

5. BUSINESS OVERVIEW (Cont'd)

We expect to incur RM16.2 million to set up the New Facility in two phases. We commenced the construction in December 2018 and completed Phase 1 of the New Facility in April 2019. The capital expenditure incurred for Phase 1 of the New Facility is as follows:

<u>Details of Phase 1 of the New Facility</u>	<u>Actual cost</u>
	<u>RM'000</u>
1. Construction costs of Phase 1 of the New Facility	
(i) Open yard and infrastructure works ⁽¹⁾	1,816
(ii) Electrical, plumbing and firefighting works	365
(iii) Other related fees and expenses ⁽²⁾	25
	<u>2,206</u>
2. Purchase of machineries and equipment	
(i) Three units of gantry crane	1,500
(ii) One unit of compressor	53
	<u>1,553</u>
Total	<u>3,759</u>

Notes:

- (1) The construction of the open yard with reinforced concrete floor slab and infrastructure works comprises, amongst others, piling works as well as rebar and concrete work for ground beam and slab.
- (2) Other related expenses comprise, amongst others, consultant fees for environmental consultant and civil and structural engineers, preliminary works and expenses for application for temporary building permit for, amongst others, open yard for gantry crane and storage space for material stocks at the New Facility during construction. Contingencies include construction contingency costs to cater for fluctuations in overtime costs.

The cost of Phase 1 of the New Facility was funded through our internally generated funds and/or external borrowings. We commenced operation of Phase 1 of the New Facility in April 2019.

The Phase 2 expansion of the New Facility is expected to cost about RM12.488 million, of which the construction costs is estimated to be RM6.135 million and the cost of purchase of machineries and equipment will be around RM6.353 million. Out of the RM12.488 million of the Phase 2 expansion cost, we intend to use RM9 million of our IPO proceeds for both construction and purchase of machineries and equipment. The balance of up to RM3.488 million will be funded through our internally generated funds and/or bank borrowings.

We plan to commence operation of Phase 2 of the New Facility by phases beginning in the fourth quarter of 2019 after the completion of a trial run. The estimated timetable for the expansion of our precast concrete fabrication capacity for Phase 2 of the New Facility is as follows:

Implementation	2019			
	Quarter			
	1	2	3	4
Civil construction				
Installation of equipment				
Trial run				
Commence production by phase				

5. BUSINESS OVERVIEW (Cont'd)

As at the LPD, we have completed the construction of Phase 1 of the New Facility and commenced production on the site since April 2019. We have also commenced preliminary and preparatory work for Phase 2 of the New Facility in May 2019 and expect to complete by the fourth quarter of 2019. On 15 November 2018, Tanjung Bebas obtained the temporary building permit in respect of non-permanent structures on our New Facility such as open yard structure, gantry cranes and batching plant. We are allowed to operate our New Facility based on the temporary building permit issued, subject to an annual renewal. Notwithstanding, Tanjung Bebas will also apply to the relevant authorities for planning permission, building plan approval and development order to allow us to construct ancillary and accessory buildings such as electrical substation, prayer room, quality control testing laboratory, guardhouse and bin centre on the parcel of land.

We expect the combined production area of our Existing Facility and the New Facility to be 327,824 sq. ft. upon completion of Phase 2 of our New Facility and the expiry of the Sub-Tenancy Agreement. Further, the production area for precast concrete works at the New Facility would be able to accommodate two new precast concrete production lines measuring 63,000 sq. ft. each and capable of increasing our total precast concrete production capacity by 12,000 m³ of precast concrete per year. While the combined annual fabrication capacity for our Existing Facility and New Facility is not proportionate to the original production area, it nevertheless reduces the production down time caused by switching production between steel structure and precast concrete fabrication works at our Existing Facility and allows us to carry out higher volume of precast concrete works, customised precast concrete products which are bulky and large and manufacture a wider range of customised precast concrete products.

The New Facility will also allow us to carry out higher volume of precast concrete works and to customise precast concrete products which are bulky and large. In addition, the New Facility will increase our operational efficiencies in planning and coordinating construction projects as most of our current projects are based in Kulai and Senai. In this regard, the available production capacity offered by the New Facility would not only enable us to capture growth opportunities in Malaysia, but also position us for greater business development with our customers in Singapore and other contractors there, who are our potential customers.

Please refer to Section 7.1.10 of this Prospectus on related risks in relation to the expansion of our precast fabrication capacity.

5.5.4 We intend to expand our external income from our engineering services segment

Our engineering services segment includes steel engineering works, precast concrete works and M&E engineering services. While we have historically bundled our engineering services with our construction projects to ensure that our customers benefit from our integrated services, we also provide standalone services to external customers. As a result, our engineering services segment has developed its own market presence in the industrial property development and construction industry and generates revenues and profits as a standalone business. For the FYE 31 March 2016, 2017, 2018 and 2019, revenue from external customers for our engineering services amounted to RM64.76 million, RM40.00 million, RM26.43 million and RM40.68 million, accounting for about 25.98%, 13.37%, 7.74% and 12.00% of our total revenue for those years.

We intend to expand our engineering services segment by offering more standalone services to external customers. We expect opportunities to continue to emerge throughout Malaysia as a result of the continued growth in the property development and construction sector, particularly in industrial property, and we intend to increase our revenue from these services by increasing our production capacity in precast concrete works and actively bidding for opportunities in our engineering services segment.

5. BUSINESS OVERVIEW (Cont'd)

Please refer to Section 5.5.3 of this Prospectus for the details of our plans to increase our precast concrete production capacity.

We will leverage on our capabilities and internal resources to expand our presence in the market for our engineering services, and build upon our track record and industry reputation to secure new and more technically complex projects. By expanding our engineering services segment, we will be in a position to enhance our revenue streams and increase our profitability.

5.5.5 We intend to strengthen and build our core portfolio of workers' dormitories

Having workers' dormitories close to the work place is one of the means by which we attract businesses to setup their operations in our industrial parks. Our workers' dormitories are currently equipped with an array of facilities and services such as park gymnasium, volleyball court, futsal court, canteen, convenience store, automated laundry shop, mobile phone store, first aid room and mineral water vending machine.

Our workers' dormitories also eliminate the hassle faced by our industrial park occupants in finding accommodation for their workers as well as solving the workers' logistics issues. In 2018, the Ministry of Human Resources released a guideline which makes it compulsory for employers who hire foreign workers to provide proper accommodation to their foreign workers, in accordance with the minimum standards of accommodation as outlined in the guideline. As such, the demand for workers' dormitories is expected to increase and our Group is in the position to capitalise on such opportunity.

As at the LPD, we have a total of 10 blocks of workers' dormitories located adjacent to our i-Park @ Indahpura and i-Park @ SAC which can accommodate up to around 3,200 beds and 2,770 beds respectively. The dormitories are developed by AME Development and managed by I Stay Management as accommodation to the workers of customers and tenants in i-Park @ Indahpura and i-Park @ SAC.

We plan to strengthen and build our core portfolio of workers' dormitories such that, in the longer term, the scale of the business would meaningfully help us diversify our operational risks and contribute larger streams of recurrent income to our Group. We intend to do this by duplicating our business model for workers' dormitories for the industrial parks that we develop in the future. Further, we plan to adopt a proactive stance in improving the quality of our dormitory assets and adding value to our offerings to generate a stream of recurrent income for our Group.

In the longer term, we have plans to increase the attractiveness of our workers' dormitories. We will monitor developments and the progress of our workers' dormitories management business and, where appropriate, capitalise on opportunities to expand our service offerings to our customers and their workers residing at our workers' dormitories. These may include providing transportation arrangements for workers to and from our industrial parks to certain surrounding areas such as shopping complexes and public amenities. We may also offer welfare management services (such as handling workers' injury, bringing them to the hospital and handling subsequent insurance claims, etc.), food catering and other ancillary services. Where necessary, these services may be outsourced to third parties who have expertise in the relevant services, to enable us to focus on enhancing the overall management of our workers' dormitories.

5. BUSINESS OVERVIEW (Cont'd)**5.6 OUR BUSINESS SEGMENTS AND PRINCIPAL MARKETS**

Our principal businesses can be categorised into four main segments, namely:

- (i) Construction service segment;
- (ii) Property development segment;
- (iii) Engineering services segment; and
- (iv) Property investment and management services segment.

The table below sets out details of the contributions of our business segments to our revenue for the financial years indicated.

	FYE 31 March							
	2016		2017		2018		2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Construction services segment⁽¹⁾								
• Construction of plants and industrial properties	157,964	63.38	206,958	69.23	214,049	62.71	233,670	68.93
Property development segment								
• Development of industrial parks and sale of industrial properties	15,074	6.05	37,207	12.45	85,430	25.03	43,143	12.73
Engineering services segment⁽¹⁾								
• Steel engineering and precast concrete works	30,130	12.09	9,255	3.09	9,558	2.80	19,975	5.89
• M&E engineering works	34,632	13.89	30,747	10.28	16,875	4.94	20,703	6.11
Property investment and management services segment								
• Letting/ leasing of properties	7,772	3.12	9,560	3.20	9,368	2.75	15,096	4.45
• Rental and management of workers' dormitories	3,671	1.47	5,231	1.75	6,040	1.77	6,426	1.89
Total revenue	249,243	100.00	298,958	100.00	341,320	100.00	339,013	100.00

Note:

- (1) The aggregate revenue from our construction services segment and engineering services segment is classified as contract income in the Accountants' Report in Section 11 of this Prospectus.

