

2. SUBJECT PROPERTIES (Cont'd)

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

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

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



■ District 6@SILC
Subject Properties

Overall Development Land Area

7.57 acres

Freehold

Source: AME

2. SUBJECT PROPERTIES (Cont'd)

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

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

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

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value ⁽¹⁾ (RM'000)
Plot 3 SILC	2 adjoining units of 1½ storey semi-detached factory located in i-Park @ SILC currently leased to Lightpack Food Industries Sdn Bhd for the manufacturing of biscuits and cookies and related activities and office	9 years, 1 month	24,319	100	6,500
Plot 4 SILC					
Plot 6 SILC	1½ storey semi-detached factory located in i-Park @ SILC currently tenanted to Lightpack Food Industries Sdn Bhd for the manufacturing of biscuits and cookies and related activities and office	9 years, 1 month	12,785	100	3,500
Plot 3 District 6	2 contiguous units of single storey detached factory with 3-storey office and other ancillary buildings including an individual guard house to be managed by the occupant located in District 6 @ SILC. Plot 3 & Plot 4 District 6 are currently leased to Westrock Coffee & Tea Malaysia Sdn Bhd for the manufacturing and production of coffee, tea and coffee liquid extracts and related activities	7 years	92,202	100	24,000
Plot 4 District 6		6 years, 9 months			

2. SUBJECT PROPERTIES (Cont'd)

Plot Name	Description	Approximate age of building as at the LPD	NLA (sq ft)	Occupancy Rate (%)	Appraised Value⁽¹⁾ (RM'000)
Plot 6 District 6	A single storey detached factory with 3 storey office and other ancillary buildings including an individual guard house to be managed by the occupant located in District 6 @ SILC. Plot 6 District 6 is currently tenanted to Ametalin Sdn Bhd for the manufacturing of thermal insulation products, building wraps, specialty laminates and packaging materials and related activities	6 years, 9 months	45,984	100	13,000

Note:

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

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

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2. SUBJECT PROPERTIES (Cont'd)

2.1.2 Summary of the Subject Properties

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

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

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

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

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

Notes:

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

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2. SUBJECT PROPERTIES (Cont'd)

2.1.3 Gross Rental Income, Average Rental Rate and Occupancy Rate

Gross Rental Income

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

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

Occupancy Rate

In this section, the Occupancy Rate for:

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

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

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

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

Note:

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

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

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

Notes:

- (1) The average rental rate is calculated based on the aggregate approved bed capacity (number of beds) for Plot 17 Dorm Indahpura and SAC Dorm and proposed bed capacity for Plot 13 Dorm Indahpura, which may be subject to changes upon issuance of the Certificate for Accommodation by the Department of Labour of Peninsular Malaysia.

- (2) The Occupancy Rate is 100% as the Dormitories are rented on master lease arrangements.

2. SUBJECT PROPERTIES (Cont'd)

2.1.4 Top 10 Tenants

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

(a) Industrial Properties

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

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

2. SUBJECT PROPERTIES (Cont'd)

Notes:

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

(b) Industrial-Related Properties

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

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

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

Notes:

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

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2. SUBJECT PROPERTIES (Cont'd)

2.1.5 Trade Sector Analysis

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

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

Note:

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

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2. SUBJECT PROPERTIES (Cont'd)

2.1.6 Tenants' Countries of Origin

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

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

Note:

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

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2. SUBJECT PROPERTIES (Cont'd)

2.1.7 Occupancy Profile

Occupancy Rate

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

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

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

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

Number of units available for tenancy

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

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

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

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

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2. SUBJECT PROPERTIES (Cont'd)

Total NLA of the Industrial Properties

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

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

Average monthly Occupied NLA of the Industrial Properties

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

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

Total bed capacity of the Dormitories

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

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

Notes:

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

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2. SUBJECT PROPERTIES (Cont'd)

2.1.8 Tenancy Expiry Profile

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

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

Industrial-Related Properties	FYE 2023	FYE 2024	FYE 2025	FYE 2026 to FYE 2028	FYE 2029 to FYE 2031	FYE 2032 to FYE 2034	Total
<u>Dormitories</u>							
Number of tenancies expiring	--	1	--	2	--	--	3
Number of dormitories expiring (%)	--	33.3	--	66.7	--	--	100
Percentage of expiring rental against total Pro Forma Gross Rental Income for Dormitories (%)	--	32.0	--	68.0	--	--	100
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	--	8.7	--	18.6	--	--	27.3

Occupied NLA of Industrial Properties expiring (%)	9.0	26.6	4.2	35.8	22.5	1.9	100.0
Percentage of expiring rental against total Pro Forma Gross Rental Income of Subject Properties (%)	6.3	28.8	3.2	41.4	19.0	1.3	100.0

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

2.1.9 Tenancy Renewal Trend

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

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

2. SUBJECT PROPERTIES (Cont'd)

Notes:

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

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

2.2 COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS

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

(i) Committed support from a reputable Sponsor

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

(iii) Strategically located in prime industrial and economic hub

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

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

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

(v) Synergistic relationship with Sponsor offers unique growth potential

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

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

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

(vii) Rising relevance for workers' dormitories

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

(viii) Prudent capital structure and active capital management

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

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2. SUBJECT PROPERTIES (Cont'd)

2.2.1 Committed Support from Reputable Sponsor

2.2.1.1 Industrial Property Specialist with Proven Track Record

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

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

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

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

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

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

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2. SUBJECT PROPERTIES (Cont'd)

The table below summarises the status of AME Group's various on-going and completed development projects up to 31 March 2022:

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

2. SUBJECT PROPERTIES (Cont'd)

Notes:

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

From the Listing Date to 31 March 2023, it is the intention of the Manager for AME REIT to distribute 100% of its Distributable Income whilst the Management Fees for the period will be fully paid in Units.

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

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

2.2.2.1 The i-Park Concept

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

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

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

(i) i-Park @ SILC

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

3 of the Subject Properties are situated within this park.

(ii) i-Park @ Indahpura

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

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

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

(iii) i-Park @ SAC

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

2.2.2.2 ESG Awareness

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

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

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

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

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

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

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

2.2.3 Strategically Located in a Prime Industrial and Economic Hub

2.2.3.1 Strategically Located Real Estate within Iskandar Malaysia

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

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

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

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

2.2.3.2 Ample Logistical Infrastructure

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

2.2.3.3 Proximity to Singapore

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

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

2.2.3.4 Beneficiary of International Trade War

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

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

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

2.2.4.1 Property Portfolio with Good Leasing Potential

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

Industrial Properties

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

Dormitories

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

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

2.2.4.2 Resilient Portfolio of Quality Properties

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

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

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

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

Notes:

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

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

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

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

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

Note:

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

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

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

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

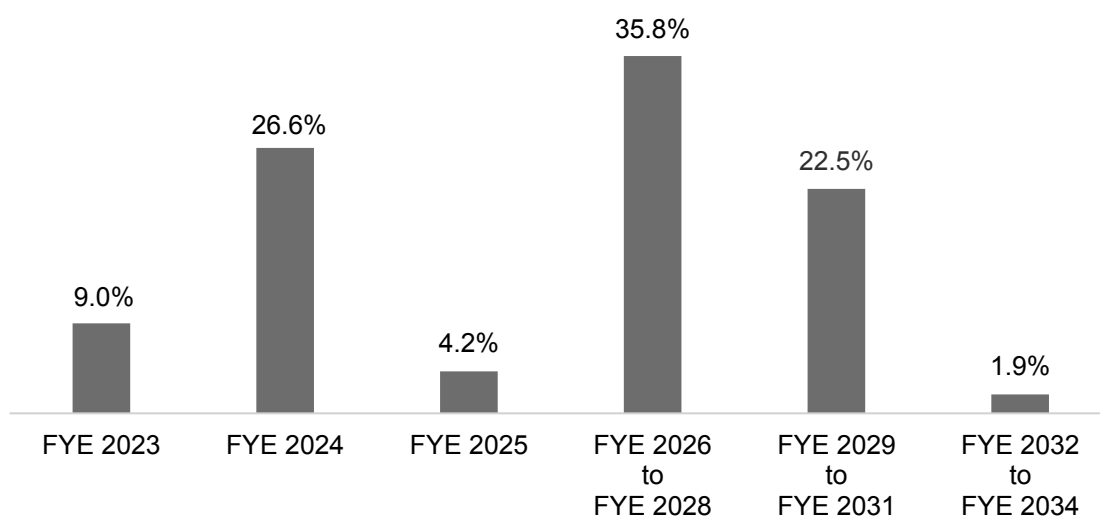
In relation to the tenancy agreements entered into in respect of Plot 17 Dorm Indahpura and Plot 13 Dorm Indahpura and SAC Dorm, please refer to Section 12.2.2 of the Prospectus for the respective salient terms of these tenancy agreements.

2. SUBJECT PROPERTIES (Cont'd)

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

AME REIT's initial portfolio has visible tenancy terms which will yield stable cash flows. As at the LPD, 34 of the Subject Properties have secured tenancies, although tenancy for one Subject Property, Plot 13 Dorm Indahpura commenced on 15 July 2022 which is subsequent to the LPD. As at the LPD, the tenanted Industrial Properties features a WALE of 3.7 years based on Occupied NLA, with 91.0% of Occupied NLA expiring beyond FYE 2023. The tenancy expiries range from less than a year and up to approximately 11 years (expiring in FYE 2034), with a maximum of 26.6% (in FYE 2024) of tenancies by Occupied NLA expiring in any year, providing stability of cash flows and DPU in the medium term.

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



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

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

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

2.2.4.4 Quality and Diversified Tenant Base

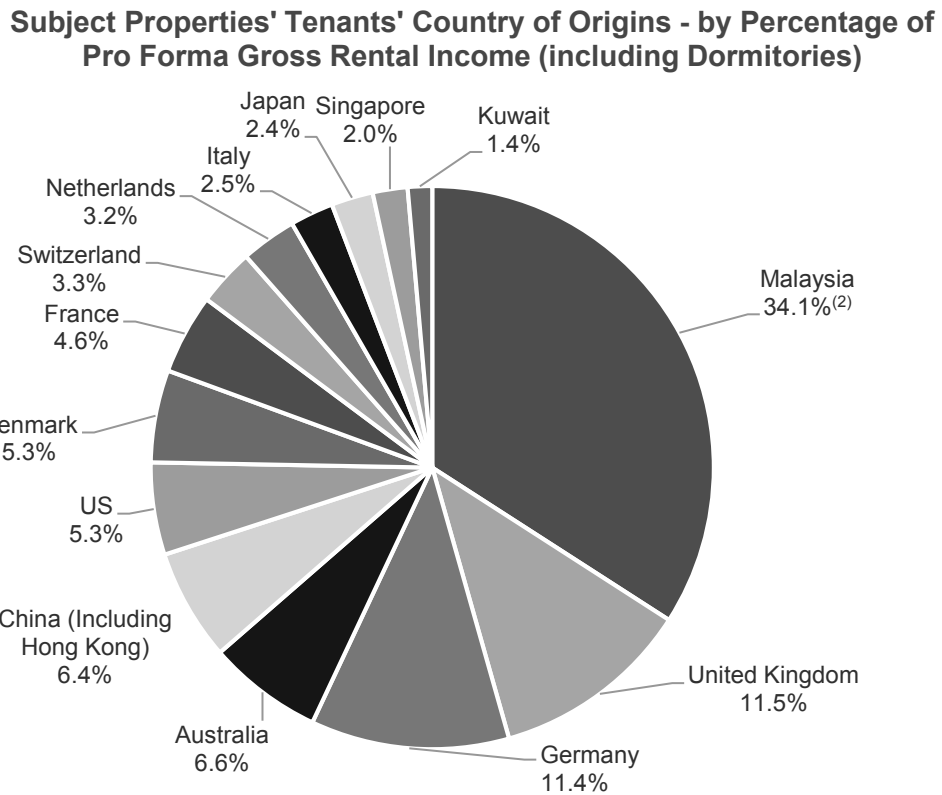
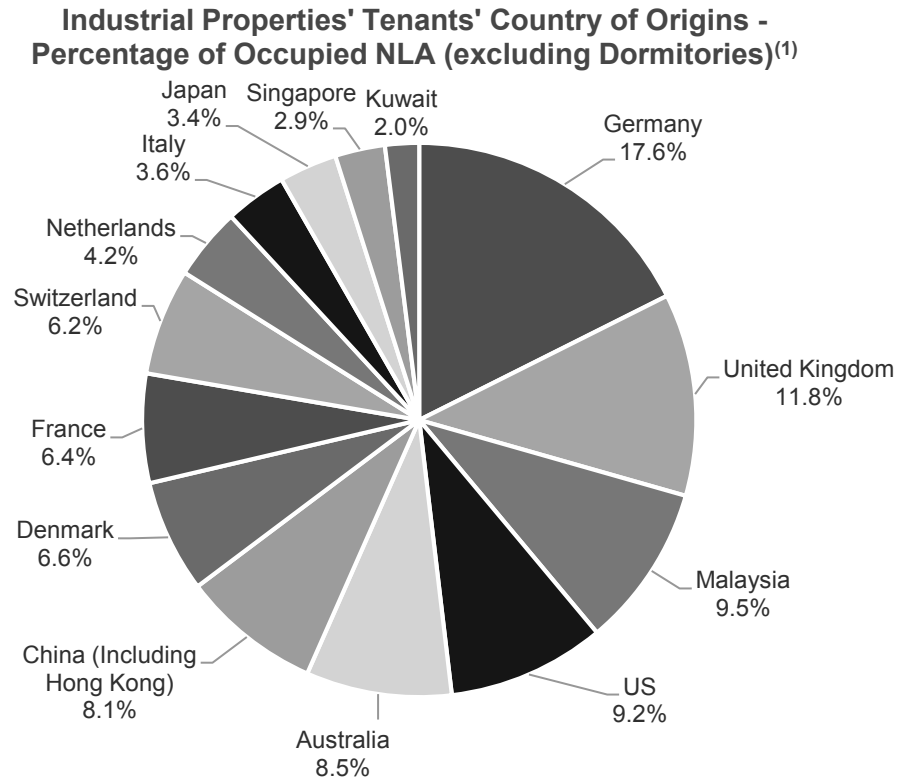
The Subject Properties feature a quality tenant base comprising 28 tenants from diverse economic sectors and countries of origin, which significantly reduces concentration risk.

Multinational Tenant Based

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

2. SUBJECT PROPERTIES (Cont'd)

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



Notes:

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

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

Trade Sector Diversity

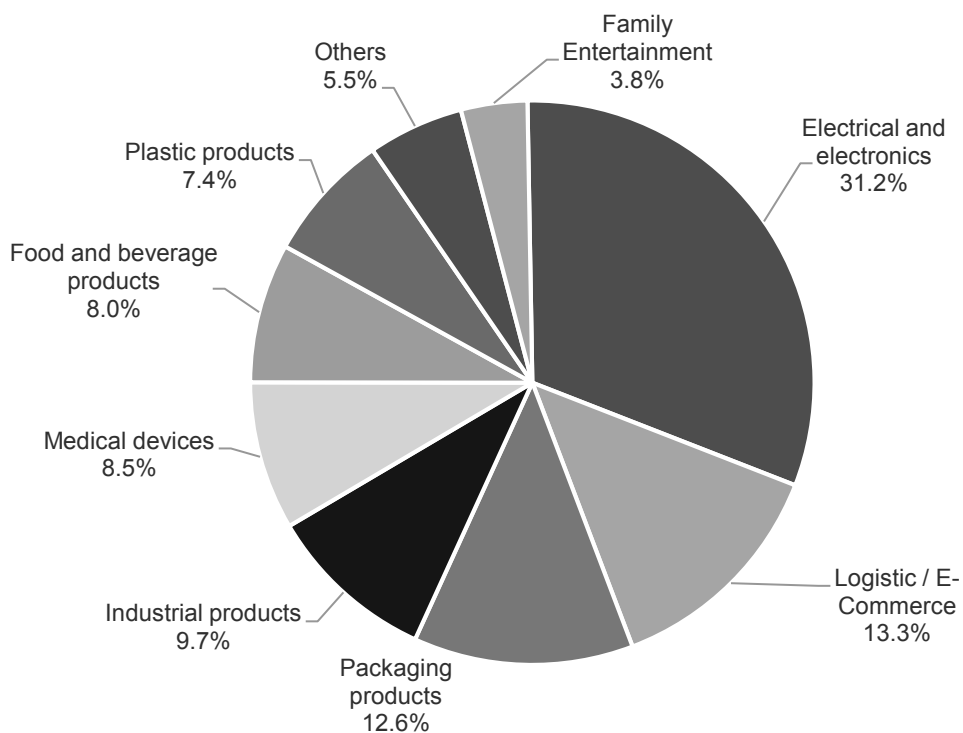
The tenants of the Industrial Properties are involved in diverse trade sectors. The top 3 sectors by Occupied NLA are electrical and electronics (31.2%), logistics/E-commerce services (13.3%) and packaging products (12.6%). Other business sectors comprise industrial products (steel and metal, chemicals,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

Note:

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

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

**Industrial Properties' Tenants' Trade Sectors -
by Percentage of Occupied NLA (excluding Dormitories)⁽¹⁾**

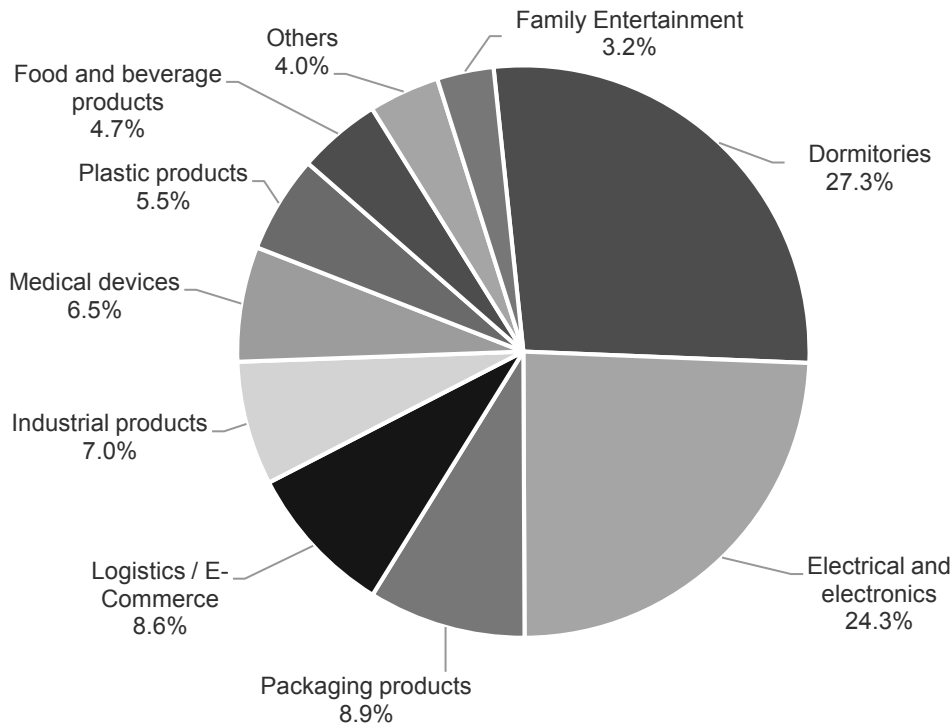


Note:

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

2. SUBJECT PROPERTIES (Cont'd)

Subject Properties' Tenants' Trade Sectors - by Percentage of Pro Forma Gross Rental Income (including Dormitories)



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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

2.2.5 Synergistic Relationship with Sponsor Offers Unique Growth Potential

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

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

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

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

2.2.5.1 Inorganic Growth

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

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

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

2.2.5.2 Organic Growth

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

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

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

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

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

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

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

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

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

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

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

2.2.6.1 Spearheaded by a CEO with Proven REIT Credentials

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

2. SUBJECT PROPERTIES (Cont'd)

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

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

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

2.2.6.2 Experienced Directors and Key Personnel with Core Expertise

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

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

2.2.7 Rising Relevance for Workers' Dormitories

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

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

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

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

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

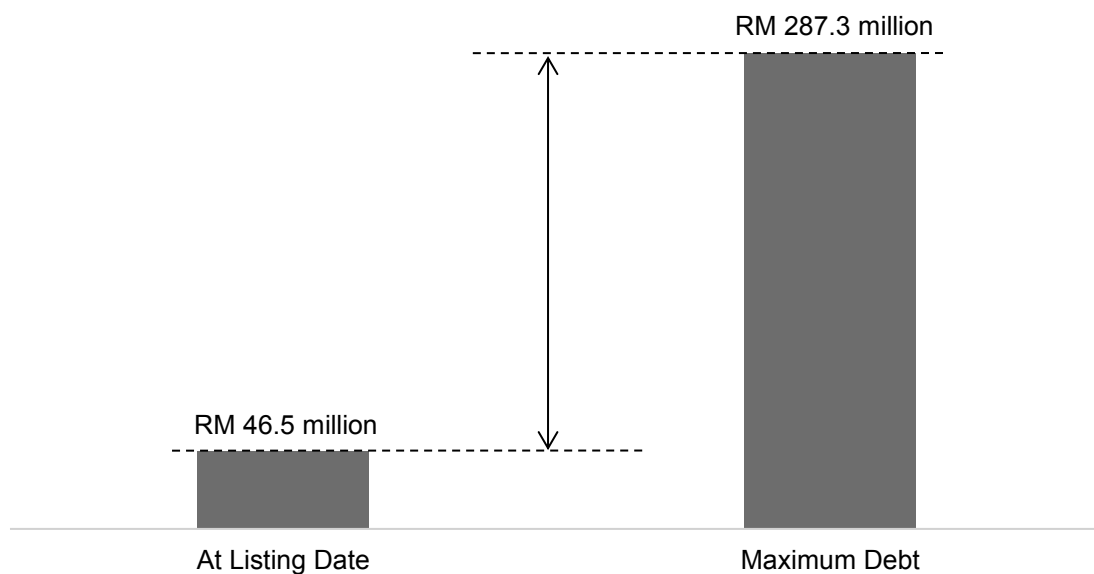
2.2.8 Prudent Capital Structure and Active Capital Management

2.2.8.1 Conservative gearing level with ample debt headroom

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

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

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



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

Note:

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

2.2.8.2 Experience in balance sheet management

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

2.2.8.3 Active management to optimise capital structure

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

2. SUBJECT PROPERTIES (Cont'd)

2.3 IMPACT OF COVID-19

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

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

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

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

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

No.	No. of Subject Properties	No. of tenants	Rental Period	Deferment Period	Status as at 30 June 2022
1.	7	5	April/May 2020	3 months	Fully paid
2.	4	3	April and May 2020	2 to 6 months	Fully paid
3.	1	1	July to first half September 2021	4 months	Fully paid
4.	1	1	November and December 2021	1 to 2 months	Fully paid
5.	1	1	April and May 2022	1 to 2 months	Fully paid

As at 8 August 2022, there are no more deferred rental arrangements except for one remaining property for which rental deferment has been granted from February to August 2022. The tenant has settled 3 months’ rentals for February to April 2022, with the remaining 4 months outstanding.

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

2. SUBJECT PROPERTIES (Cont'd)

2.4 ACQUISITION OF THE SUBJECT PROPERTIES

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

Notes:

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

2. SUBJECT PROPERTIES (Cont'd)

2.5 VALUATION POLICIES

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

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

2.6 INDEPENDENT MARKET RESEARCH REPORT

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

2.7 TENANCY/LEASE MANAGEMENT

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

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

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

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

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

2. SUBJECT PROPERTIES (Cont'd)

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

2.8 INSURANCE

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

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

2.9 FIRE PROTECTION

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

2.10 CAPITAL EXPENDITURE AND ASSET ENHANCEMENT INITIATIVES

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

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

2.11 LEGAL PROCEEDINGS

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

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2. SUBJECT PROPERTIES (Cont'd)

2.12 DETAILS OF THE SUBJECT PROPERTIES

(a) SAC Subject Properties

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

2. SUBJECT PROPERTIES (Cont'd)

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

2. SUBJECT PROPERTIES (Cont'd)

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

2. SUBJECT PROPERTIES (Cont'd)

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

2. SUBJECT PROPERTIES (Cont'd)

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

Note:

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

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2. SUBJECT PROPERTIES (Cont'd)

Notes:

	Encumbrances	Restriction in interest	Express Conditions
1	Land charged to RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
2	Land charged to RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
3	<ol style="list-style-type: none"> 1. Land charged to RHB Islamic Bank Berhad 2. Land leased to PPC Moulding Services (Malaysia) Sdn Bhd for 6 years from 16 January 2020 	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
4	Land charged to RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
5	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
6	<ol style="list-style-type: none"> 1. Land charged in favour of Hong Leong Islamic Bank Berhad 2. Land partially leased to Tenaga Nasional Berhad for 30 years from 30 June 2019 	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
7	Land charged in favour of Ambank (M) Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
8	Land charged in favour of Ambank (M) Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
9	Nil	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
10	Land charged in favour of Ambank (M) Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses as as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
11	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
12	Land charged in favour of RHB Islamic Bank Berhad	<ol style="list-style-type: none"> 1. This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan. 2. Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 20 January 2021. 	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
13	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots as in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
14	Land charged to Ambank Islamic Berhad	Nil	<ol style="list-style-type: none"> 1. The land is to be used as medium-sized industrial area for the business of cargo lots and logistics and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
15	Land charged to Hong Leong Islamic Bank Berhad	This land shall not be transferred to foreigner/ foreign company except with the permission of the State Authority	<ol style="list-style-type: none"> 1. This land is to be used to build a workers' dormitory in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

(b) Indahpura Subject Properties

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

2. SUBJECT PROPERTIES (Cont'd)

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

2. SUBJECT PROPERTIES (Cont'd)

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

2. SUBJECT PROPERTIES (Cont'd)

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

Notes:

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

([#]) The proposed bed capacity is an estimated number by I Stay, the master lessee, which may be subject to changes upon issuance of the Certificate for Accommodation by the Department of Labour of Peninsular Malaysia.