5. BUSINESS OVERVIEW (Cont'd)

We have derived our revenue principally from Malaysia since our inception. For the FYE 31 March 2016, 2017, 2018 and 2019, we recognised revenue of RM1.62 million, RM1.84 million, RM5.90 million and RM11.87 million from Singapore, which accounted for 0.65%, 0.62%, 1.73% and 3.50% of our total revenue in those years. In addition, we recognised revenue of RM0.66 million, RM1.57 million and RM0.58 million from Australia in the FYE 31 March 2017, 2018 and 2019, respectively, which accounted for 0.22%, 0.46% and 0.17% of our total sales revenue in those years. The details of the overseas projects in Singapore and Australia which contributed to our revenue in the FYE 31 March 2016, 2017, 2018 and 2019 are set out in Section 10.3.5 (i) of this Prospectus.

The table below sets out details of our revenue by our principal markets for the financial years indicated.

Principal market	FYE 31 March							
	2016		2017		2018		2019	
	RM million	%	RM million	%	RM million	%	RM million	%
Malaysia	247.62	99.35	296.46	99.16	333.85	97.81	326.57	96.33
Singapore	1.62	0.65	1.84	0.62	5.90	1.73	11.87	3.50
Australia	-	-	0.66	0.22	1.57	0.46	0.58	0.17
Total revenue	249.24	100.00	298.96	100.00	341.32	100.00	339.01	100.00

5.7 AWARDS AND ACCREDITATION

Our Group and our industrial park development projects have been awarded the following awards, accolades and accreditation from statutory and industry bodies:

Year	Awards and accreditation	Presented at / by	Entity
<i>Awards and accreditation awarded to our Group</i>			
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
2019	Innovative Developer Awards	ASEAN Property Awards Malaysia 2018/2019	AME Development
<i>Awards and accreditation awarded to our developments</i>			
2016 - 2017	Platinum Winner of "Most Conducive Workplace"	The Iskandar Malaysia Accolades 2016/17	i-Park @ Indahpura
2017 - 2018	5 Stars Winners for Best Industrial Development Malaysia	Asia Pacific Property Awards	lpark Development for i-Park @ SAC
2017	Excellence Winner of The Best Industrial Park Development ⁽¹⁾	Starproperty.my Jewels of Johor Awards 2017	lpark Development for i-Park @ SAC

5. BUSINESS OVERVIEW (Cont'd)

Year	Awards and accreditation	Presented at / by	Entity
2018	The Business Estate Excellence Award (Best Industrial Park Development)	Starproperty.my Awards 2018	lpark Development for i-Park @ SAC
2018	The Earth-Conscious Honours Award (Best Sustainable Development)	Starproperty.my Awards 2018	AME Development for i-Park @ Indahpura
2018	The Business Estate Honours Award (Best Industrial Park Development)	Starproperty.my Awards 2018	AME Development for i-Park @ Indahpura
2018	Honours Award 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	World Silver Winner (Industrial Category)	2019 FIABCI World Prix d'Excellence Awards	AME Development for i-Park @ Indahpura
2019	Best Industrial Development	ASEAN Property Awards Malaysia 2018/2019	lpark Development for i-Park @ SAC

Note:

(1) *There were two Excellence Winners of The Best Industrial Park Development.*

5.8 SEASONALITY

We are not subject to seasonal conditions as there is no seasonal demand for industrial properties, construction and engineering services as well as the property investment and management services in a given calendar year.

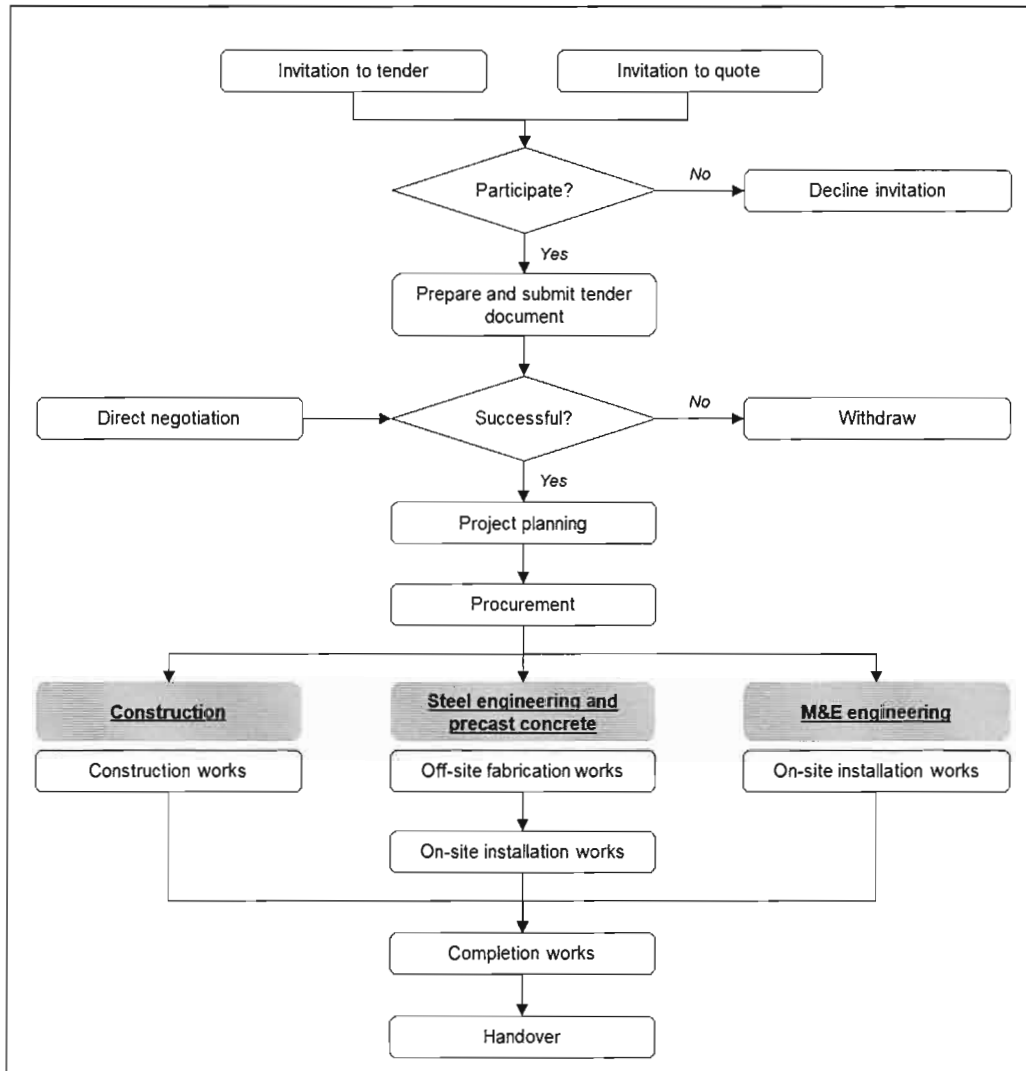
However, the demand for industrial properties is cyclical in nature, as it moves in tandem with general economic cycles. The slowdown in the overall economy may reduce the demand of our industrial properties, construction and engineering services as well as property investment and management services. Further, as our end customers are largely manufacturing companies in various industries such as steel, oleo chemical, oil and gas, E&E, consumer products, food and beverage, logistics and automotive, any slowdown of manufacturing sector resulted from the impact of economic conditions may also reduce the demand of our industrial properties, construction services and engineering services.

5. BUSINESS OVERVIEW (Cont'd)

5.9 OUR BUSINESS AND OPERATION PROCESSES

The typical process flow for our core business activities are depicted below:

5.9.1 Construction and engineering services



The process flow for our construction, steel engineering works, precast concrete works and M&E engineering services business are typically the same starting from project tenders to procurement, as well as the project completion works and handover stage. The details of each stage are described below:

(i) Tenders and quotation

We receive invitations for tender and quotations from potential customers. If the project is feasible, our contract department will work with the relevant departments and communicate with the potential customers to prepare a proposal and costing for the tender submission. The completed proposal and tender documents need to be approved by the heads of our respective business segments before submission to the potential customers. In selected cases, we are required to complete a pre-qualification exercise before participating in the tender exercise, where our customer will evaluate our track record and financial statements before we are invited for the tender exercise.

5. BUSINESS OVERVIEW (Cont'd)

We may be invited by the potential customers to present our proposal or provide clarification on technical details or commercial terms. If we are successful and our proposal is accepted by the customers, in most cases, the customers will grant us a letter of award prior to signing the contract.

(ii) Project planning

A project manager is assigned to each project and will be responsible for assembling a project team to oversee the management and implementation of all aspects of the project, such as procurement, construction works (for construction projects), off-site fabrication works (for steel engineering and precast concrete projects), on-site installation works (for steel engineering and precast concrete, and M&E engineering projects), quality control, safety, health and environment, time management and project costing. During the project preparation phase, detailed planning activities will be carried out to ensure successful delivery of the project.

- Construction

Project planning for a construction project is often referred to as pre-construction activities. Our pre-construction activities for a construction project involve project design; preparation of project plan, project budget, quality plan; construction methodology outlining and resources planning. Our project team will mobilise an on-site team and will be based on-site throughout the construction period.

- Steel engineering works and precast concrete works

Our project planning activities for a steel engineering and precast concrete project involve the preparation of project plan, project schedule, project budget, quality and inspection test plan; outlining the technical specification; developing the structure modelling; preparation of shop drawing; preparation of safety plan; as well as the planning of resources and machineries required.

- M&E engineering services

Our project planning activities for an M&E engineering project include project design; technical specification outlining; preparation of project plan, project budget and quality plan; as well as resource planning.

(iii) Procurement

Our purchasing team is responsible for sourcing quotations from our pre-approved suppliers, and upon identification of the supplier(s) that meets our cost, quality and delivery timeline requirements, we will issue purchasing documents with details of the required materials.

Further, our contract and project department is responsible for sourcing and appointing sub-contractors that meet our requirements on cost, quality and resource availability, from our list of pre-approved sub-contractors to provide services such as the supply of labour, supply and installation of materials, machinery and equipment, and specialised trade services. The purchasing and contract department are also responsible for carrying our periodical audits and assessments on our current and potential suppliers and sub-contractors for inclusion in our approved supplier and sub-contractor list.

5. BUSINESS OVERVIEW (Cont'd)

(iv) Commencement of construction, steel engineering works, precast concrete works, and provision of M&E engineering services

- Construction

Our project team will act as site administrators throughout the construction works. During the construction works phase, we carry out activities such as foundation and geotechnical engineering, construction and installation works, site meetings, requisition of construction materials and handling of construction materials.

Meanwhile, during the construction stage, our project team is also responsible for registering the construction projects with the local authorities if we are appointed as the main contractor.

- Steel engineering works and precast concrete works

Once the project plan is finalised and we have received the materials needed, we will commence off-site fabrication works at our Existing Facility located in Taman Teknologi Johor. The off-site fabrication works primarily include the fabrication and forming of steel structures and precast concrete products.

Upon the completion of off-site fabrication works, the finished products such as structured steels and precast concrete will be delivered to the project site. We will then commence on-site installation works. We will also engage sub-contractors to supply labour during the on-site installation works.

- M&E engineering services

We will commence installation work at the project site once we have received all required materials. At the project site, we carry out activities, such as building retrofitting and installation of fire protection system, air conditioning system, electrical system and gas piping system.

Throughout the period of construction, steel engineering works, precast concrete works and M&E engineering services, our project team will carry out activities such as daily safety, health and environmental briefings to ensure that we comply with the health and safety standard, including OHSAS 18001 standard for projects involving construction, steel engineering works and precast concrete works. Further, our project team is also responsible for coordinating sub-contractors; inspecting, testing and commissioning, and maintenance and servicing of equipment and machinery.

(v) Completion works

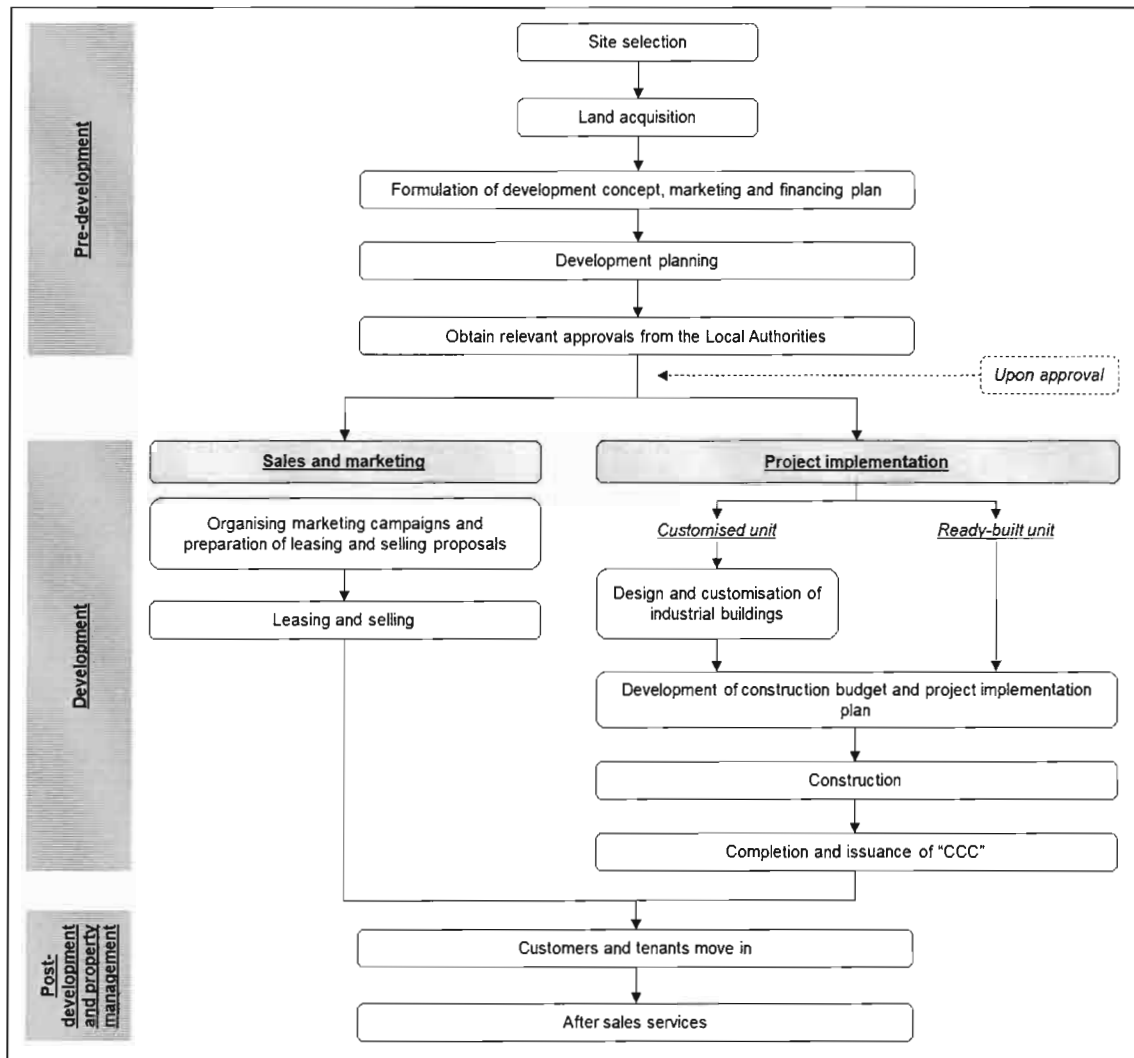
Prior to demobilising resources from the project site, our team will carry out a final inspection, testing and commissioning at the end of construction and on-site installation works. The project manager is responsible for assembling the final project documentation such as project costing, warranty, built drawing, and operations and maintenance manuals where a complete set of project documents will be presented to the customers during the handover stage.

If defects are detected during the DLP, we will assign a team to investigate and rectify the issue.

5. BUSINESS OVERVIEW (Cont'd)

We emphasise on the quality of our services, and as such we implement quality control procedures starting from the procurement stage to the handover stage in our business process flow. We conduct inspection on items such as raw materials, equipment, constructed industrial buildings and installed systems at the project site. We uphold our quality standards to ensure we deliver services that meet our customers' expectations as well as comply with the local and international quality and safety standards.

5.9.2 Property development, investment and management services



(A) Pre-development

(i) **Site selection and land acquisition**

The process flow of a new industrial park development project begins with the identification of a suitable plot of land. In identifying the potential site and its proposed type of development, we will consider, amongst others, the following site evaluation factors:

- Physical condition of the land;
- Location and neighbourhood that is in close proximity to the land;
- Accessibility of the land and the available supporting infrastructures;

5. BUSINESS OVERVIEW (Cont'd)

- Competition, consumer demand and marketability for the properties in that area or surrounding areas; and
- The estimated cost of the development, as well as investment and financial return ratios.

We also consider other macroeconomic factors such as:

- The economic prospects of the surrounding areas, including nature of the industries, the growth of manufacturing sector and the contribution to the entire Malaysian economy;
- The maturity of the industrial property market in the surrounding areas; and
- The resources available, including financing environment such as liquidity, banks preference and cost of financing.

Once the land has been identified, we will conduct due diligence and preliminary feasibility study on the land. The preliminary feasibility study takes into consideration, amongst others, the preliminary development concept, market supply and demand, budget forecast and conceptual estimated costs of construction, financing commitments, comparable projects, potential pricing of the properties, environment, and existing and/or potential competing property developments in the vicinity of the site.

The findings of the due diligence and preliminary feasibility study will be presented to our Group Managing Director and Executive Directors for their consideration and deliberation.

Upon obtaining the approval and clearance from our Group Managing Director and Executive Directors, we will proceed to the legal process of the land acquisition, refining of development concept, as well as formulation of the marketing and financing plan.

(ii) Formulation of development concept, marketing and financing plan

Upon the completion of the land acquisition, we will proceed to formulate the development concept, marketing and financing plan:

- Development concept

We will work with third party professional design consultants to refine the development concept of the land in terms of, amongst others, plotting and building sizes, amenities location and sizes, street designs and traffic, and common infrastructure.

- Marketing plan

Our marketing team will work with third party real estate service firms to determine the marketing strategies of the proposed development concept, taking into consideration future supply and demand, market segment and product marketability.

- Financing plan

We will prepare an estimated development costing based on the conceptualised development plan. Thereafter, we will develop the financing plan that includes sources of financing and the timeline to gather the required budget, for the proposed development.

5. BUSINESS OVERVIEW (Cont'd)

(iii) Development planning

During the process of development planning, we will prepare a detailed development plan that outlines all the development details, including a detailed site layout plan which comprises each component in the development site such as the industrial buildings, amenities, infrastructure and common area landscaping. The design, structures and specifications of each component will also be included in the detailed development plan.

Further, we will create a development timeline which sets out the phases of development and the important milestones to be achieved. Meanwhile, we will also form GDC and GDV of the development prior to the finalisation of the development plan.

(iv) Obtain relevant approvals from the local authorities

Upon the internal finalisation of the detailed development plan, we will proceed to obtain the relevant approvals from the local authorities, including the approval of the development plan, subdivision plan and surrender and re-alienation of land and building plan.

Once we receive the relevant approvals from the local authorities, steps (v) and (vi) below will take place concurrently:

(B) Development**(v) Sales and marketing****(a) Organising marketing campaigns and preparation of leasing and selling proposals**

Our marketing team will prepare the marketing collaterals, plan and setup events and campaigns as soon as we obtain the information of our development projects. Our marketing team will engage with real estate agencies, advertising agencies, government agencies and trade unions to promote our development projects.