2. SUBJECT PROPERTIES (Cont'd)

Notes:

	Encumbrances	Restriction in interest	Express Conditions
1	Land charged in favour of RHB Islamic Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
2	<ol style="list-style-type: none"> 1. Land charged in favour of OCBC Bank (Malaysia) Berhad 2. Land leased to Heraeus Materials Malaysia Sdn Bhd for 5 years from 8 October 2018 	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
3	Nil	<ol style="list-style-type: none"> 1. This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 9 August 2017. 	<ol style="list-style-type: none"> 1. The land is to be used for factories for light enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
4	Land charged in favour of Public Bank Berhad	Nil	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
5	Land charged in favour of Ambank Islamic Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
6	Nil	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
7	Nil	<ol style="list-style-type: none"> 1. This land shall not be transferred in any way unless the construction of industrial building has commenced in accordance with the plan approved by the relevant local authority. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 1 October 2014. 	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
8	<ol style="list-style-type: none"> 1. Land charged in favour of Affin Islamic Bank Berhad. 2. Land partially leased to Tenaga Nasional Berhad for 30 years from 9 January 2017. 	<ol style="list-style-type: none"> 1. This land shall not be transferred in any way unless the construction of industrial building has commenced in accordance with the plan approved by the relevant local authority. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 22 May 2014. 	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
9	Land charged in favour of Public Bank Berhad	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
10	Nil	<ol style="list-style-type: none"> 1. This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan. 2. The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 22 May 2014. 	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
11	Land charged in favour of Affin Islamic Bank Berhad.	The land allocated for Bumiputera when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 14 December 2016.	<ol style="list-style-type: none"> 1. The land is to be used for factories for medium sized enterprises and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
12.	Land charged in favour of Amislamic Bank Berhad	This land shall not be sold or transferred in any way to non -citizens/foreign companies without the consent of the state authorities.	<ol style="list-style-type: none"> 1. This land shall be used for an employee hostel building constructed according to the plan approved by the local authority. 2. All impurities and pollution due to these activities must be channeled to a place that has been determined by the local authority concerned. 3. All policies and conditions that have been set and enforced from time to time by the relevant authorities are complied with.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
13	Land charged in favour of Hong Leong Islamic Bank Berhad	<ol style="list-style-type: none"> 1. The landowner shall not auction or sell the units of the building on this land unless it is built in accordance with the plan approved by the authorities. 2. The units within the building erected on this land when transferred to a Bumiputera / Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera / non-Bumiputera companies without the consent of the State Authority. 3. The units within the building erected on this land shall not be sold or transferred in any way to non -citizens/foreign companies without the consent of the state authorities. 4. The building to be registered as a workers' hostel shall not be further subdivided into strata titles. 	<ol style="list-style-type: none"> 1. The land is to be used for multi-storey building as a workers' hostel built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

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2. SUBJECT PROPERTIES (Cont'd)

(c) SILC Subject Properties

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

2. SUBJECT PROPERTIES (Cont'd)

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

2. SUBJECT PROPERTIES (Cont'd)

Notes:

	Encumbrances	Restriction in interest	Express Conditions
1	Land charged to Ambank Islamic Berhad	Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/ non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 20 February 2014.	<ol style="list-style-type: none"> 1. The land is to be used as a twin industrial area for light industries and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
2	Land charged to Ambank Islamic Berhad	Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/ non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 20 February 2014.	<ol style="list-style-type: none"> 1. The land is to be used as a twin industrial area for light industries and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
3	Land charged to Public Bank Berhad	Lands when transferred to a Bumiputera/Bumiputera company shall not be subsequently sold, leased or transferred in any way to non-Bumiputera/ non-Bumiputera companies without the consent of the State Authority. The approval letter from the State Authority has been obtained on 31 December 2013.	<ol style="list-style-type: none"> 1. The land is to be used as a twin industrial area for light industries and to be built in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

2. SUBJECT PROPERTIES (Cont'd)

	Encumbrances	Restriction in interest	Express Conditions
4	Land leased to Westrock Coffee & Tea Malaysia Sdn Bhd for 5 years and 2 months from 21 January 2021	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
5	<ol style="list-style-type: none"> 1. Land partially leased to Tenaga Nasional Berhad for 30 years from 11 November 2015 2. Land leased to Westrock Coffee & Tea Malaysia Sdn Bhd for 5 years and 2 months from 21 January 2021 	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.
6	<ol style="list-style-type: none"> 1. Land charged to Ambank Islamic Berhad 2. Land partially leased to Tenaga Nasional Berhad for 30 years from 3 February 2017 	This land shall not be transferred by any means unless the construction of infrastructure for public utilities at the industrial site has commenced in accordance with the approved Local Authorities plan.	<ol style="list-style-type: none"> 1. The land is to be used as an industrial area for medium-sized industries as industry lots and other related uses in accordance with the plan approved by the authorities. 2. All wastes and pollution caused by the above activity should be directed to areas determined by the authorities. 3. All laws and conditions determined by the authorities from time to time are to be followed.

3. DETAILS OF OFFERING

3.1 INTRODUCTION

The SC granted its approval for the Offering on 24 March 2022. The approval of the SC shall not be taken to indicate that the SC recommends the Offering. Investors should rely on their own evaluation to assess the merits and risks of the Offering and their investment in AME REIT. In considering the investment, if investors are in any doubt as to the action to be taken, they should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. For information concerning risk factors which should be considered by prospective investors, see Section 5 “Risk Factors” of this Prospectus.

Bursa Securities’ approval for the admission of all the 520.0 million Units to be issued to the Official List of the Main Market and for the listing of and quotation for all the said Units as well as the 30.0 million Units to be issued as part payment of the Management Fees on a staggered basis, was obtained on 2 June 2022. All the Units will be admitted to the Official List of the Main Market and official quotation will commence after receipt of confirmation from Bursa Depository that all the Units have been credited into the respective CDS Account of the Vendors and/or their nominees (pursuant to the Acquisitions) and the successful applicants and the notices of allotment of the Units have been despatched to the said parties. Admission to the Official List of the Main Market shall not be taken as an indication of the merits of AME REIT, the Units, or the Offering.

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

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

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

3.2 TOTAL UNITS TO BE ISSUED

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

	Minimum Scenario ⁽¹⁾		Maximum Scenario ⁽¹⁾	
	No. of Units (’000)	(%) ⁽²⁾	No. of Units (’000)	(%) ⁽²⁾
Consideration Units to be issued to the Vendors as part payment for the Acquisitions	520,000	100.0	520,000	100.0
Total Units issued upon Listing	520,000	100.0	520,000	100.0
Retail Offering	146,335	28.1	174,809	33.6
Institutional Offering	108,465	20.9	79,991	15.4
Total Offer Units	254,800	49.0	254,800	49.0

3. DETAILS OF OFFERING (Cont'd)

Notes:

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

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

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

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

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

3.3 PURPOSE OF THE OFFERING

The purpose of the Offering is as follows:

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

3.4 DETAILS OF THE OFFERING

The Offering comprises the following:

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

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3. DETAILS OF OFFERING (Cont'd)

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

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

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

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3. DETAILS OF OFFERING (Cont'd)

3.4.1 Retail Offering

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

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

at the Retail Price of RM1.15 per Offer Unit/ROFS Unit, payable in full upon application and subject to refund of the difference between the Retail Price and the Final Retail Price, if the Final Retail Price is less than the Retail Price.

3.4.1.1 Allocation to the Entitled AME Shareholders under the ROFS

(i) Number and basis of allocation

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

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

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

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

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

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

3. DETAILS OF OFFERING (Cont'd)

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

Option 1 : Full subscription

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

Option 2 : Partial subscription

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

Option 3 : Non-subscription

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

(ii) Excess ROFS Applications

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

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

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

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

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

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

3. DETAILS OF OFFERING (Cont'd)

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

(i) **Number and basis of allocation**

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

- (a) 2,535,000 Offer Units reserved for applications by the Eligible Directors as at the LPD; and
- (b) 5,265,000 Offer Units reserved for applications by the Eligible Employees as at the LPD.

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

<u>Eligible persons</u>	<u>No. of eligible persons</u>	<u>Aggregate no. of Offer Units allocated</u>
Eligible Directors ⁽¹⁾	11	2,535,000
Eligible Employees ⁽²⁾	325	5,265,000
Total	336	7,800,000

Notes:

- (1) *Lee Sai Boon, Lee Chai, Lim Yook Kim and Kang Ah Chee have voluntarily opted out of the Restricted Pink Form Offering. The allocation of Offer Units to the other Eligible Directors of the Manager and the Sponsor is as follows:*

<u>Name</u>	<u>Designation</u>	<u>No. of Offer Units allocated</u>
<u>Eligible Directors of the Manager</u>		
Chan Wai Leo	Chief Executive Officer / Executive Director	335,000
Lim Pei Shi	Alternate Director to Chan Wai Leo	236,000
Datin Cheryl Kaur Pola	Independent Non-Executive Director	230,000
Yau Yin Wee	Independent Non-Executive Director	230,000
Wee Beng Chuan	Independent Non-Executive Director	230,000
		<u>1,261,000</u>
<u>Eligible Directors of the Sponsor</u>		
Tengku Azrina binti Raja Abdul Aziz	Independent Non-Executive Chairperson	230,000
Tan Lay Beng	Independent Non-Executive Director	230,000
Chang Tian Kwang	Independent Non-Executive Director	230,000
Wee Soon Chit	Independent Non-Executive Director	230,000
Kang Koh Wei	Alternate Director to Kang Ah Chee	239,000
Lee Ling Sien	Alternate Director to Lee Chai	115,000
		<u>1,274,000</u>
Total		<u>2,535,000</u>

The criteria for allocation to the abovementioned Eligible Directors are based on, amongst others, their respective roles and responsibilities in AME and its subsidiaries.

3. DETAILS OF OFFERING (Cont'd)

- (2) *The criteria for allocation to the Eligible Employees are based on the following factors:*
- (a) *the Eligible Employees must be a full-time confirmed employee and on the payroll of AME or its subsidiaries and who has not submitted his/her resignation as at the date of allocation until the date of this Prospectus; and*
 - (b) *the number of Offer Units allocated to the Eligible Employee is based on, amongst others, his/her performance, seniority within AME and/or its subsidiaries as well as contributions leading up to the Listing.*

Any unsubscribed Offer Units will be offered to other Eligible Directors and Employees as excess Units applications (“**Excess Offer Units Applications**”).

(ii) **Excess Offer Units Applications**

Any Offer Units not taken up under the Restricted Pink Form Offering (“**Excess Offer Units**”) shall be made available for application by the Eligible Directors and Employees who have applied for Excess Offer Units on top of their pre-determined allocation. It is the intention of the Board and the board of directors of AME to allocate the Excess Offer Units, if any, in the following priority:

- (a) firstly, allocation on a pro-rata basis based on the number of Excess Offer Units applied by the Eligible Directors and Employees; and
- (b) secondly, to minimize odd lots.

The Board and the board of directors of AME reserve the right to allocate any Excess Offer Units to the Eligible Directors and Employees who have made an Excess Offer Units Application, in a fair and equitable basis and in such manner as it deems fit and expedient and in the best interest of AME REIT. The Manager and AME also reserve the right to accept any Excess Offer Units Application, in full or in part, without assigning any reason. Thereafter, any unsubscribed Offer Units unallocated to the Eligible Directors and Employees will be made available for application by the Malaysian Public under the Public Offering, subject to the Clawback and Reallocation provisions.

3.4.1.3 Allocation to the Malaysian Public under Public Offering

10,400,000 Offer Units shall be allocated for subscription by the Malaysian Public, of which 5,200,000 Offer Units have been set aside for application by Bumiputera individuals, companies, co-operatives, societies and institutions. Any Units not subscribed by such Bumiputera investors will be made available for application by other Malaysian Public under the Public Offering.

3.4.2 Institutional Offering

Institutional Offering to Malaysian institutional investors and selected investors at the Institutional Price payable in full upon allocation and determined by way of bookbuilding on the Price Determination Date will be allocated in the following manner:

- (i) 65,000,000 Offer Units to Bumiputera investors approved by MITI; and
- (ii) at least 14,991,180 Offer Units to Malaysian institutional investors and selected investors.

3. DETAILS OF OFFERING (*Cont'd*)

3.4.3 Clawback and Reallocation

The Institutional Offering and the Retail Offering shall be subject to the following Clawback and Reallocation provisions:

- (i) in the event of under-subscription by Bumiputera investors approved by the MITI (“**MITI Tranche**”), such Offer Units will be allocated to Malaysian institutional investors under the Institutional Offering.

If after the above re-allocation, the MITI Tranche is still under-subscribed, these Offer Units will be allocated to the over-subscribed portion of Bumiputera investors under the Public Offering, and any balance remaining may be made available for subscription to selected investors under the Institutional Offering and/or non-Bumiputera investors under the Public Offering and/or Eligible Directors and Employees (after reallocation of the Excess Offer Units) and/or Entitled AME Shareholders (after reallocation of the Excess ROFS Units), at the discretion of the Principal Adviser upon consultation with the Manager and the Sponsor;

- (ii) subject to Section 3.4.3(i) above, the Offer Units may be clawed back and reallocated to the Retail Offering from the Institutional Offering in the event of an over-subscription in the Retail Offering and a corresponding under-subscription in the Institutional Offering, at the discretion of the Principal Adviser upon consultation with the Manager and the Sponsor;
- (iii) in the event of under-subscription by the Eligible Directors and Employees (after reallocation of the Excess Offer Units), such Offer Units may be made available for subscription by Malaysian institutional investors and selected investors under the Institutional Offering and/or the Malaysian Public and/or the Bumiputera applicants under the Public Offering and/or Entitled AME Shareholders (after reallocation of the Excess ROFS Units), at the discretion of the Principal Adviser upon consultation with the Manager and the Sponsor;
- (iv) in the event of under-subscription by the non-Bumiputera applicants under the Public Offering, such Offer Units may be made available for subscription by Malaysian institutional investors and selected investors under the Institutional Offering and/or the Bumiputera Malaysian Public and/or Eligible Directors and Employees (after reallocation of the Excess Offer Units) and/or Entitled AME Shareholders (after reallocation of the Excess ROFS Units), at the discretion of the Principal Adviser upon consultation with the Manager and the Sponsor;
- (v) in the event of under-subscription by the Bumiputera applicants under the Public Offering, such Offer Units may be made available for subscription by Malaysian institutional investors and selected investors under the Institutional Offering and/or the non-Bumiputera Malaysian Public and/or Eligible Directors and Employees (after reallocation of the Excess Offer Units) and/or Entitled AME Shareholders (after reallocation of the Excess ROFS Units), at the discretion of the Principal Adviser upon consultation with the Manager and the Sponsor;
- (vi) subject to Section 3.4.3(iii), Section 3.4.3(iv) and Section 3.4.3(v) above, if there is an under-subscription in the Restricted Pink Form Offering and/or Public Offering and an over-subscription in the Institutional Offering, the Offer Units may be clawed back from the Restricted Pink Form Offering and/or Public Offering and allocated to the Institutional Offering, at the discretion of the Principal Adviser. Thereafter, the Sole Underwriter shall subscribe and/or procure subscription for any remaining Offer Units under the Restricted Pink Form Offering and/or Public Offering, based on the terms of the Underwriting Agreement; and

3. DETAILS OF OFFERING (Cont'd)

- (vii) after the application of Section 3.4.3(i) to Section 3.4.3(vi) above and in the event of under-subscription of the ROFS Units made available to Entitled AME Shareholders (after reallocation of the Excess ROFS Units), such ROFS Units may be made available for subscription by Malaysian institutional investors and selected investors under the Institutional Offering and/or the Malaysian Public and/or the Bumiputera Malaysian Public and/or Eligible Directors and Employees (after reallocation of the Excess Offer Units), at the discretion of the Principal Adviser upon consultation with the Manager and the Sponsor.

The above Clawback and Reallocation provisions shall not apply in the event of an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

3.4.4 Minimum Subscription

There is no minimum subscription in terms of the cash to be raised from the Offering. However, the minimum subscription will be in terms of the number of Units to be subscribed for AME REIT to have at least 25.0% of the total number of Units in issue to be held by 1,000 public Unitholders holding not less than 100 Units each upon completion of the Offering and at the point of the Listing.

If the Offering is not completed and/or the Manager decides in its absolute discretion not to proceed with the Listing, monies paid in respect of any application for the ROFS Units and Offer Units will be returned to the applicants without interest. For the risk on failure in Listing, please refer to Section 5.3.15 "Failure in the Listing will result in refund monies without interest" of this Prospectus.

3.5 IRREVOCABLE UNDERTAKINGS

Pursuant to the ROFS, the Sponsor had, on 12 April 2022 procured irrevocable written undertakings from the following substantial shareholders of the Sponsor, namely Lee Sai Boon, Lee Chai, Kang Ah Chee and Lim Yook Kim, to subscribe and/or cause to subscribe in full for their respective entitlements for the ROFS and/or each other's entitlements not subscribed for under the ROFS ("**Undertakings**"). The Undertakings are based on the number of AME Shares held as at 12 April 2022, as set out below:

Substantial shareholders	Undertakings	
	No. of ROFS Units	% of total ROFS Units ⁽¹⁾
Lee Sai Boon	7,397,400	5.8
Lee Chai	22,540,330	17.6
Kang Ah Chee	22,318,230	17.4
Lim Yook Kim	22,768,230	17.8

Note:

(1) Based on 128,134,529 ROFS Units under the Minimum Scenario.

Accordingly, Lee Sai Boon, Lee Chai, Kang Ah Chee and Lim Yook Kim have confirmed that they have sufficient financial resources to subscribe and/or cause to subscribe for their respective Undertakings.

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3. DETAILS OF OFFERING (Cont'd)

3.6 INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below:

Date and time	Event
29 July 2022	Announcement of Entitlement Date
15 August 2022	Entitlement Date
17 August 2022, 10.00 a.m.	Opening of the Retail Offering and Institutional Offering
24 August 2022, 5.00 p.m.	Closing of the Retail Offering
30 August 2022, 5.00 p.m.	Closing of the Institutional Offering
30 August 2022	Price Determination Date
1 September 2022	Balloting of applications for Offer Units pursuant to the Public Offering
12 September 2022	Allotment of Offer Units to successful applicants
20 September 2022	Listing of AME REIT on the Main Market

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

3.7 BASIS OF DETERMINING THE PRICE OF THE OFFER UNITS

3.7.1 Retail Price

The Retail Price of RM1.15 per Offer Unit was determined and agreed upon by the Manager, the Sponsor and Selling Subsidiaries in consultation with the Principal Adviser, Joint Bookrunners and the Sole Underwriter after taking into consideration the following factors:

- (i) the financial history and condition of the Subject Properties;
- (ii) the pro forma NAV per Unit upon Listing of approximately RM0.99;
- (iii) the forecast distribution yields of AME REIT;
- (iv) the future prospects of AME REIT; and
- (v) the prevailing capital and property market conditions and sentiments.

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

- (i) the Retail Price of RM1.15 per Offer Unit; or
- (ii) the Institutional Price,

subject to rounding to the nearest sen.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants, without any interest. Further details on the refund mechanism are set out in Section 3.7.3 of this Prospectus.

3. DETAILS OF OFFERING (Cont'd)

The Final Retail Price will not, in any event, be higher than the Retail Price of RM1.15 per Offer Unit.

The Final Retail Price and the Institutional Price are expected to be announced within 2 Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment.

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

3.7.2 Institutional Price

The Institutional Price will be determined by a bookbuilding wherein prospective institutional investors and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of Offer Units that they would be prepared to acquire and the price that they would be prepared to pay for the subscription. This bookbuilding process is expected to start on 17 August 2022 and will end on 30 August 2022 or such other dates as the Manager and the Joint Bookrunners may decide at their absolute discretion. Upon completion of the bookbuilding process, the Institutional Price will be fixed via agreement between the Manager and the Joint Bookrunners on the Price Determination Date.

3.7.3 Refund mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to the applicant without any interest thereon. The refund will be credited into the applicant's bank account for purposes of cash dividend/distribution if the applicant has provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to his address maintained with Bursa Depository if the applicant has not provided such bank account information to Bursa Depository for applications made via Application Forms, or by crediting into his account with the Electronic Participating Financial Institutions for applications made via the Electronic Application or by crediting into his account with the Internet Participating Financial Institutions for applications made via the Internet Application, within 10 Market Days from the date of final ballot of Applications, at the applicant's own risk.

3.7.4 Expected Market Capitalisation

Based on an illustrative price of RM1.15 per Offer Unit and the listing of 520,000,000 Units, the total market capitalisation of AME REIT upon Listing is estimated to be approximately RM598.0 million.

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3. DETAILS OF OFFERING (Cont'd)

3.8 LISTING SCHEME

In conjunction with, and as an integral part of the Listing, the Manager undertook the listing scheme, as follows:

3.8.1 Acquisitions

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

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

3. DETAILS OF OFFERING (Cont'd)

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

Notes:

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

3. DETAILS OF OFFERING (Cont'd)

The total purchase consideration for the Acquisitions of RM557.0 million was arrived at based on the independent valuation of the Subject Properties of RM557.0 million as at the valuation date of 2 August 2021 and subsequently updated on 7 February 2022.

The total purchase consideration for the Acquisitions of RM557.0 million will be satisfied through:

- (i) the issuance of 520,000,000 Consideration Units; and
- (ii) Cash Consideration to be settled through the funds received from the partial drawdown of the Financing Facilities.

AME REIT will acquire the Subject Properties in accordance with the terms of the SPAs. As at the date of this Prospectus, the Acquisitions are still pending completion. For further details of the SPAs, please refer to Section 15.3 "Salient Terms of the SPAs" of this Prospectus.

Note that if the SPAs are not completed in accordance with the terms therein contained, there will be no Acquisitions by AME REIT and the Listing will not proceed and AME REIT will be unwound. In the event Units have been allotted, the Unitholders who were allotted Units under the Offering will only receive their monies following the completion of the winding up of AME REIT in accordance with the terms of the Deed.

3.9 REIT FINANCING

The Trustee, on behalf of AME REIT, as obligor, has obtained the following Financing Facilities:

- (i) RM37.0 million in the form of an Islamic revolving credit facility to finance the acquisition of Plot 18 Indahpura from LKL Industries, Plot 66 Indahpura from Active Gold, and Plot 6 District 6 from Twin Sunrich pursuant to the Acquisitions;
- (ii) RM10.0 million in the form of an Islamic revolving credit facility for working capital requirements for maintaining, administrating, and operating the Subject Properties and for the Listing expenses;
- (iii) RM20.0 million in the form of an Islamic revolving credit facility to finance future acquisition of properties after Listing; and
- (iv) RM3.0 million Islamic bank guarantee facility to be used for issuance of supplier's credit / tender / performance and guarantee in favour of Immigration Department, Customs and Excise Department, Tenaga Nasional Berhad and other public utilities providers or any other entities approved by the financial institution.

The Islamic revolving credit facilities carry profit rate of the financier's Islamic Cost of Funds + 1.25% per annum, while the Islamic bank guarantee carries a guarantee fee of 1.20% per annum.

The Financing Facilities are secured against, amongst others, the following:

- (i) Legal charge over Plot 18 & 19 SAC and SAC Dorm respectively;
- (ii) Legal assignment over rental proceeds from Plot 18 & 19 SAC and SAC Dorm; and
- (iii) Charge over the rental proceeds account⁽¹⁾.

Note:

- (1) *The Manager is allowed to operate the account, unless in an event of default, then the account shall be solely operated by the bank.*

3. DETAILS OF OFFERING (Cont'd)

3.10 UTILISATION OF PROCEEDS

As AME REIT will not be issuing any new Units under the Offering, AME REIT will not receive any cash from the Offering.

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

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

3.11 BROKERAGE, COMMISSIONS AND OTHER FEES AND CHARGES

3.11.1 Brokerage

AME REIT will bear brokerage relating to the Offer Units made available for application under the Retail Offering at the rate of 1.0% of the Retail Price in respect of successful applications which bear the stamp of HLIB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Bookrunners are entitled to charge brokerage to successful applicants under the Institutional Offering. For the avoidance of doubt, the brokerage commission under the Institutional Offering will not be payable by AME REIT.

3.11.2 Commissions

Pursuant to the Placement Agreement to be entered into by the relevant parties, the Selling Subsidiaries agree to pay the Joint Bookrunners for the Institutional Offering, a placement commission of up to 1.75% of the amount equal to the gross proceeds raised under the Institutional Offering, being the number of Offer Units under the Institutional Offering at the Institutional Price.

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3. DETAILS OF OFFERING (Cont'd)

3.11.3 Fees and Charges Payable Directly by Unitholders

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

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

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

3.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Subject to the terms and conditions contained in the Underwriting Agreement, the Sole Underwriter agrees to underwrite the 18,200,000 Offer Units under the Restricted Pink Form Offering and Public Offering, subject to the Clawback and Reallocation provisions. In consideration for the Sole Underwriter acting as the underwriter to subscribe and/or procure subscribers, the Sole Underwriter will receive an underwriting commission of 1.75% of the amount equal to the Retail Price multiplied by the 18,200,000 Offer Units being underwritten under the Restricted Pink Form Offering and Public Offering.