(b) Leasing or selling

Our ready-built industrial buildings and plots of land segregated for customised industrial buildings in our industrial park developments are offered for sale and/or lease to customers and/or tenants.

The pricings and rental fees depend on the land and industrial buildings' locations, specifications and customisations required by our customers and/or tenants, where applicable.

(vi) Project implementation**(a) Design and customisation for customised industrial buildings**

This step is applicable to the customised industrial buildings where plots of land are sold or leased to customers or tenants for the customisation of industrial buildings. We will work together with the customers or tenants during the design and customisation process of the interior and exterior of the building, including building structures, building heights, internal floor layouts, and fixtures and fittings, in accordance to the customers' requirements. The design of the entire building will then be certified by our panel of professional engineers.

5. BUSINESS OVERVIEW (Cont'd)

(b) Development of construction budget and project implementation plan

Quantity surveyors and M&E engineer will prepare a comprehensive construction budget estimation for all the relevant procurement trades and construction works. The budget estimation will act as a benchmark for our project team to control their costs throughout the project implementation period.

Further, we will develop a project implementation plan which specifies the details of the project, such as the type and amount of raw materials and labour required, construction timeline and delivery schedule.

(c) Construction of Infrastructure/Buildings Works

For the construction works that we do not undertake such as infrastructure works, we will invite our panel of contractors to submit their tender bids and proposals. The project will be awarded to contractors based on our Group's evaluation criteria and the prices submitted by the contractors against the approved budget estimation. Our in-house construction and engineering arms will be appointed to carry out the construction works for the industrial buildings in our development projects.

Upon commencement of construction works, our project teams will oversee the progress of the construction works through regular on-site inspections and monitoring of progress reports. This is to ensure on-budget and timely completion of the proposed development, as well as to achieve the required quality.

(d) Completion and issuance of CCC

Upon the completion of the construction works, the submission consultant (either architect or professional engineer) will issue the CCC once the completed buildings have been inspected and certified compliance to building plans and statutory requirements by the relevant local authorities.

(C) Post-development and property management and maintenance**(vii) Customers and tenants move in**

Upon completion of projects, the following will take place before our customers and/or tenants move in to their purchased and/or leased industrial buildings:

- Issuance of notice of vacant possession;
- Collection of the balance of selling price, or deposits of leasing and miscellaneous charges; and
- Handover of the relevant documents such as CCC and building certification.

(viii) After sales services

We will be in charge of the after sales services for our customers and tenants.

- For the customers who purchase our industrial properties, we will be responsible for the building repairs if any defect is found during the DLP as specified in the sales and purchase agreement;
- For the tenants who lease our industrial properties, we will provide maintenance services on the building façade as specified in the tenancy agreement such as painting and cleaning of façade, as specified in the leasing agreement;

5. BUSINESS OVERVIEW (Cont'd)

- For the industrial buildings owned by our Group but were leased to tenants, we will upkeep the buildings' interior and exterior conditions once the tenants have moved out from the industrial buildings upon the expiry of lease or tenancy agreements, and before new tenants move in; and
- We also engage an external property management company to ensure the common areas and landscaping are well maintained. The property management of our industrial parks involves the overseeing, maintenance and management of the industrial parks in terms of the security enforcement, landscaping in the common area and conditions of the common facilities. It is an on-going activity for selected industrial parks, such as i-Park @ SiLC, i-Park @ Indahpura and i-Park @ SAC, where these industrial parks are gated and guarded and equipped with a multi-tier security system, such as security teams and 24-hour CCTV surveillance.

5.10 OPERATING CAPACITIES AND OUTPUT

Due to the nature of our business, the calculations of operating capacities and output are only applicable to the steel engineering works and precast concrete works carried out under our engineering services segment.

Our operations of steel engineering works and precast concrete works currently share the same production plant, being our Existing Facility in Taman Teknologi, Johor. Our New Facility is purely dedicated for precast concrete works. We have four production lines at our Existing Facility, each measuring 50,456 sq. ft., and one production line at our New Facility measuring 63,000 sq.ft. (which commenced production in April 2019). On 24 April 2019, AME Engineering and Baojia entered into a sub-tenancy agreement for the rental of a designated area encompassing two of our four production lines and seven of our 16 units of overhead cranes at our Existing Facility to Baojia ("**Initial Sub-Tenancy Agreement**").

In June 2019, Shengda had requested for a change of the sub-tenant under the Initial Sub-Tenancy Agreement from Baojia to BCI and accordingly, the Sub-Tenancy Agreement was entered into between AME Engineering and BCI on 21 June 2019 which supercedes the Initial Sub-Tenancy Agreement. Save for the change in the sub-tenant, all terms and conditions in the Sub-Tenancy Agreement remained the same as the Initial Sub-Tenancy Agreement. The Sub-Tenancy Agreement was entered into to provide BCI a temporary space at our Existing Facility to operate its business pending the completion of construction and handover of vacant possession of the factory unit after Shengda agreed to purchase from us a new factory unit in i-Park @ SAC.

Our Directors believe that by allowing BCI to temporarily use the designated floor area in our Existing Facility for the Tenancy Period, we are able to benefit from the sale and construction of a 233,105.83 sq. ft. new factory unit in Plot 1D (Lot no. PTD 175296) of i-Park @ SAC, being the single largest piece of land available in i-Park @ SAC (Phase 1 and 2), for RM56.15 million. The estimated cost to be incurred by our Group arising from the Sub-Tenancy Agreement is less than RM150,000 which mainly comprises relocation costs, rental of portable toilets for our workers (due to the redesignation of areas between BCI and ourselves), cost of installation of new power meter as well as general labour and temporary storage costs. During the Tenancy Period, Ipark Development (on behalf of BCI) will also pay AME Engineering a monthly rental rate of RM67,400 for one production line commencing from 2 May 2019, and RM134,800 for two production lines commencing from 16 July 2019 onwards until the expiry of the Sub-Tenancy Agreement, while BCI will be responsible for the general repair and maintenance of the designated floor area.

5. BUSINESS OVERVIEW (Cont'd)

As at 30 June 2019, we have an internal and external order book for the supply of a total of 800 tonnes of steel structures and 5,600 m³ of precast concrete to be fulfilled by 31 December 2019. Our Directors expect that the Sub-Tenancy Agreement will not cause any interruption to our business operations and our Group has the capacity to meet orders and potential demands of our existing customers during the Tenancy Period after taking into consideration the short term nature of the Sub-Tenancy Agreement as well as the following:

- (i) during the Tenancy Period, we have two production lines in our Existing facility with the capacity to produce 5,175 tonnes of steel structures and 6,900 m³ of precast concrete per annum using one production line each. In addition, the completed Phase 1 of our New Facility also provides us with one additional line having the capacity to produce 6,000 m³ of larger and heavier customised precast concrete products per annum. As a last resort, we could also sub-contract the works to third party contractors if needed to meet production deadlines; and
- (ii) we are able to switch fabrication processes on the production lines at our Existing Facility depending on the demand for steel structures and precast concrete by our customers. The estimated downtime for the switching of one production line between fabrication of steel structures and precast concrete is about two weeks.

Upon expiry of the Sub-Tenancy Agreement, we will have four production lines at our Existing Facility, each measuring 50,456 sq. ft. that largely enables us to switch production processes between steel engineering and precast concrete depending on demand.

As our production capacity is limited by the production floor area of our Existing Facility, type of machinery and equipment and manpower, we typically determine the utilisation rate of our Existing Facility based on the estimated steel engineering and precast concrete works performed.

Set out below are the details of the production capacity and utilisation rate of our Existing Facility for the FYE 31 March 2016, 2017, 2018 and 2019, respectively.

	Steel structures (tonnes)				Precast concrete (m ³)			
	FYE 31 March				FYE 31 March			
	2016	2017	2018	2019	2016	2017	2018	2019
Annual production capacity ⁽¹⁾⁽²⁾	18,000	18,000	18,000	⁽⁷⁾ 20,700	24,000	24,000	24,000	⁽⁷⁾ 27,600
No. of lines used	3 lines	3 lines	2 lines	2 lines	1 line	1 line	2 lines	2 lines
Annual production capacity based on no. of lines used	13,500	13,500	9,000	10,350	6,000	6,000	12,000	13,800
Annual production volume ⁽³⁾⁽⁴⁾	4,862	7,217	3,168	3,219	2,115	1,153	5,062	2,768
Average utilisation rate ⁽⁵⁾⁽⁶⁾	36.01%	53.46%	35.20%	31.10%	35.25%	19.22%	42.18%	20.06%

Notes:

- (1) The annual production capacity of our Existing Facility for steel structures is measured in tonnes and based on the number of production lines and production workers assuming we operate all four production lines for 12 hours per day and 300 days per year. The capacity per production line based on total quantity of steel structures produced per day is estimated to be 15 tonnes for FYE 31 March 2016, 2017 and 2018, and 17.25 tonnes for FYE 31 March 2019.
- (2) The annual production capacity for precast concrete is measured in m³ and based on the number of production lines and production workers assuming we operate all four production lines for 12 hours per day and 300 days per year. The capacity per production based on total volume of precast concrete produced line per day is estimated to be 20 m³ for FYE 31 March 2016, 2017 and 2018, and 23 m³ for FYE 31 March 2019.
- (3) The actual production volume for steel structures is the actual tonnes of steel structures we produced for FYE 31 March 2016, 2017, 2018 and 2019, respectively.

5. BUSINESS OVERVIEW (Cont'd)

- (4) The actual production volume for precast concrete is the actual m³ of precast concrete we produced for FYE 31 March 2016, 2017, 2018 and 2019, respectively.
- (5) The utilisation rate of our Existing Facility for the production of steel structures was calculated by dividing the annual production volume by the annual production capacity based on the no. of lines used.
- (6) The utilisation rate of our Existing Facility for the production of precast concrete was calculated by dividing the annual production volume by the annual production capacity based on the no. of lines used.
- (7) We extended our four production lines at our Existing Facility in April 2018 which increased our annual production capacity for (i) precast concrete by 900 m³ for each line; and (ii) steel structures by 675 tonnes for each line for the FYE 31 March 2019.