The following is an extract of the salient terms contained in the Underwriting Agreement:

3.12.1 Conditions

The obligations of the Sole Underwriter to underwrite the underwritten Units shall be conditional upon the fulfilment and/or satisfaction of the following:

- (i) Bursa Securities having approved the Listing and such approval together with the approval of the SC remaining in full force and effect and that all conditions (except for any which can only be complied with or after the Offering has been completed) have been complied with;
- (ii) the offer and issuance of the Offer Unit(s) having been approved by the shareholders of the Sponsor;
- (iii) the lodging with the SC of a copy of the Prospectus for lodgement in accordance with the requirements of Section 234 of the CMSA together with copies of all documents required under the CMSA;
- (iv) the registration with the SC of the Prospectus and the submission to the SC of accompanying documents on or before their issue, circulation or distribution to the public;

3. DETAILS OF OFFERING (Cont'd)

- (v) all necessary approvals and consents required in relation to the Offering including but not limited to governmental approvals having been obtained and are in full force and effect and that all conditions to the approvals (except for any which can only be complied with after the Offering has been completed) have been complied with;
- (vi) the Prospectus being issued not later than 17 August 2022 or such later date as may be agreed by the Sole Underwriter;
- (vii) the irrevocable written undertakings procured by the Sponsor from the following substantial shareholders of the Sponsor, namely Lee Sai Boon, Lee Chai, Kang Ah Chee and Lim Yook Kim, to subscribe and/or cause to subscribe in full for their respective entitlements for the ROFS and/or each other's entitlements not subscribed for under the ROFS having been obtained and are in full force;
- (viii) the conditional SPAs dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and the Vendors on for the Acquisitions not being rescinded and remaining in full force and effect;
- (ix) the delivery of the signed legal opinion addressed to the Sole Underwriter on the closing date for the Retail Offering or any such date as may be extended from time to time by the Sole Underwriter ("**Closing Date**");
- (x) the Offering and the offering and subscription of the Offer Unit(s) in accordance with the provisions hereof not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (xi) there not being, on or prior to the Closing Date and/or the date of delivery of Application Form together with the remittance of subscription monies payable on the application of the unsubscribed units by the Sole Underwriter ("**Settlement Date**"), any change or any development involving a prospective change in the financial condition, business or operation of the AME REIT, the Subject Properties, the Sponsor, the Selling Subsidiaries, the Manager and the Trustee for Offering or from the information set out in the Prospectus which is likely to give rise to, in the Sole Underwriter's opinion, any event, change or development involving a material adverse effect, or that will or is likely to prejudice or have a material adverse effect, whether individually or in the aggregate and whether or not arising in the ordinary course of business ("**Material Adverse Event**").
- (xii) there not having occurred on or prior to the Closing Date and/or Settlement Date any breach of and/or failure to perform any of the representations, warranties and undertakings by the Sponsor, the Selling Subsidiaries, the Manager and the Trustee contained in the Underwriting Agreement in the opinion of the Sole Underwriter; and
- (xiii) the delivery to the Sole Underwriter on the Closing Date and Settlement Date, respectively a certificate of the Sponsor, the Selling Subsidiaries, the Manager and the Trustee in the agreed form, to the effect that the person who provides such certificate has carefully examined Underwriting Agreement and that: (i) the representations, warranties and undertakings of the Sponsor, the Selling Subsidiaries, the Manager and the Trustee are true, accurate and correct and not misleading in all respects and the Sponsor, the Selling Subsidiaries, the Manager and the Trustee has complied with all the terms of the Underwriting Agreement and satisfied all the conditions on its part under the Underwriting Agreement to be performed and satisfied on or prior to the Closing Date and the Settlement Date (as the case may be); (ii) since the date of the Underwriting Agreement, there has been no change or development that may give rise to a Material Adverse Event; and (iii) the allotment and issuance of the Retail Offering under the Offering are not being prohibited by any statutes or regulations promulgated or issued by any legislative or regulatory body in Malaysia.

3. DETAILS OF OFFERING (Cont'd)

In the event any of the conditions above are not satisfied on or prior to the Closing Date which in any case shall not be later than 26 August 2022 or such later date as consented to in writing by the Sole Underwriter, the Sole Underwriter, subject as mentioned below, shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing to the Sponsor, the Selling Subsidiaries, the Manager and the Trustee.

To the extent permitted by law, the Sole Underwriter may at its sole discretion, upon request by the Sponsor, the Selling Subsidiaries, the Manager and/or the Trustee waive compliance with any conditions set out above. Any condition so waived by the Sole Underwriter in writing shall be deemed to have been satisfied in relation to it.

3.12.2 Termination

The Sole Underwriter, may by notice in writing to the Sponsor, the Selling Subsidiaries, the Manager and the Trustee given at any time before the Listing Date, terminate, cancel and withdraw its underwriting commitment if in the opinion of the Sole Underwriter:

- (i) there is any breach by the Sponsor, the Selling Subsidiaries, the Manager and/or the Trustee of any of the representations, warranties, undertakings or any other provisions set under the Underwriting Agreement or which is contained in any certificate under or in connection with the Underwriting Agreement in any respect; and where such misrepresentation or breach is capable of remedy, the same not being remedied within five Market Days or on such other day which may mutually be agreed in writing, but in any event no later than the Closing Date from the provision of a written notice to the Sponsor, the Selling Subsidiaries, the Manager and/or the Trustee, as the case may be, by the Sole Underwriter;
- (ii) failure on the part of the Sponsor, the Selling Subsidiaries, the Manager and/or the Trustee to perform any of their respective obligations contained in the Underwriting Agreement;
- (iii) the Sponsor, the Selling Subsidiaries, the Manager and/or the Trustee withholds any information from the Sole Underwriter, which, in the opinion of the Sole Underwriter, is reasonably likely to give rise to a Material Adverse Event;
- (iv) any statement contained in the Prospectus and the Application Form has become or been discovered to be untrue, inaccurate or misleading;
- (v) matters have arisen or have been discovered which would, if the Prospectus and the Application Form were to be issued at that time, constitute a material omission therefrom;

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3. DETAILS OF OFFERING (Cont'd)

- (vi) there shall have occurred, happened or come into effect any event or series of events beyond the control of the Sole Underwriter by reason of force majeure which would have or can reasonably be expected to have, a material adverse effect on the business, operations, financial condition or prospects of AME REIT or the Subject Properties or the success of the Offering or which is reasonably likely to have the effect of making any material obligation under the Underwriting Agreement incapable of performance in accordance with its terms or the Subject Properties in AME REIT shall sustain any material loss from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, in each case, that has caused or could reasonably be expected to give rise to a Material Adverse Event. For the purposes of this Section 3.12.2 "Force Majeure" means causes 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: (a) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism; (b) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power; or (c) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics, pandemics, escalation of the current pandemic (such diseases or epidemics to include but not be limited to avian flu and COVID-19) or other acts of God;
- (vii) any government requisition, mandatory control orders or restrictions in movement or other occurrence of any nature whatsoever which results in or is likely to give rise to, a Material Adverse Event;
- (viii) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), economic conditions or exchange control or currency exchange rates which in the opinion of the Sole Underwriter is likely to give rise to a Material Adverse Event (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:
 - (a) on or after the date of the Underwriting Agreement; and
 - (b) prior to the Listing Date,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;
- (ix) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading is imposed for three consecutive Market Days or more;
- (x) any new law or regulation or change in law, regulation, directive, policy or ruling in any applicable jurisdiction which causes or is likely to give rise to, a Material Adverse Event;
- (xi) any part of the Offering is stopped by the Sponsor, Selling Subsidiaries, the Trustee and/or the Manager or any regulatory authorities for any reason whatsoever (unless such stoppage has been approved in writing by the Sole Underwriter);
- (xii) any commencement of legal proceedings, formal investigations, enquiries or action against the AME Group and/or the Manager or any of their directors or associates, which causes, or is likely to give rise to, a Material Adverse Event or make it impracticable to market the Offering or to enforce contracts to allot and /or transfer the Offer Unit(s);

3. DETAILS OF OFFERING (Cont'd)

- (xiii) the Listing does not take place on or before 20 September 2022, or such other extended date as may be agreed by the Sole Underwriter in writing;
- (xiv) the irrevocable written undertakings procured by the Sponsor from the following substantial shareholders of the Sponsor, namely Lee Sai Boon, Lee Chai, Kang Ah Chee and Lim Yook Kim, to subscribe and/or cause to subscribe in full for their respective entitlements for the ROFS and/or each other's entitlements not subscribed for under the ROFS shall have been terminated or rescinded;
- (xv) the conditional SPAs dated 19 July 2022 entered into between the and the Vendors on for the Acquisitions shall have been terminated or rescinded in accordance with the terms thereof;
- (xvi) The execution of the Placement Agreement has not taken place by Settlement Date and the Placement Agreement not having been terminated or rescinded in accordance with the terms thereof or any of the conditions precedent set forth in the Placement Agreement not having been satisfied in full or to the extent not satisfied as such, waived by HLIB therein in accordance with its terms;
- (xvii) approval for the Offering is withdrawn, modified or is varied or supplemented subject to terms and conditions not acceptable to the Sole Underwriter; or
- (xviii) the Closing Date does not take place on or before 26 August 2022 or any later date which is approved by the Sole Underwriter in writing.

3.13 TRADING ON THE MAIN MARKET AND SETTLEMENT IN THE SECONDARY MARKET

Upon listing and quotation on the Main Market, the Units will be traded on the Main Market and transferred by book-entry settlement through CDS, which will be effected in accordance with the Rules of Depository, as amended from time to time, and the provisions of the SICDA. Bursa Depository operates the CDS.

Unitholders are required under the Rules of Depository to maintain CDS Accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as Unitholders in respect of the number of Units credited to their respective securities accounts.

Transfer of Units under the book-entry settlement will be reflected by the seller's CDS Account being debited with the number of Units sold and the buyer's CDS Account being credited with the number of Units acquired. No transfer stamp duty is currently payable for the Units that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

Dealings in units of REITs listed on the Main Market are normally transacted in "board lots" of 100 units. Investors who desire to deal in less than 100 units of a listed REIT occasionally experience delays in effecting such transaction.

It is expected that the Units offered under the Offering will commence trading on the Main Market approximately 10 Market Days after the close of the Institutional Offering. Subscribers of the Units will not be able to sell or otherwise deal in the Units prior to the commencement of trading on the Main Market. Please refer to Section 5 "Risk Factors" of this Prospectus for further details.

4. FINANCIAL INFORMATION

4.1 UNAUDITED PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (“PRO FORMA STATEMENT OF COMPREHENSIVE INCOME”)

The objective of the Pro Forma Statement of Comprehensive Income of AME REIT is to show what the results of operations might have been had AME REIT existed at an earlier date. However, the Pro Forma Statement of Comprehensive Income of AME REIT are not necessarily indicative of the results of operation that would have been attained had AME REIT actually existed earlier.

The applicable criteria on the basis of which the Board of Directors of the Manager and the board of directors of AME have compiled the Pro Forma Statement of Comprehensive Income are specified in Chapter 12 of Part III of the CIS Prospectus Guidelines.

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

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

In arriving at the Pro Forma Statement of Comprehensive Income for FYE 2020, FYE 2021 and FYE 2022, certain key adjustments and assumptions were made:

- (i) The property management fee has been computed based on the Property Management Agreement entered into between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager for the Subject Properties, and as set out in the Section on “Property management fee” under Section 4.4.5.3 “Components of Property Operating Expenses”;
- (ii) No acquisition fee has been assumed for the financial years presented;
- (iii) Depreciation expense and support cost which are not applicable to AME REIT have been excluded;
- (iv) Profit income is assumed to be earned based on the adjusted weighted average overnight policy rate of 3.11%, 2.00% and 1.90% for the FYE 2020, FYE 2021 and FYE 2022 respectively;
- (v) The fair values of the Subject Properties for FYE 2020, FYE 2021 and FYE 2022 are based on investment method, determined based on the Manager’s estimates and valuation performed by independent qualified valuers;
- (vi) The computation of Management Fees and Trustee’s fees take into account the formula set out in the Deed and as set out in Section 4.4.5.5 “Components of Management Fees” and Section 4.4.5.6 “Trustee’s fees” of this Prospectus;

4. FINANCIAL INFORMATION (Cont'd)

- (vii) Islamic financing costs comprise profit expense on the Islamic Financing Facilities as set out in Section 3.9 "REIT Financing" of this Prospectus. It is assumed that the Islamic Financing Facilities carries an assumed floating profit rate of 3.70% per annum;
- (viii) Other trust expenses comprise annual audit fees, taxation fees, valuation fees, Shariah advisory fee, market research fees, public relation expenses and other expenses relating to the preparation and distribution of reports to Unitholders, together with other miscellaneous expenses such as postage, printing and stationery; and
- (ix) No current tax liabilities throughout the financial years presented as it is assumed that 100.0% of AME REIT's total income (as defined in the Income Tax Act) would be distributed to Unitholders within 2 months after the close of the financial year.

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

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

Notes:

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

4. FINANCIAL INFORMATION (Cont'd)

4.2 PRO FORMA STATEMENT OF FINANCIAL POSITION

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

The Pro Forma Statement of Financial Position of AME REIT was prepared based on the Acquisition of the Subject Properties from the Vendors by the Trustee (on behalf of AME REIT) for a total purchase consideration of approximately RM557.0 million to be satisfied in the following manner:

- (i) the issuance of 520,000,000 Consideration Units at the issue price of RM1.00 per Consideration Unit, to be credited as fully paid-up; and
- (ii) cash consideration of RM37.0 million raised through the funds received from the drawdown of the Islamic Financing Facilities procured by the Trustee on behalf of AME REIT,

as set out in Section 2.4 "Acquisition of the Subject Properties" of this Prospectus.

The fair value of the Consideration Units is estimated at RM520.0 million (based on the issue price of RM1.00 per Unit).