Owing to the nature of our Group's business where we receive purchase orders for steel engineering works and precast concrete works on a project basis, we only operate in the said production plant when there are on-going projects as we do not have on-going projects all the time. There are times when the production plant is not utilised. The calculation of the utilisation rate for the FYE 31 March 2016, 2017, 2018 and 2019 has taken into consideration the production plant idle time, when the production plant was not fully utilised. In the FYE 31 March 2016, 2017, 2018 and 2019, the average utilisation rate of our Existing Facility for precast concrete works was around 35.25%, 19.22%, 42.18% and 20.06%, respectively.

As part of our future plans and strategies, we plan to expand our precast concrete business by increasing our precast concrete production capacity. In this regard, we have expanded the production space for precast concrete by establishing the New Facility for the production of precast concrete, which was built on a piece of vacant land adjacent to our Existing Facility. Please refer to Sections 2.7.3 and 5.5.3 of this Prospectus for further details on the New Facility.

Upon the completion of the New Facility, we expect to have two new precast concrete production lines measuring 63,000 sq. ft. each that will increase our total precast concrete production capacity by 12,000 m³ per year. While the combined annual production capacity for our Existing Facility and New Facility is not proportional to the original production area, it nevertheless allows us to carry out higher volume of precast concrete works, including precast concrete products which are bulky and large, and to manufacture a wider range of customised precast concrete products.

Set out below are details on the number of production lines available and the expected total production capacity for steel structures and precast concrete for our Existing Facility before, for the periods during and after the Tenancy Period, and upon completion of the New Facility.

Existing Facility

	Existing Facility							
	Before the Tenancy Period		During the Tenancy Period				After the Tenancy Period	
	As at 1 May 2019		From 2 May 2019 to 15 July 2019		From 16 July 2019 up to expiry of the Sub-Tenancy Agreement			
	Steel structures	Precast concrete	Steel structures	Precast concrete	Steel structures	Precast concrete	Steel structures	Precast concrete
Total available production area	201,824 sq. ft.		⁽¹⁾ 156,890 sq. ft.		⁽¹⁾ 111,956 sq. ft.		201,824 sq. ft.	
No. of production lines available	4		3		2		4	
Expected annual production capacity ⁽²⁾⁽³⁾	20,700 tonnes	27,600 m ³	15,525 tonnes	20,700 m ³	10,350 tonnes	13,800 m ³	20,700 tonnes	27,600 m ³

5. BUSINESS OVERVIEW (Cont'd)

	New Facility ⁽⁴⁾	
	Precast concrete	
	As at April 2019	Upon completion
Total available production area	63,000 sq. ft.	126,000 sq. ft.
No. of production lines available	1	2
Expected annual production capacity ⁽³⁾	6,000 m ³	12,000 m ³

Notes:

- (1) Includes the remaining area of 5,522 sq. ft. to 11,044 sq. ft. in our Existing Facility which was not sub-let to BCI and used by AME Engineering as the cutting and drilling machine area for steel structures.
- (2) The expected annual production capacity of our Existing Facility for steel structures is measured in tonnes and based on the number of production lines and production workers assuming we operate all the number of production lines available for 12 hours per day and 300 days per year. The capacity per production line based on total quantity of steel structures produced per day is estimated to be 17.25 tonnes.
- (3) The expected annual production capacity of our Existing Facility and New Facility for precast concrete is measured in m³ and based on the number of production lines and production workers assuming we operate all the number of production lines available for 12 hours per day and 300 days per year. The capacity per production line based on total volume of precast concrete produced per day is estimated to be 23 m³ for our Existing Facility and 20 m³ for our New Facility.
- (4) Phase 1 of our New Facility comprising one production line has commenced operations since April 2019. The construction of Phase 2 of our New Facility comprising the other production line is expected to complete by the fourth quarter of 2019.

5.11 TYPES, SOURCES AND AVAILABILITY OF MATERIALS AND SERVICES

Our purchases comprise expenditure on sub-contractor fees for the supply of labour, raw materials and components used for our business, primarily for construction and engineering services. Sub-contractor fees are ranked as our top purchases for the FYE 31 March 2016, 2017, 2018 and 2019, where it accounted for 68.67%, 72.26%, 70.60% and 66.53% of our total purchases, respectively. The principal raw materials we use are steel bars and metal materials and ready-mixed concrete that comprise 14.93%, 13.86%, 14.45% and 21.20% of our total purchases for the FYE 31 March 2016, 2017, 2018 and 2019.

The principal raw materials we use are generally widely available and sourced from local suppliers. The prices of our raw materials such as ready-mixed concrete, steel and metal materials, steel bars and metal roofing are subject to price fluctuations as a result of demand and supply conditions. We generally purchase raw materials on a project or per purchase order basis.

We have developed policies and procedures that guide our selection of sub-contractors and suppliers. All selected sub-contractors and suppliers are evaluated in terms of financial performance, production capacities, ability to deliver products that meet our quality requirement, and ability to deliver in a timely manner. We will appoint experienced sub-contractors and suppliers that are reliable and financially secure to ensure the quality of services we deliver to our customers.

We maintain long term business relationships with most of our suppliers. Among our top five major suppliers in FYE 31 March 2016, 2017, 2018 and 2019, the business relationships are ranging from one year to 16 years. The following are the major types of raw materials and services purchased by our Group:

5. BUSINESS OVERVIEW (Cont'd)

	FYE 31 March							
	2016		2017		2018		2019	
	(RM million)	%	(RM million)	%	(RM million)	%	(RM million)	%
Sub-contractor fees	134.50	68.67	196.08	72.26	169.72	70.60	186.10	66.53
Steel bars and metal materials	16.18	8.26	28.02	10.33	16.04	6.67	33.29	11.90
Ready-mixed concrete	13.06	6.67	9.59	3.53	18.70	7.78	26.01	9.30
Metal roofing	3.06	1.56	3.05	1.12	5.04	2.10	3.53	1.26
Piping	2.73	1.40	2.52	0.93	2.50	1.04	3.36	1.20
Purlin	3.05	1.56	1.55	0.57	2.26	0.94	3.02	1.08
Wire mesh	1.95	0.99	2.03	0.75	6.94	2.89	1.98	0.71
Others ⁽¹⁾	21.33	10.89	28.52	10.51	19.17	7.98	22.46	8.03
Total	195.87	100.00	271.36	100.00	240.38	100.00	279.74	100.00

Note:

(1) 'Others' include building materials such as bricks, plywood, scaffolding, cement, aggregate and granite, addressable fire alarm system, water tank, sand, roof accessories.

5.12 TECHNOLOGY USED

In December 2017, we launched a mobile application, namely I-Park Community, for the occupants in our i-Park @ SAC. I-Park Community is a mobile application that includes security features and serves as a communication platform for our occupants for sharing of information and updates, and to make reservations for the industrial park's facilities and amenities. Further, our industrial property development, construction and engineering services businesses are strengthened by the use of design and fabrication technology. Our design capabilities are enhanced through computer-aided design and modelling, whereas our fabrication capabilities are enhanced through computer-aided design, operation and fabrication.

Detailed descriptions of the I-Park Community mobile application, modeling software and fabrication technology are as follows:

Application	Description
I-Park Community (mobile application for i-Park @ SAC)	<p>I-Park Community mobile application was developed by third party mobile application developer, and has the following features:</p> <ul style="list-style-type: none"> • Security features <ul style="list-style-type: none"> - Mobile video intercom from the guard house - Visitor management system from the guard house - Emergency button connected to the guard house - Accessibility to the i-Park's public CCTV • Sharing and communication platform <ul style="list-style-type: none"> - Community news bulletin and calendar updated by the i-Park management - Chat amongst the mobile application users - Community walls for information sharing by mobile applicant users

5. BUSINESS OVERVIEW (Cont'd)

Application	Description
	<ul style="list-style-type: none"> • Other features <ul style="list-style-type: none"> - Facilities booking - Parcel collection and reminders
Tekla Structures (modelling software)	<ul style="list-style-type: none"> • Tekla Structures is a type of BIM software which enables the integration of design, scheduling, estimation and fabrication processes of a construction project. • Tekla Structures uses 3D parametric model to develop the building design and structure, which enables 3D model visualisation that provides three-dimensional perspectives of the building or structure. • Tekla Structures also allows all parties in a construction project, such as architects, structural engineers, M&E engineers and interior designers, to coordinate and share information digitally as it encompasses models from architectural, structural, M&E and interior design. • The comprehensive 3D visualisation model of a building or structure enables a detailed spatial study to be conducted, where the detailed design and technology tools facilitate design coordination for all trades, and detects and prevents clashes, thus resulting in a faster construction process with minimal wastage. • Tekla Structures also enables further design and development of 3D visualisation model into detailed as-built information for stakeholders upon project completion. M&E specifications can be built into the 3D visualisation model to further improve the building's facility management, ultimately reducing operational costs in a project lifecycle. • Tekla Structures also enables the reuse of data for future operations and maintenance.
CNC machines (fabrication technology)	<ul style="list-style-type: none"> • CNC machines are machines that are programmed to carry out high precision shaping processes such as cutting, drilling, milling, grinding and tapping. • Numerical control file generated by Tekla Structures contains the details of command and programs to be sent to CNC machines to cut and drill the structural steel such as beams and steel plates, to be used in construction projects. • CNC machines are able to produce highly accurate and precise structural steel which effectively increase productivity, reduce workmanship errors and improve the finishing product quality.

5.13 INFORMATION ON LAND AND BUILDINGS

Details of the land and buildings owned and tenanted by our Group are set out in Annexure A of this Prospectus.

Our Group is not in breach of any law, rules and building regulations in relation to the use of the properties set out in Annexure A of this Prospectus. Our Directors wish to highlight that, with respect to the land and buildings owned and rented by our Group, there are no environmental issues that may affect our Group's operations and utilisation of such properties.

5.14 MAJOR LICENCES AND PERMITS

Save for the major licenses and permits set out in Annexure B of this Prospectus, our Group is not dependent on any major licenses and permits for our business operations

5.15 INTELLECTUAL PROPERTY

Save for the trademarks of our Group, details of which are set out in Annexure C of this Prospectus, we do not have any other intellectual property.

5. BUSINESS OVERVIEW (Cont'd)

5.16 KEY MACHINERY AND EQUIPMENT

A summary of the key material machinery and equipment owned and used by us is set out below:

Construction services segment						
Key machinery and equipment	Description	No. of units	Average life span (years)	Average age (years)	Average remaining useful life (years)	NBV as at 31 March 2019
Vibratory compactor	To compact the non-adhesive or loose materials such as granular soils	1	10	4.0	6.0	171.97
Mobile crane/ Truck crane	To lift and carry heavy materials, typically when there is a driving and/or height distance between the lifting and dropping points	3	5	3.7	1.3	581.33
Excavator	To assist in the digging of trenches and holes; and the lifting of wastes, soils and sands	4	5	2.5	2.5	576.80
Total		8				1,330.10

Engineering services segment						
Key machinery and equipment	Description	No. of units	Average life span (years)	Average age (years)	Average remaining useful life (years)	NBV as at 31 March 2019
Truck crane	To lift and carry heavy materials, typically when there is a driving and/or height distance between the lifting and dropping points	2	10	4.5	5.5	830.21
Overhead crane	To lift and carry heavy materials for a short distance	13	10	5.3	4.7	805.00
Drilling and sawing line	To drill and saw steel and metal	1	10	5.0	5.0	1,159.57
Boom lift	To lift personnel to reach inaccessible high areas	2	10	4.0	6.0	225.00
CNC plate drilling machine	To drill steel and metal plates using CNC machines	1	10	2.0	8.0	603.59
Total		19				3,623.37

5. BUSINESS OVERVIEW (Cont'd)

5.17 MARKETING AND DISTRIBUTION CHANNEL

Our sales and marketing efforts for our business segments are as follows:

5.17.1 Construction and engineering business

Generally, our sales and marketing strategies for our construction and engineering business centre on our core ability to offer our customers with integrated services.

There are a number of avenues in which we utilise our sales and marketing strategies to procure projects as well as to promote greater awareness for our construction and engineering businesses as follows:

(i) Referrals from customers and business associates

With our Group's proven reputation and track record in the construction industry, we have built a strong relationship with our customers. Our goodwill in maintaining the quality of our products and services has brought in project referrals through our customers' recommendation. Our sales and marketing team is also dedicated in building and maintaining long term customer relationships, even after our projects have been completed.

We also have project referrals through our relationships with relevant Government agencies and business associates, such as third party intermediaries including engineering consulting firms, quantity surveyors and architects. These business associates are responsible for the design, planning and submission of plans to the relevant Government agencies for approval of the engineering designs for our construction projects.

(ii) Direct approach

Our internal sales and marketing team secures new projects by engaging potential customers directly. The potential customers are identified through market news or public notifications of project biddings. If we are invited to bid, our internal sales and marketing team will give presentations to our potential customer to introduce our Group, as well as to promote the construction and/or engineering services which we offer.

(iii) Trade exhibitions, roadshows and forums

Participation in trade exhibitions, roadshows and forums relating to the manufacturing industry is an effective way to showcase our services and capabilities. We contact potential customers, which we identify through market news or public notifications of project biddings, prior to these exhibitions, roadshows and forums to invite them to visit our booths, where we engage them and provide detailed explanations on our construction and engineering services. We also meet and engage with new walk-in visitors to our booths.

Our construction and engineering services are promoted to potential customers together with our industrial park development projects and property investment and management services in the trade exhibitions, roadshows and forums that we participate.

5. BUSINESS OVERVIEW (Cont'd)

The following are examples of the trade exhibitions, roadshows and forums that our Group has participated in over the last four financial years and up to the LPD:

Year	Name of trade exhibition / Roadshows / Forums	Organiser	Location
2016 - 2018	Manufacturing Solutions Expo	Singapore Manufacturing Federation & Sphere Exhibits Pte Ltd	Singapore
2018	Industrial Park Forum – Southern Region “Strengthening the Manufacturing Ecosystem”	MIDA	Malaysia
2018	Senai Airport City Roadshow for Federation of Malaysian Manufacturers (“FMM”) members in Johor	Senai Airport City Sdn Bhd	Malaysia
2019	SME Conference and Infocomm Commerce Conference And SME Expo (“SMEICC”) 2019	Singapore Chinese Chamber of Commerce & Industry	Singapore

(iv) Corporate website

Our Group’s corporate website, www.ame-elite.com, provides brief information on our Group. We have also established respective corporate websites at www.ameconstruction.com.my for our construction business, www.ame-engi.com.my for our steel engineering and precast concrete business, and www.asiamost.com.my for our M&E engineering business, which provides immediate searchable information, including our completed, ongoing and upcoming construction and engineering projects. We understand that the Internet is an important advertising medium as the current widespread use of the Internet as a source of information will potentially enhance our potential market reach and exposure.

5.17.2 Property development, property investment and management services business

We have a dedicated sales and marketing team led by Lim Pei Shi, Marketing Director of AME Development, to undertake sales activities of our property development business, and this team has two primary objectives, i.e. to promote the sale of our properties to prospective customers, and to build and foster the relationship with customers by providing after-sales services. The sales and marketing teams are either based in our head office in Senai, Johor, or at the showrooms of our industrial parks such as i-Park @ Indahpura and i-Park @ SAC to promote our new property launches.

We usually bundle our property investment and management services together with our sales activities for our industrial properties as we are able to provide property management and maintenance as well as dormitories facilities to the potential customers and/or tenants who are interested to the industrial properties in our industrial parks.

We also have an internal sales and marketing team that focuses on strategic branding activities and providing input during the design development process to ensure the property designs meet our customised standard design criteria.

5. BUSINESS OVERVIEW (Cont'd)

The internal sales and marketing team deploys the following mediums to increase awareness of our brand and properties:

(i) Trade exhibitions, roadshows and forums

We participate in trade exhibitions, roadshows and forums relating to the manufacturing industry. We believe that participation in these trade exhibitions, roadshows and forums enhances our brand visibility as it enables us to showcase our completed, on-going and upcoming projects. Additionally, such participation also provides us with significant opportunities to meet potential buyers, and stay updated on market demand for industrial property and competitor pricing. Please refer to Section 5.17.1(iii) for the trade exhibitions, roadshows and forums that we have participated in over the last four financial years and up to the LPD.

(ii) Group visits, trade missions, seminars and award ceremonies

We also leverage on group visits, including seminars and trade missions conducted by local and international third party associations, agencies or statutory bodies, to showcase our completed, on-going and upcoming industrial property development projects. A trade mission is an international visit organised for the purpose of exploring international business opportunities. Over the years, we have received a number of requests for group visits to our industrial park from local and international agencies, such as MIDA, Perbadanan Putrajaya, Singapore Business Federation ("**SBF**"), Singapore Manufacturer Federation ("**SMF**") and Singapore Malay Chamber of Commerce and Industry ("**SMCCI**"), German Asia Pacific Business Association and Korean National ICT Industry Promotion Agency.

Through the group visits including the seminars and trade missions that provide us a platform to showcase our industrial property development projects, we are able to increase our brand awareness among the local and international agencies, as these agencies may encourage their local manufacturing companies to set up branches and/or manufacturing hubs in our industrial parks.

We also participate in award ceremonies that provide us with greater exposure to the public especially to potential customers. We have been invited to award ceremonies for the property industry every year and we have received awards such as Asia Pacific Property Awards and Starproperty.my. Please refer to Section 5.7 of this Prospectus for details of awards that we have received. We are able to gain public exposure during the interview sessions with the media in such award ceremonies. Further, we are able to meet other industry players and at the same time share our knowledge and this in turn would open up new or potential collaboration opportunities.

Our past involvement has proved to be successful and we intend to continue to participate in more trade missions, seminars, conferences and award ceremonies should the opportunity arise.

(iii) Corporate website

Our Group's corporate website, www.ame-elite.com, provides immediate searchable information on our Group. We have also established a website, www.amedev.com.my, particularly for the property development business segment, where it includes detailed information of our completed, ongoing and upcoming industrial property development projects. We understand that the Internet is an important advertising medium as the current widespread use of

5. BUSINESS OVERVIEW (Cont'd)

the Internet as a source of information will potentially enhance our market reach and exposure.

(iv) Print and out-of-home advertising

We also engage in print advertisements and advertorials in newspapers such as Oriental Daily, Nanyang Business Daily, The Star, Sinar Harian and Utusan Malaysia. Furthermore, we also utilise out-of-home media such as advertising billboards and banner to advertise our new projects. In the last four years, we have placed billboard advertisements in various locations, such as after Plaza Tol Skudai and after Plaza Tol Kempas along the North-South Highway, and in our i-Park @ Indahpura where the billboard faces the main road, Persiaran Indahpura Utama.

(v) Direct approach

Our internal sales and marketing team secures new sales by engaging potential customers directly. The potential customers are identified through market news. Our internal sales and marketing team will engage with or approach these potential customers to introduce our Group, our industrial parks as well as the units or plots available for sale.

5.18 DESIGN AND DEVELOPMENT

Due to the nature of our Group's business, we are not involved in any research and development activities.