The purchase consideration for the Subject Properties was arrived at based on the independent valuation of the Subject Properties as at 2 August 2021 and subsequently updated as at 7 February 2022.

As part of the Acquisitions, AME REIT will also assume certain liabilities being the tenant deposits payable and rental received in advance and the corresponding cash equivalents of these balances. For purposes of the Pro Forma Statement of Financial Position of AME REIT, these amounts are illustrated based on the carrying amounts of the tenants' deposits payable and rental received in advance as at 31 March 2022.

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

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

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4. FINANCIAL INFORMATION (Cont'd)

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

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

Notes:

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

4. FINANCIAL INFORMATION (Cont'd)

4.3 CAPITALISATION AND INDEBTEDNESS

Assuming full subscription under the Offering and based on the Retail Price of RM1.15 per Unit, the following table sets forth the pro forma capitalisation of AME REIT as at the Listing Date. The information in the table below should be read in conjunction with Section 3.10 "Utilisation of Proceeds", Section 4.2 "Pro Forma Statement of Financial Position" and the "Reporting Accountants' Report on the Pro Forma Statement of Financial Position" in Appendix D of this Prospectus and the related notes in this Prospectus.

As at the Listing Date	(RM'000)
Islamic Financing Facilities ⁽¹⁾⁽²⁾	46,490
Unitholders' funds ⁽³⁾	515,000
Total Capitalisation	561,490

Notes:

- (1) All of AME REIT's indebtedness are secured and not guaranteed by any third party.
- (2) The amount of the Islamic Financing Facilities to be drawn down at the Listing Date of RM47.0 million, net of estimated transaction costs of approximately RM0.5 million, including RM37.0 million to part finance the Acquisitions and RM10.0 million to be used for working capital requirements as well as for Listing expenses.
- (3) Unitholders' funds were arrived at based on the following:

	RM'000
520,000,000 Units valued at Retail Price	598,000
Less: Adjustment due to difference between Retail Price and issue price of RM1.00 per unit	(78,000)
Representing capitalisation of Units at issue price of RM1.00 per unit	520,000
Less: Estimated expenses	(5,000)
	515,000

Please refer to Section 3.9 "REIT Financing" of this Prospectus for further details on the Islamic Financing Facilities.

Based on the Pro Forma Statement of Financial Position, AME REIT is expected to have an initial indebtedness of approximately RM46.5 million representing approximately 8.1% of its estimated Total Asset Value of RM574.5 million.

4.4 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

4.4.1 General Background

AME REIT is an Islamic REIT established in Malaysia and constituted by the Deed. As AME REIT is a newly established REIT, it has no historical operating results and financial information based on which recipients of this Prospectus and prospective investors in the Units may evaluate AME REIT save for those of the Subject Properties to be acquired.

4. FINANCIAL INFORMATION (Cont'd)

AME REIT is an Islamic real estate investment trust constituted under the Deed with the principal investment policy of investing, directly and indirectly, in a portfolio of Shariah-compliant income producing Real Estate used primarily for industrial sector and industrial-related purposes in Malaysia and overseas. Upon Listing, AME REIT will own an initial portfolio of 31 Industrial Properties and 3 Industrial-Related Properties used as workers' dormitories. All of AME REIT's 34 Subject Properties are located within Iskandar Malaysia. Out of the 31 Industrial Properties, there are 13 Industrial Properties located in i-Park @ SAC and 1 Industrial Property used as a warehouse located in Free Industrial Zone facility which is near to i-Park @ SAC, 11 Industrial Properties located in i-Park @ Indahpura, 3 Industrial Properties located in i-Park @ SILC and 3 gated single storey detached industrial buildings with 3-storey offices and built with an individual guard house to be managed by the occupant in District 6 @ SILC. Out of the 3 worker's dormitories, 2 dormitories are located adjacent to i-Park @ Indahpura and the remaining 1 dormitory located adjacent to i-Park @ SAC, respectively.

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

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

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

Note:

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

Please refer to Section 1.3 "Strategies" of this Prospectus for further details.

4.4.2 Presentation of Financial Information

AME REIT is a newly established REIT, and except for the Subject Properties to be acquired, AME REIT has not had any portfolio of real estate since its establishment. No historical financial information has been prepared since AME REIT's establishment. The Manager's intention is for AME REIT's first audited financial period to be the period commencing on the date of establishment of AME REIT and ending on 31 March 2023. In order to assist investors' evaluation of the factors which may affect AME REIT's future financial results, the Manager has prepared the Profit Forecast together with the related assumptions and information contained in Section 4.5.3 "Bases and Assumptions" of this Prospectus below which should be read together with the "Reporting Accountants' Letter on the Profit Forecast" in Appendix E.

4. FINANCIAL INFORMATION (Cont'd)

4.4.3 Factors Affecting AME REIT's Financial Condition and Results of Operations

The performance of AME REIT's portfolio is primarily dependent on the revenue generated from the tenancies of the Subject Properties, as well as the operating expenses related to the Subject Properties. Significant factors affecting rental income include rental rates that the Subject Properties may command and the Occupancy Rates.

Rental rates

Rental rates of the Subject Properties are mainly affected by the following:

- (i) size of the Subject Properties;
- (ii) location and accessibility of the Subject Properties;
- (iii) availability of common facilities and/or amenities;
- (iv) degree of complexity for special purpose built factories;
- (v) customisation to tenants' requirement;
- (vi) proportion of office to production/warehouse space;
- (vii) availability of property management services;
- (viii) profile of tenants (which include tenant mix and credit profile of tenants);
- (ix) tenure of tenancies and adjustments of rental upon renewal, if any;
- (x) competing industrial properties within the locality;
- (xi) the age and upkeep of the Subject Properties; and
- (xii) general macroeconomic and supply/demand trends affecting the real estate market, particularly the industrial real estate market in Malaysia.

Occupancy Rates

Occupancy rates of the Subject Properties are dependent on:

- (i) supply/demand trends affecting the industrial real estate market;
- (ii) potential vacancy periods arising from tenancy expiries and/or early terminations; and
- (iii) rental rates of other competing industrial properties within the locality.

Property Operating Expenses

Property Operating Expenses are not affected to the same degree as AME REIT's Total Revenue by general economic trends affecting the real estate market in Malaysia, as a substantial part of its Property Operating Expenses are fixed in nature. As a result, to the extent that AME REIT's Total Revenue is negatively affected by the abovementioned factors, its results of operations will be similarly negatively affected because it would not be easy to reduce AME REIT's costs without compromising the conditions of the Subject Properties.

4. FINANCIAL INFORMATION (Cont'd)

Property Operating Expenses may be affected by a number of factors including, primarily:

- (i) the age, upkeep and upgrading of the Subject Properties, mainly limited to the basic structure of the buildings as the interior fit-outs are undertaken by the tenants;
- (ii) the ability to pass on gated development charges to the tenants of the Subject Properties, as well as any maintenance and charges levied mainly limited to Subject Properties requiring major repairs to building structure, rectifications and repainting works;
- (iii) inflation and the general increase in prices for services and cost of materials;
- (iv) changes in quit rent and assessment levied by the local government and/or the State Authority where the Subject Properties are located;
- (v) premium changes on insurance coverage procured over the basic structure of the Subject Properties including fire and consequential loss of income; and
- (vi) employment conditions (which may affect labour costs of the Property Manager, which are reimbursed by AME REIT).

Please refer to Section 4.4.5.3 “Components of Property Operating Expenses” of this Prospectus.

Islamic financing costs

Islamic financing costs consist of profit expense incurred on Islamic Financing Facilities and amortisation of transaction costs on financings capitalised. Finance costs will depend on profit rates of financing incurred by AME REIT. Please refer to Section “Islamic financing costs” under Section 4.4.4 “Significant Accounting Policies” of this Prospectus below for further details.

Fair value of the Subject Properties

Independent professional valuation will be obtained at least once every financial year in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary and these valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines. Any increase or decrease in valuation will be credited or charged directly to AME REIT’s Statement of Comprehensive Income as a fair value gain or loss on investment properties. The revaluation of the Subject Properties may therefore in the future result in significant fluctuations in the financial performance of AME REIT.

Property values are affected by, among other factors, supply of and demand for comparable properties, any asset enhancement initiatives undertaken, interest rates and inflation.

General economic and property market conditions

In general, AME REIT’s business and financial condition may be affected by broader economic conditions of Malaysia and conditions of the Malaysian real estate sector.

Financial impact of COVID-19 pandemic

The manufacturing sector was also affected by COVID-19 due to the implementation of the movement control order and conditional movement control order periods (i.e. from 18 March 2020 to 9 June 2020) as well as during the nationwide lockdown from 1 June 2021 to 28 June 2021. Among the manufacturing sectors allowed to operate with limited capacity are manufacturers of personal protective equipment including rubber gloves, electrical and electronics, oil and gas including petrochemicals, chemical products, food and beverage, medical care and cleaning supplies.

4. FINANCIAL INFORMATION (Cont'd)

During the FYE 2020 to FYE 2022, most of the tenants of the Industrial Properties were involved in the manufacturing of electrical and electronics, packaging products, industrial products, medical devices, food and beverage products and plastic products, hence were able to continue operating during the initial stages of the movement control orders. Subsequent to that, tenants have been allowed to operate, but with intermittent interruptions due to closure or scale-down of operations from outbreak of the disease among factory workers or from directive of the government during the lockdown imposed in the various phases of movement control order to contain the disease. The Industrial-Related Properties have also not been impacted during this period.

Despite the intermittent interruptions to operations of tenants of the Subject Properties since the pandemic, there has been no material impact on AME REIT's financial conditions and results of operations as the leasing of the Subject Properties to the then existing tenants continued without disruption. There were no early termination of tenancies due to the pandemic and there were no rental reduction granted.

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

No.	No. of Subject Properties	No. of tenants	Rental Period	Deferment Period	Status as at 30 June 2022
1.	7	5	April / May 2020	3 months	Fully paid
2.	4	3	April and May 2020	2 to 6 months	Fully paid
3.	1	1	July to first half September 2021	4 months	Fully paid
4.	1	1	November and December 2021	1 to 2 months	Fully paid
5.	1	1	April and May 2022	1 to 2 months	Fully paid

As at 8 August 2022, there are no more deferred rental arrangements except for one remaining property for which rental deferment has been granted from February to August 2022. The tenant has settled 3 months' rentals for February to April 2022, with the remaining 4 months outstanding.

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

Operations of tenants of the Subject Properties were allowed to fully resume on 25 October 2021 when Johor moved into Phase 4 of the National Recovery Plan. As at the LPD, none of the existing tenants of the Subject Properties have given any notice for early termination of leases. In fact, among the Subject Properties, 9 of the tenancies (not including I Stay) were secured after March 2020 up to the LPD while 7 tenancy renewals were secured during the same period.

4.4.4 Significant Accounting Policies

The following accounting policies are adopted by AME REIT as at date of establishment.

(a) Basis of measurement

The financial statements of AME REIT will be prepared on the historical basis unless otherwise described below, and in compliance with the provisions of the Deed, MFRS and International Financial Reporting Standards.

4. FINANCIAL INFORMATION (Cont'd)

(b) Functional and presentation currency

The financial statements of AME REIT will be presented in RM, which is the functional currency of AME REIT. All financial information is presented in RM and will be rounded to the nearest thousand, unless otherwise stated.

(c) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(d) Financial instruments

(i) Recognition and initial measurements

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, AME REIT becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless AME REIT changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impairment financial assets (see Note (h)(i)) where the effective profit rate is applied to the amortised cost.

4. FINANCIAL INFORMATION (Cont'd)

Financial liabilities

Financial liabilities at initial recognition are categorised as amortised cost and are subsequently measured at amortised cost using the effective profit method.

Profit expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, AME REIT currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(e) Investment properties

Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised financing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

4. FINANCIAL INFORMATION (Cont'd)

The fair value of investment properties held by AME REIT as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, AME REIT added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(f) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, AME REIT assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, AME REIT allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which AME REIT is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

AME REIT recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, AME REIT's incremental financing rate. Generally, AME REIT uses their incremental financing rate as the discount rate.

4. FINANCIAL INFORMATION (Cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that AME REIT is reasonably certain to exercise; and
- penalties for early termination of a lease unless AME REIT is reasonably certain not to terminate early.

AME REIT excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

AME REIT has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. AME REIT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When AME REIT acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, AME REIT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, AME REIT applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When AME REIT is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which AME REIT applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4. FINANCIAL INFORMATION (Cont'd)

The lease liability is measured at amortised cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in AME REIT's estimate of the amount expected to be payable under a residual value guarantee, or if AME REIT changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

AME REIT recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and Islamic deposits with banks and highly liquid Shariah-compliant investments which have an insignificant risk of changes in fair value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged Islamic deposits.

(h) Impairment

(i) Financial assets

AME REIT recognises loss allowances for expected credit losses on financial assets measured at amortised cost and tenancy contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

AME REIT measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and tenancy contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, AME REIT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on AME REIT's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which AME REIT is exposed to credit risk.

AME REIT estimates the expected credit losses on trade receivables.