However, we have design and development ("D&D") activities to improve the quality of our construction and engineering services as well as our industrial parks. D&D for our construction and engineering services are often carried out on project basis based on customer requirements. We are involved in providing ideas, advice, suggestions of solutions and amendments to our customers' building design and structure, as well as the design of M&E systems such as fire protection system and HVAC system for the external construction and engineering projects which are subsequently certified by our panel of professional engineers. Having been in the industry for over 20 years, we have vast experience and the relevant technical knowledge that allow us to advise and suggest solutions to our customers on the building design and structure, as well as the design of M&E systems, to ensure it fits our customers' business needs and requirements.

Our continuous D&D activities for the external construction and engineering projects enable us to improve our capabilities, stay abreast with market trends as well as drive our growth over time. Our ability to understand our customers' business needs and provide customised solutions to fulfil their requirements has strengthened our reputation and will continue to enhance our reputation in the industry.

For our property development business, D&D is carried out during the conceptualisation stage of a new industrial property development project to ensure our industrial park is in tandem with current market trend and is aligned with our development concept. The D&D activities for our property development business involves the designing and conceptualising of the entire industrial park, including the details such as the building design, layout and functionality; landscaping; facilities and amenities; and safety and security features.

5.19 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group has not experienced any interruption in business which had a significant effect on operations during the 12 months period prior to the date of this Prospectus.

5. BUSINESS OVERVIEW (Cont'd)**5.20 MAJOR CUSTOMERS**

Our Group's top five major customers for the FYE 31 March 2016, 2017, 2018 and 2019 are as follows:

FYE 31 March 2016:

<u>Major customer</u>	<u>RM'000</u>	<u>% of total revenue</u>	<u>Length of business relationship (years)⁽¹⁾</u>
THAB Development Sdn Bhd	59,846.08	24.01	2
Pali Senai Sdn Bhd	26,978.42	10.82	2
MIE Industrial Sdn Bhd	13,273.90	5.33	2
Beyonics Technology (Senai) Sdn Bhd	11,607.10	4.66	1
Ipack Solutions Sdn Bhd	8,547.10	3.43	1
Total	120,252.60	48.25	

FYE 31 March 2017:

<u>Major customer</u>	<u>RM'000</u>	<u>% of total revenue</u>	<u>Length of business relationship (years)⁽¹⁾</u>
THAB Development Sdn Bhd	69,259.86	23.17	3
Rosek (Malaysia) Sdn Bhd	39,343.94	13.16	2
RHB Trustees Berhad	26,897.27	9.00	2
Customer A ⁽²⁾	21,323.16	7.13	2
Bericap Malaysia Sdn Bhd	19,600.00	6.56	3
Total	176,424.24	59.02	

FYE 31 March 2018:

<u>Major customer</u>	<u>RM'000</u>	<u>% of total revenue</u>	<u>Length of business relationship (years)⁽¹⁾</u>
RHB Trustees Berhad	101,164.25	29.64	3
Rosek (Malaysia) Sdn Bhd	27,183.03	7.96	3
Area Ventures Sdn Bhd	25,459.16	7.46	3
SW Rubber (M) Sdn Bhd	23,812.32	6.56	2
Pecko (M) Sdn Bhd	22,386.21	6.98	3
Total	200,004.96	58.60	

5. BUSINESS OVERVIEW (Cont'd)**FYE 31 March 2019:**

Major customer	RM'000	% of total revenue	Length of business relationship (years) ⁽¹⁾
Area Ventures Sdn Bhd	144,635.66	42.66	4
RHB Trustees Berhad	55,019.24	16.23	4
Projalma Sdn Bhd	11,449.89	3.38	4
Nihon Pigment Sdn Bhd	10,683.64	3.15	1
Wentar Industries Sdn Bhd	9,360.60	2.76	1
Total	231,149.03	68.18	

Notes:

- (1) Length of business relationship with our major customers is calculated based on the commencement date of our first project with these customers to the respective financial year.
- (2) This customer is a private limited holding company incorporated in Malaysia and it is involved in development, holding and leasing of properties for long term investment. The customer has appointed AME Construction in FYE 31 March 2016 to undertake construction works in relation to an industrial building project in Port of Tanjung Pelepas. AME Construction commenced construction of the project in FYE 31 March 2016 and recognised revenue progressively until the completion of contracted construction works in FYE 31 March 2017.

The revenue contribution from the major customers was derived from the construction services for large manufacturing plants and for the customised units in our industrial parks, sales of industrial buildings in our industrial parks, as well as engineering services including M&E engineering and retrofit works.

The fluctuation in the revenue contribution amongst our customers varies from year to year as a result of the nature of our business being conducted on a project basis. We may not generate similar projects in terms of size and scope with the same customer every year. The revenue contribution of the top five major customers in the FYE 31 March 2016, 2017, 2018 and 2019 ranged from 48.25% to 68.18% as compared to our total revenue for the respective financial year or period. As such, we are not dependent on these customers due to the nature of our business being conducted on a project basis.

5.21 MAJOR SUPPLIERS

Our Group's top five major suppliers for the FYE 31 March 2016, 2017, 2018 and 2019 are as follows:

FYE 31 March 2016:

Major supplier	RM'000	% of total purchases	Length of business relationship (years)
LB Elite Construction Sdn Bhd	10,430.72	5.35	3
Coe Engineering Sdn Bhd	7,254.22	3.72	8
Seng Hiap Glass Sdn Bhd	6,653.61	3.41	11
Durable Holdings Sdn Bhd	5,146.71	2.64	3
SKV Air Conditioning & Engineering Sdn Bhd	4,015.69	2.06	12
Total	33,500.95	17.18	

5. BUSINESS OVERVIEW (Cont'd)**FYE 31 March 2017:**

<u>Major supplier</u>	<u>RM'000</u>	<u>% of total purchases</u>	<u>Length of business relationship (years)</u>
Ann Yak Siong Hardware Sdn Bhd	12,892.27	5.94	8
Seng Hiap Glass Sdn Bhd	12,360.16	5.70	12
Hyper E-Mech Sdn Bhd	8,270.39	3.81	7
Woon Brothers Construction Sdn Bhd	6,690.45	3.08	7
API Precast Marketing Sdn Bhd	6,513.11	3.00	1
Total	46,726.38	21.53	

FYE 31 March 2018:

<u>Major supplier</u>	<u>RM'000</u>	<u>% of total purchases</u>	<u>Length of business relationship (years)</u>
LB Elite Construction Sdn Bhd	9,228.82	3.71	5
Buildcon Concrete Sdn Bhd	8,152.39	3.28	16
Coe Engineering Sdn Bhd	7,995.19	3.22	10
Kejuruteraan Broad-Way Sdn Bhd	7,573.08	3.05	1
Infra Jaguh Sdn Bhd	7,230.03	2.91	2
Total	40,179.51	16.17	

FYE 31 March 2019:

<u>Major supplier</u>	<u>RM'000</u>	<u>% of total purchases</u>	<u>Length of business relationship (years)</u>
Hi-Tech Mix Sdn Bhd	13,399.68	4.79	2
Utracon Construction Sdn Bhd	11,307.49	4.04	1
Coe Engineering Sdn Bhd	10,818.16	3.87	11
Kejuruteraan Broad-Way Sdn Bhd	8,648.47	3.09	2
Hvar Engineering Services Sdn Bhd	7,567.89	2.71	2
Total	51,741.70	18.50	

Our list of suppliers consists of the sub-contractors who supply labour to our construction projects, and suppliers who supply the raw materials and components for our construction and engineering businesses.

In the FYE 31 March 2016, 2017, 2018 and 2019, the supplies from the top five major suppliers ranged from 16.17% to 21.53% as compared to our total purchases for the respective financial year or period. We are not dependent on any suppliers in sourcing the raw materials needed, or any sub-contractors in sourcing labour for our construction and engineering projects, as there are other suppliers and sub-contractors in the market which provide raw materials or labour at similar prices.

5. BUSINESS OVERVIEW (Cont'd)

5.22 EMPLOYEES

As at the LPD, we have a total workforce of 417 employees, of which 304 are permanent employees and 113 are contract/temporary workers. Among the contract/temporary workers, 43 are local workers and the remaining 70 are foreign workers who are involved in construction works.

The following depicts the number of our employees in our Group according to the business function and department and well as geographical location as at the LPD:

Business function/ department	Permanent employee	Contract/ temporary employee		Total
		Local	Foreign	
Executive Director/ Key senior management	11	-	-	11
Accounts and administration	29	-	-	29
Contract	39	1	-	40
Human resources and administration, information technology	25	6	-	31
Project	125	13	-	138
Purchasing	7	-	-	7
Safety	13	9	-	22
Business development	1	-	-	1
Legal	1	-	-	1
Sales and marketing	9	-	-	9
Production	20	2	-	22
Quality assurance and quality control	3	5	-	8
Maintenance (under our engineering services segment)	21	7	-	28
Construction worker	-	-	70	70
	304	43	70	417

Business function/ department	Permanent employee	Contract/ temporary employee		Total
		Local	Foreign	
Johor	287	35	70	392
Selangor	17	8	-	25
	304	43	70	417

As at the LPD, local employees accounted for approximately 83.2% of the total workforce while the remaining 16.8% were foreign workers. All of our foreign workers have valid working permits and there has been no breach of any immigration laws by our Group.

None of our employees, whether permanent or contractual, belong to any labour union. During the FYE 31 March 2016, 2017, 2018 and 2019, there were no industrial disputes pertaining to our employees.

5. BUSINESS OVERVIEW (Cont'd)

5.23 GOVERNMENT LAWS AND REGULATIONS

As we operate in Malaysia, the laws generally applicable to Malaysian companies and businesses are relevant to us. In addition, there are also certain laws which are specific to the industry sectors of our Group's business operations. Some of the relevant laws and regulations governing our Group and which are material to our operations are set out below.