4. FINANCIAL INFORMATION (Cont'd)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, AME REIT assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when AME REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with AME REIT's procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for investment properties that are measured at fair value) are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

(i) Islamic financing costs

Islamic financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective profit method.

Islamic financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of cost of those assets.

The capitalisation of Islamic financing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, Islamic financing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of Islamic financing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific Islamic financing pending their expenditure on qualifying assets is deducted from the Islamic financing costs eligible for capitalisation.

4. FINANCIAL INFORMATION (Cont'd)

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(k) Provisions

A provision is recognised if, as a result of a past event, AME REIT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue

(i) Rental income

Rental income consists of income from the leasing of investment properties.

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives are recognised as an integral part of the total rental income, over the term of the lease.

(ii) Profit income

Profit income is recognised as it accrues using the effective profit method in profit or loss.

(m) Expenses

(i) Property expenses

Property expenses consist of property management fees, quit rent and assessment, and other property outgoings in relation to investment properties where such expenses are the responsibility of AME REIT.

Property management fees are recognised on an accrual basis.

(ii) Management Fees

Management Fees are recognised on an accrual basis using the applicable formula.

(iii) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

4. FINANCIAL INFORMATION (Cont'd)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the financial year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the financial year.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note (e), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each financial year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Earnings per unit

AME REIT's earnings per unit ("**EPU**") is presented based on basic and diluted format.

Basic EPU is calculated by dividing the profit or loss attributable to unitholders of AME REIT by the weighted average number of units outstanding during the period.

Diluted EPU is determined by adjusting the profit or loss attributable to unitholders and the weighted average number of units outstanding adjusted for the effects of all dilutive potential units.

(p) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. FINANCIAL INFORMATION (Cont'd)

When measuring the fair value of an asset or a liability, AME REIT uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that AME REIT can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

AME REIT recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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4. FINANCIAL INFORMATION (Cont'd)

4.4.5 Components of the unaudited Pro Forma Statement of Comprehensive Income

4.4.5.1 Total revenue

Rental income

AME REIT's total revenue represents rental income derived from the rental and leasing of the Subject Properties based on the rental charges stipulated in the respective tenancy agreements of the Subject Properties, after adjusting for increases in rentals during the later period's tenancy on a straight-line⁽¹⁾ basis over the term of the tenancy. Rental income is recognised in the statement of profit or loss on a straight-line basis over the term of the lease. As at 31 March 2022, of the 34 Subject Properties, 33 are yielding rental, while the remaining dormitory under construction has received CCC on 5 July 2022 and had commenced rental operations effective from 15 July 2022⁽²⁾.

Notes:

(1) *The straight-line rental income is obtained by dividing the total rental income for committed tenancies over the tenure of such rentals, i.e. the total rental amount over the life of the lease is divided and recognised equally over the relevant tenancy period. This differs from the actual rental applicable during the relevant periods, as leases may feature rental rate escalations over the tenure of the leases as well as rent-free periods.*

(2) *In respect of Plot 13 Dorm Indahpura, tenancy commenced on 15 July 2022.*

The following tables sets out information on the Total Revenue, average Occupied NLA and average monthly rental rate for the categories of Subject Properties for the FYE 2020, FYE 2021 and FYE 2022, respectively and the WALE of the Subject Properties as at the LPD.

Total Revenue by categories of properties

Categories of properties	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)
Industrial Properties			
- SAC Subject Properties	10,914	12,966	17,000
- Indahpura Subject Properties	7,805	7,588	8,021
- SILC Subject Properties	2,357	1,953	3,015
	21,076	22,507	28,036
Dormitories	5,794	6,146	7,200
Total Revenue	26,870	28,653	35,236

Average Occupied NLA ⁽¹⁾

Categories of properties	FYE 2020 ('000 sq ft)	FYE 2021 ('000 sq ft)	FYE 2022 ('000 sq ft)
Industrial Properties			
- SAC Subject Properties ⁽²⁾	576	675	893
- Indahpura Subject Properties ⁽³⁾	409	409	427
- SILC Subject Properties ⁽⁴⁾	129	102	175
Total Average NLA	1,114	1,186	1,495
	No. of beds	No. of beds	No. of beds
Dormitories ⁽⁵⁾	4,004	4,118	4,118

4. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Average Occupied NLA is derived based on the monthly Occupied NLA of each of the Subject Properties.
- (2) Comprising 10 properties with average tenanted period of 11.4 months in FYE 2020, and increased to 13 properties with average tenanted period of 9.1 months in FYE 2021, and finally increased to 14 properties with average tenanted period of 11.4 months in FYE 2022.
- (3) Comprising 10 properties with average tenanted period of 12.0 months in FYE 2020 and FYE 2021 respectively, and finally increased to 11 properties upon completion of an Industrial Property in December 2021 with average tenanted period of 11.0 months in FYE 2022.
- (4) Comprising 6 properties due to completion of 2 Industrial Properties in the financial year with average tenanted period of 10.0 months in FYE 2020. Average tenanted period decreased to 8.8 months in FYE 2021 for the 6 properties, and finally the average tenanted period stabilised at 12.0 months in FYE 2022.
- (5) Average Occupied NLA is not applicable for Dormitories as the rental is not negotiated based on NLA but based on the whole dormitory on master lease arrangements together with the available amenities and facilities on its premises.

The number of beds for the FYE 2020, 2021 and 2022 have been restated based on the approved bed capacity for SAC Dorm and Plot 17 Dorm Indahpura as at the LPD which is based on their respective Certificate for Accommodation and in compliance with Act 446. The actual bed capacity prior to reconfiguration to comply with Act 446 was more than 5,000 beds.

Average monthly rental rate

Categories of properties	FYE 2020 RM per sq ft	FYE 2021 RM per sq ft	FYE 2022 RM per sq ft
Industrial Properties ⁽¹⁾			
-SAC Subject Properties	1.58	1.60	1.59
-Indahpura Subject Properties	1.59	1.55	1.57
-SILC Subject Properties	1.52	1.59	1.43
Total aggregated average rental rate	1.58	1.58	1.56
	RM per bed	RM per bed	RM per bed
Dormitories ⁽²⁾	121	124	146

Notes:

- (1) Average rental rate is calculated based on the Occupied NLA.
- (2) Average rental rate is calculated based on the aggregate approved bed capacity (number of beds) for SAC Dorm and Plot 17 Dorm Indahpura.

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4. FINANCIAL INFORMATION (Cont'd)

WALE

The WALE of the Industrial Properties (excluding the 3 Dormitories) by Occupied NLA and the WALE of the Subject Properties by Pro Forma Gross Rental Income (as defined in Section 2.1.3 of this Prospectus) as at the LPD is as follows:

	By Occupied NLA of properties available for tenancy	By Pro Forma Gross Rental Income
	years	years
Industrial Properties		
- SAC Subject Properties	4.6	4.9
- Indahpura Subject Properties	2.5	2.5
- SILC Subject Properties	2.4	2.1
Dormitories	N/A	2.5
Portfolio WALE	3.7	3.5

The remaining tenancy terms range from less than a year and up to approximately 11 years.

4.4.5.2 Occupancy trends

The following table sets out the average Occupancy Rate of the categories of the Subject Properties for the FYE 2020, FYE 2021 and FYE 2022.

Components	FYE 2020	FYE 2021	FYE 2022
	(%)	(%)	(%)
Industrial Properties			
- SAC Subject Properties	99.6	⁽¹⁾ 93.5	95.0
- Indahpura Subject Properties	100.0	100.0	⁽²⁾ 99.7
- SILC Subject Properties ⁽³⁾	⁽⁴⁾ 73.7	⁽⁵⁾ 58.4	⁽⁶⁾ 100.0
Total average Occupancy Rate	95.8	90.8	96.9
Dormitories	100.0	100.0	100.0

Notes:

- (1) The Occupancy Rate at SAC Subject Properties of 93.5% in FYE 2021 was due to:
- (i) Plot A of FZW SAC being vacant for 9 months; and
- (ii) Plot B of FZW SAC being vacant for 4.5 months,
- since building completion of FZW SAC in July 2020. Plot C was tenanted in July 2020 immediately after building completion of FZW SAC.
- (2) The Occupancy Rate at Indahpura Subject Properties of 99.7% was due to 13 days of vacant period of 1 Industrial Property during the transition period pending commencement of new tenancy.
- (3) All 3 Subject Properties located in i-Park @ SILC was 100% occupied from FYE 2020 to FYE 2022.
- (4) The overall Occupancy Rate at SILC Subject Properties of 73.7% was due to a temporary tenancy on the 2 vacant properties at District 6 @ SILC Subject Properties for a period of 6 months in FYE 2020.

4. FINANCIAL INFORMATION (Cont'd)

- (5) The overall Occupancy Rate at SILC Subject Properties of 58.4% in FYE 2021 was due to the commencement of tenancy for the 2 vacant properties at District 6 @ SILC Subject Properties in the 4th quarter of FYE 2021.
- (6) The full Occupancy Rate achieved was due to District 6 @ SILC Subject Properties being 100% occupied in FYE 2022.

Despite the COVID-19 outbreak, overall occupancy has been maintained at above 90% for the past 3 financial years, whilst NPI has overall seen moderate growth between FYE 2020 to FYE 2022 mainly due to the increase in properties available for tenancy and tenanted in AME's portfolio from 28 to 33. The overall Occupancy Rates of above 90% were due to high Occupancy Rates of Indahpura Subject Properties of 100% from FYE 2020 to FYE 2021 before reducing slightly to 99.7% in FYE 2022, and SAC Subject Properties of between 93.5% to 99.6% in FYE 2020 to FYE 2022, which were offset by the lower occupancy rates of SILC Subject Properties of between 58.4% to 73.7% in FYE 2020 to FYE 2021 until 100% occupancy was achieved in FYE 2022. These fluctuations in SILC Subject Properties were not COVID-19 related.

For a further description of the occupancy profile and Occupancy Rate of the Subject Properties, please refer to Section 2.1.7 "Occupancy Profile" and Section 2.1.8 "Tenancy Expiry Profile" of this Prospectus.

4.4.5.3 Components of Property Operating Expenses

The Property Operating Expenses include quit rent and assessment, insurance, repair and maintenance and other property operating expenses such as property management fees, reimbursement costs, gated development service charges and security services.

Quit rent and assessment

<u>Components</u>	<u>FYE 2020</u> <u>(RM'000)</u>	<u>FYE 2021</u> <u>(RM'000)</u>	<u>FYE 2022</u> <u>(RM'000)</u>
Industrial Properties	535	1,002	1,177
Dormitories	97	108	106
	<u>632</u>	<u>1,110</u>	<u>1,283</u>

Quit rent is an amount prescribed by and payable to the State Authority. Assessment are calculated based on a rate as prescribed by the local authorities, on the annual value of the Subject Properties as assessed by the relevant local authorities. The actual amounts of quit rent and assessment paid with respect to the Subject Properties are included in the Pro Forma Statement of Comprehensive Income.

Insurance

<u>Components</u>	<u>FYE 2020</u> <u>(RM'000)</u>	<u>FYE 2021</u> <u>(RM'000)</u>	<u>FYE 2022</u> <u>(RM'000)</u>
Industrial Properties	477	447	533
Dormitories	46	32	34
	<u>523</u>	<u>479</u>	<u>567</u>

Insurance expenses relate to insurance premium expenses incurred and payable for coverage of the Subject Properties. These include fire and consequential loss of income.

4. FINANCIAL INFORMATION (Cont'd)

Repair and maintenance

<u>Components</u>	<u>FYE 2020</u> <u>(RM'000)</u>	<u>FYE 2021</u> <u>(RM'000)</u>	<u>FYE 2022</u> <u>(RM'000)</u>
Industrial Properties	600	258	405
Dormitories	456	2	266
	<u>1,056</u>	<u>260</u>	<u>671</u>

Repair and maintenance expenses comprises the cost for contractual maintenance as well as general repair and cost of upkeep of the Subject Properties such as repair and maintenance of concrete and steel structure, roof and gutters leakage, external wall of building, including repainting, and fencing wall of the properties incurred for the respective years under review.

Other operating expenses

<u>Components</u>	<u>FYE 2020</u> <u>(RM'000)</u>	<u>FYE 2021</u> <u>(RM'000)</u>	<u>FYE 2022</u> <u>(RM'000)</u>
Industrial Properties	187	359	235
Dormitories	31	6	240
	<u>218</u>	<u>365</u>	<u>475</u>

Other operating expenses mainly consists of gated development charges for 3 Indahpura Subject Properties, 2 SILC Subject Properties and 1 SAC Subject Property. The monthly maintenance charges, landscape maintenance services, security outsourcing services, waste disposal services and pest control services were incurred only for FZW SAC.

Property management fee

<u>Components</u>	<u>FYE 2020</u> <u>(RM'000)</u>	<u>FYE 2021</u> <u>(RM'000)</u>	<u>FYE 2022</u> <u>(RM'000)</u>
Property management fee	240	240	240
Reimbursement costs	96	96	96
	<u>336</u>	<u>336</u>	<u>336</u>

Property management fee was assumed and based on the fixed rate of RM20,000 per month and estimated reimbursement costs of RM8,000 per month agreed between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager in respect of service provided for the management of the Subject Properties.