5.23.1 NLC

The NLC sets out the laws applicable to land situated in all the states of Peninsular Malaysia as well as the Federal Territories of Kuala Lumpur, Labuan and Putrajaya and regulates among others, land tenure, registration of titles, leases, charges and such other dealings in respect of land, and other rights and interests in land.

As such, the NLC is relevant to property development related activities in Peninsular Malaysia as it contains the provisions in relation to alienation of land by the state, transfer, subdivision, partition, amalgamation and surrender and alienation in respect of any land, registration of charges, entry of private caveats and other dealings in land permitted in accordance with the provisions of the NLC.

Under the NLC, land matters come within the purview of the state. This being the case, each state may enact its own subsidiary legislation or rules in relation to land matters within its territory and these will apply in addition to any federal legislation. The state authority has the power to dispose any land by way of, amongst others, alienation of land. The alienation of land by the state authority may be for a term not exceeding 99 years or in perpetuity. In the case of certain lands, the prior approval of the state authority may be required for transfer, charge, or lease.

5.23.2 TCPA

As we are in the property development business, the TCPA, which was enacted for the purpose of proper control and regulation of town and country planning in Peninsular Malaysia is relevant to us.

The TCPA provides that save for certain exceptions, no person other than a local authority, shall commence, undertake or carry out development unless planning permission in respect of the development has been granted to him pursuant to the TCPA.

Development is defined under the TCPA to mean the carrying out of any building, engineering, mining, industrial, or other similar operation in, on, over, or under land, the making of any material change in the use of any land or building or any part thereof, or the subdivision or amalgamation of lands.

Failure to obtain planning permission in commencing, undertaking, or carrying out, or permitting to be commenced, undertaken or carried out any development will amount to an offence and will be penalised with a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both and, in the case of a continuing offence, to a further fine which may extend to RM5,000 for each day during which the offence continues after the first conviction for the offence.

5.23.3 LAA

Article 13 of the federal constitution of Malaysia ("**Federal Constitution**") guarantees certain rights to property. In this regard, the Federal Constitution prohibits any person from being deprived of their property unless in accordance with the law and further stipulates that any such law provides for the compulsory acquisition of land must also provide with adequate compensation.

5. BUSINESS OVERVIEW (Cont'd)

The LAA, in accordance with the Federal Constitution, contains provisions relating to the compulsory acquisition of land, the assessment of compensation to be made in the event of such acquisition and other matters incidental thereto.

Pursuant to the LAA, the relevant state authority may acquire any land 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.

The LAA provides monetary compensation for such compulsory acquisition by taking into account the market value of the land the state authority is acquiring.

5.23.4 OSHA

The OSHA was enacted to impose an obligation on employers to take proper steps to ensure the health, safety and welfare of persons at work, the protection of others against the risks to safety or health related to the activities of persons at work and for matters connected therewith. As we are in the property development, construction and provision of engineering services business, our Group is required to comply with the OSHA which applies throughout Malaysia.

The DOSH and other government agencies have regulations that lay down the legal requirements to ensure the safety and health of not only the workers at the place of work but also the public as well. DOSH may issue guidelines from time to time such as Guidelines for Public Safety and Health at Construction Sites, which applies to all place of work in building operation and work of engineering construction activity in Malaysia covered by the OSHA. The purpose of these guidelines is to provide guidance to employers on how good work practices can be carried out on every activity in the construction site to prevent accidents to the workers and the public. The guidelines also places emphasis on protecting the general public from the hazards associated with construction work that may be carried out in a public area or adjacent to such area.

The OSHA provides that it is the duty of every employer and every self-employed person to ensure the safety, health and welfare at work of all his employees in particular:

- (i) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (ii) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (iii) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of his employees;
- (iv) so far as is practicable, as regards any place of work under the control of the employer or self-employed person, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and

5. BUSINESS OVERVIEW (Cont'd)

- (v) the provision and maintenance of a working environment for his employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.

Non-compliance of the above provisions will result in an offence and on conviction, the employer or the self-employed person is liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding two years or to both.

An improvement notice for any non-compliance of the OSHA or a prohibition notice to an employer (if in general an activity is undertaken at the workplace that may create an immediate danger to life or property) may be issued by the DOSH officer.

Non-compliance with such notice without reasonable excuse will result in an offence and on conviction, the employer is liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding five years or to both, and to a further fine of RM500.00 for each day during which the offence continues.

5.23.5 EQA

The nature of our activities requires us to comply with environmental laws. The EQA, which applies throughout Malaysia, was enacted to prevent, abate and control the pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without licence, prohibits the discharge of oil into Malaysian waters, discharge of wastes into Malaysian waters without a licence and prohibits open burning. Malaysia's environmental regulations and policies are implemented by the Department of Environment.

Failure to adhere to the EQA or any subsequent regulations made under it may amount to an offence. The penalties imposed vary from the pollution caused.

On the discharge of environmentally hazardous substances, pollutants or wastes into the atmosphere, upon conviction, the person will be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding five years or to both and to a further fine not exceeding RM1,000.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

On noise pollution, upon conviction, the person will be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding five years or to both and to a further fine not exceeding RM500.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

On soil pollution, upon conviction, the person will be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding five years or to both and to a further fine not exceeding RM1,000.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

On unlicensed inland waters pollution, upon conviction, the person will be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding five years or to both and to a further fine not exceeding RM1,000.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

5. BUSINESS OVERVIEW (Cont'd)

5.23.6 SDBA

The SDBA sets out the law relating to street, drainage and building in local authority areas in Peninsular Malaysia. Prior permission of the local authority is required before the construction of a building pursuant to Section 70 of the SDBA. The provisions of the statute further provides that the erection work of a building shall commence within 12 months from the date of approval by the local authority of the original plans and specifications of the building (excluding any amendments subsequently approved by the local authority in connection with the original plans and specifications) and that a four days prior written notice shall be served on the local authority before the commencement of work. Any person who commences the erection of a building in contravention to the provision of Section 70(9) of the SDBA, shall be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000 for every day during which the offence is continued after conviction.

A person who occupies or permits to be occupied any building or any part thereof without a CCC, shall, under the SDBA, be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

5.23.7 FMA

The FMA is applicable to the manufacturing, mining and quarrying, as well as construction industries. We are required under the provisions of this statute to ensure that the health, safety and welfare of our employees at the workplace are maintained. This included but is not limited to us ensuring that the machinery used in our operations possesses the relevant certificate of fitness, the necessary inspection of the machineries is conducted upon their installation and registered accordingly.

Breaches and offences of the FMA may amount to penalties imposed on our Group. Taking into account of its severity and type of offences, the penalties imposed may be a fine of up to RM250,000 and/or imprisonment for a term not exceeding five years and may be subject to a further fine up to RM2,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded.

5.23.8 CIDBA

The CIDBA provides that all builders, contractors and subcontractors, be it local or foreign, are required to comply with the provisions of the CIDBA before undertaking or executing any construction work in Malaysia. Contractors are required to register with the CIDB, a statutory body established under the CIDBA to promote, stimulate, regulate and standardise the construction industry in Malaysia. Any person who undertakes or carries out any construction works without being registered as a registered contractor with the CIDB shall be guilty of an offence under the CIDBA.

As we operate as a contractor in the construction industry, we are required to own a valid CIDB certificate in order to carry out our business.

Failure to register while carrying out construction works will amount to an offence and a fine of not less than RM10,000 but not more than RM100,000 will be imposed.

5. BUSINESS OVERVIEW (Cont'd)

5.23.9 CIPAA

The CIPAA facilitate regular and timely payment, provides a mechanism for quick dispute resolutions through adjudication, provide remedies for the recovery of payment in the construction industry and incidental matters.

The CIPAA is applicable to all written construction contracts which are carried out wholly or partly in Malaysia, including construction works entered into by the government.

Our construction contracts may be subject to disputes arising from a payment claim. These disputes can be referred to adjudication pursuant to the CIPAA.

However, the CIPAA is not applicable to construction contracts entered into by persons for construction works in respect of buildings less than four storeys high and which is wholly intended for his occupation.

5.23.10 RPGTA

The RPGTA was enacted to provide for the imposition, assessment and collection of a tax on gains derived from the disposal of real property and matters incidental thereto.

A chargeable gain is described as gains made from the difference between the disposal and acquisition price. The disposal price excludes expenses such as, among others, renovation costs and legal fees.

Effective 1 January 2019, the chargeable gain made by companies disposing of real property within three years of the acquisition date are charged a rate of 30%. For properties sold in the fourth and fifth years after the acquisition date, the rates chargeable for companies are 20% and 15% respectively. In the sixth year and after, companies are charged with a consistent rate of 10%.

Where a property is sold at a loss and the net chargeable gain is at zero or a negative, RPGT will not be payable.

5.23.11 ICA

The ICA provides for the co-ordination and orderly development of manufacturing activities in Malaysia. The act requires a person engaging in any manufacturing activity with shareholders' funds of RM2,500,000 and above or employing 75 or more full-time paid employees to obtain a manufacturing license. Any person who fails to comply is guilty of an offence and is liable on conviction to a fine not exceeding two thousand ringgit or to a term of imprisonment not exceeding six months and to a further fine not exceeding RM1,000 for every day during which such default continues.

Manufacturing activity is defined in the ICA as "the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal; and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade."

As AME Engineering is involved in the manufacture of precast concrete works as well as structural steel fabrication, steel frame fabrication, steel frame fabrication and steel piping, we are required to own a manufacturing license to carry out this segment of our business.

5. BUSINESS OVERVIEW *(Cont'd)*

5.24 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As we operate in Malaysia, there are no governmental laws, decrees, regulations or other requirements in Malaysia which may affect the repatriation of capital and the remittance of profit by or to our Group.

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