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4. FINANCIAL INFORMATION (Cont'd)

4.4.5.4 NPI trends

The following table sets out information on the NPI of the Subject Properties for the FYE 2020, FYE 2021 and FYE 2022, respectively.

Components	FYE 2020	FYE 2021	FYE 2022
	(RM'000)	(RM'000)	(RM'000)
Industrial Properties			
- SAC Subject Properties	10,486	11,934	15,807
- Indahpura Subject Properties	7,191	6,969	7,318
- SILC Subject Properties	1,600	1,538	2,561
	<u>19,277</u>	<u>20,441</u>	<u>25,686</u>
Dormitories	<u>5,164</u>	<u>5,998</u>	<u>6,554</u>
NPI before property management fee	24,441	26,439	32,240
Less: Property management fee	(336)	(336)	(336)
NPI	<u>24,105</u>	<u>26,103</u>	<u>31,904</u>

4.4.5.5 Components of Management Fees

Pursuant to the Deed, the Manager is entitled to receive the following fees from AME REIT, in the form of cash, new Units or a combination of cash and Units (as it may decide in its sole discretion):

- (i) an annual base fee of up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts);
- (ii) an annual performance fee of up to 5.0% per annum of AME REIT's NPI in the relevant financial year;
- (iii) an acquisition fee of 1.0% of the acquisition price of the following as is applicable (subject to there being no double-counting), including but not limited to the acquisition of AME Group's properties:
 - (aa) in relation to an acquisition (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate purchased by AME REIT or its SPV (pro-rated if applicable to the proportion of AME REIT's interest); or
 - (bb) in relation to an acquisition (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest); and
- (iv) a disposal fee of 0.5% of the disposal price of the following as is applicable (subject to there being no double-counting):
 - (aa) in relation to a disposal (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate disposed by AME REIT or its SPV (pro-rated if applicable to the proportion of AME REIT's interest); or

4. FINANCIAL INFORMATION (Cont'd)

- (bb) in relation to a disposal (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest);

as set out in Section 6.6 "Management Fees" of this Prospectus.

In arriving at the Pro Forma Statement of Comprehensive Income for FYE 2020, FYE 2021 and FYE 2022, it is assumed that the Manager charged a base fee of approximately 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) and annual performance fee of approximately 5% per annum.

4.4.5.6 Trustee's fees

Pursuant to the Deed, the annual Trustee's fee is assumed and calculated based on 0.03% of the NAV of AME REIT for the financial years presented, as set out in Section 8.5 "Trustee's Fee" of this Prospectus.

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4. FINANCIAL INFORMATION (*Cont'd*)

4.4.6 Results of operations for FYE 2021 compared to FYE 2020

Total Revenue

Total Revenue increased by RM1.8 million or 6.7% to RM28.7 million in FYE 2021 from RM26.9 million in FYE 2020, primarily due to the following factors:

- (i) SAC Subject Properties recorded an increase in rental income of RM2.1 million mainly due to:
 - (a) full 12 months rental for 10 existing properties as compared to 11.4 average tenanted months for the 10 existing properties in FYE 2020;
 - (b) the commencement of rental operations for 2 tenancies which account for 63.7% of the total NLA at FZW SAC in July 2020 and November 2020 respectively; and
 - (c) the commencement of new tenancy for 2 new properties in January 2021 and in March 2021 respectively, and
- (ii) Dormitories component recorded an increase in rental income of RM0.3 million mainly due to step-up in rental rate upon renewal of its tenancy in FYE 2021.

The increase in Total Revenue was offset by the following:

- (i) SILC Subject Properties recorded a decrease in rental income of RM0.4 million as Plot 3 District 6 and Plot 4 District 6 were unoccupied for most of FYE 2021 until commencement of new tenancy during the remaining 2.5 months in FYE 2021, as compared to a temporary tenancy for a period of 6 months on Plot 3 District 6 and Plot 4 District 6 in FYE 2020; and
- (ii) Indahpura Subject Properties recorded a decrease in rental income of RM0.2 million mainly due to the adjustment in rental recognition made in FYE 2020 for 3 properties of approximately RM0.2 million relating to FYE 2018 and FYE 2019 not previously recognised.

Property Operating Expenses

Property Operating Expenses decreased by RM0.2 million or 7.1% to RM2.6 million in FYE 2021 from RM2.8 million in FYE 2020, mainly due to a RM0.9 million decrease in repair and maintenance arising from a decrease of RM0.5 million due to one-off repainting works and installation of window grilles at Plot 17 Dorm Indahpura in FYE 2020, and arising from a decrease of RM0.4 million due to one-off repair and preparatory works for new tenancy of 2 SILC Subject Properties in FYE 2020.

The decrease in Property Operating Expenses was offset by a RM0.5 million increase in quit rent and assessment primarily due to the increase of RM0.3 million at SAC Subject Properties arising from the annual value of the assessment based on full 12 months for 10 existing properties and the commencement of rental operations for 3 new properties in FYE 2021, as compared to assessment based on only 11.4 months average tenanted period for the 10 properties in FYE 2020.

NPI

As a result of the factors discussed above, AME REIT recorded NPI of RM26.1 million in FYE 2021, which represented an increase of RM2.0 million or 8.3% from NPI of RM24.1 million in FYE 2020.

4. FINANCIAL INFORMATION (Cont'd)

Management Fees

Management Fees increased by RM0.3 million or 12.0% to RM2.8 million in FYE 2021 from RM2.5 million in FYE 2020. This is primarily due to higher NPI attained in FYE 2021 and the higher Total Asset Value in FYE 2021 mainly resulting from the increase of 3 investment properties in AME REIT's portfolio.

Trustee's fee

Trustee's fees remained stable from FYE 2020 and FYE 2021 at RM0.1 million.

Other trust expenses

Other trust expenses remained stable from FYE 2020 and FYE 2021 at RM0.6 million.

Islamic financing costs

Finance costs increased by RM0.2 million or 18.2% to RM1.3 million in FYE 2021 from RM1.1 million in FYE 2020, due to drawdown of Islamic Financing Facilities in relation to the additional investment properties and for working capital purposes during the year.

Changes in fair value of investment properties

The changes in fair value of RM2.0 million for FYE 2021 resulting from 2 long term leases secured for a new tenant for leasing 2 SILC Subject Properties, with lower rental for the initial periods.

Profit before taxation

As a result of the factors discussed above, AME REIT recorded a profit before taxation of RM19.6 million in FYE 2021 as compared to a profit before taxation of RM20.4 million in FYE 2020.

Distributable income

After adjusting for the non-cash items, AME REIT recorded a Distributable Income of RM24.2 million in FYE 2021, which represented a 22.2% increase from Distributable Income of RM19.8 million in FYE 2020.

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4. FINANCIAL INFORMATION (Cont'd)

4.4.7 Results of operations for FYE 2022 compared to FYE 2021

Total Revenue

Total Revenue increased by RM6.5 million or 22.6% to RM35.2 million in FYE 2022 from RM28.7 million in FYE 2021, primarily due to the following factors:

- (i) SAC Subject Properties recorded an increase in rental income of RM4.0 million mainly due to:
 - (a) 11.3 average tenanted months rental operations for 13 existing properties as compared to 9.1 average tenanted months for the 13 existing properties in FYE 2021; and
 - (b) commencement of rental operation for 1 new tenancy in April 2021;
- (ii) SILC Subject Properties recorded an increase in rental income of RM1.1 million mainly due to full 12 months rental operations for 6 existing properties as compared to 8.8 months average tenanted months for the 6 existing properties in FYE 2021;
- (iii) Dormitories component recorded an increase in rental income of RM1.0 million mainly due to the full 12 months effect arising from the step-up in rental rate upon renewal of SAC Dorm's tenancy during FYE 2021; and
- (iv) Indahpura Subject Properties recorded an increase in rental income of RM0.4 million mainly due to the commencement of 1 new tenancy in January 2022 and full 12 months effect arising from the step-up in rental rate upon renewal of 1 existing tenancy during FYE 2021.

Property Operating Expenses

Property Operating Expenses increased by RM0.7 million or 26.9% to RM3.3 million in FYE 2022 from RM2.6 million in FYE 2021, mainly due to:

- (i) a RM0.5 million increase at Plot 17 Dorm Indahpura arising from repair and maintenance of RM0.3 million for additional electrical works and heat detectors, as well as RM0.2 million for other property operating expenses incurred to comply with Act 446 as discussed in Section 2.2.4.1 of this Prospectus;
- (ii) a RM0.1 million increase in quit rent and assessment expenses for SAC Subject Properties; and
- (iii) an increase of RM0.1 million for repair and maintenance expenses for Indahpura Subject Properties.

NPI

As a result of the factors discussed above, AME REIT recorded NPI of RM31.9 million in FYE 2022 which represented an increase of RM5.8 million or 22.2% from NPI of RM26.1 million in FYE 2021.

Management Fees

Management Fees increased by RM0.4 million or 14.3% to RM3.2 million in FYE 2022 from RM2.8 million in FYE 2021. This is primarily due to higher NPI attained in FYE 2022 and the higher Total Asset Value in FYE 2022 mainly resulting from the increase of 2 investment properties in AME REIT's portfolio.

4. FINANCIAL INFORMATION (Cont'd)

Trustee's fee

Trustee's fees remained stable from FYE 2021 to FYE 2022 at RM0.1 million.

Other trust expenses

Other trust expenses remained stable from FYE 2021 to FYE 2022 at approximately RM0.7 million.

Islamic financing costs

Islamic financing costs increased by RM0.1 million or 7.7% to RM1.4 million in FYE 2022 from RM1.3 million in FYE 2021, due to drawdown of Islamic Financing Facilities in relation to the additional investment properties and for working capital purposes during the year.

Changes in fair value of investment properties

There were no changes in fair value for FYE 2022. The changes in fair value for FYE 2021 resulted from 2 long term leases secured for a new tenant for leasing 2 SILC Subject Properties, with lower rental for the initial periods.

Profit before taxation

As a result of the factors discussed above, AME REIT recorded a profit before taxation of RM27.0 million in FYE 2022 as compared to a profit before taxation of RM19.6 million in FYE 2021.

Distributable income

After adjusting for the non-cash items, AME REIT recorded a Distributable Income of RM29.1 million in FYE 2022, which represented a 20.2% increase from Distributable Income of RM24.2 million in FYE 2021.

4.4.8 Liquidity and Capital Resources

The Manager is of the opinion that AME REIT's working capital would be sufficient for its present requirements as rental income is received on a monthly basis and generally, tenants are required to provide a security deposit of between 2 to 6 months of their monthly rental. The Manager anticipates that AME REIT's primary uses of cash would be to fund day-to-day operations, trust expenses, Management Fees, servicing of debt, distributions (to the extent there is Distributable Income), repair and maintenance, assets enhancement initiatives and future property acquisitions.

Funding of the foregoing would come from a combination of cash from operations and Islamic Financing Facilities. AME REIT's expected gearing over Total Asset Value upon Listing will be approximately 8.1% while the regulated maximum under the REIT Guidelines is 50.0% of its Total Asset Value at the time the Islamic Financing Facilities are incurred.

4.4.9 Capital Expenditures

The Manager does not envisage any major capital expenditure to be incurred during the Forecast Year 2023.

4. FINANCIAL INFORMATION (Cont'd)

4.4.10 Asset Enhancement Initiatives

The Manager plans to continue carrying out assets enhancement initiatives in order to preserve the value of AME REIT's portfolio and to maintain high tenant satisfaction rates.

The initiatives may incorporate ESG considerations, such as the installation of resource-efficient fittings and equipment, which are aimed at offering additional complementary services to the tenants, to assist them in managing their energy and carbon footprint.

These efforts are expected to ensure that the Subject Properties are up-to-date and competitive, which increases the likelihood of tenancy renewals as well as space expansion.

4.4.11 Changes in Accounting Policies

There were no changes to the accounting policies of the Vendors. AME REIT's Pro Forma Statement of Comprehensive Income have been compiled based on the Vendors' audited financial statements for the FYE 2020 and FYE 2021 and the unaudited management accounts for the FYE 2022. The Pro Forma Statement of Comprehensive Income have been prepared in a manner consistent with the format and the accounting policies to be adopted by AME REIT as set out in Section 4.4.4 "Significant Accounting Policies" of this Prospectus.

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4. FINANCIAL INFORMATION (Cont'd)

4.5 PROFIT FORECAST

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

None of AME REIT, the Manager, the Sponsor, the Selling Subsidiaries, the Trustee, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter guarantees the performance of AME REIT, the payment of capital or the payment of any distributions, or any particular return on the Units. The forecast yields stated in the following table are calculated based on:

- ***the Retail Price of RM1.15 per Unit; and***
- ***the assumption that the Listing Date is 1 April 2022.***

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

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

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

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4. FINANCIAL INFORMATION (Cont'd)

Profit Forecast	Forecast Year 2023
	(RM'000)
Rental income	40,995
Total revenue	40,995
Quit rent and assessment	(1,803)
Insurance	(705)
Repair and maintenance	(346)
Other operating expenses	(228)
Property management fees	(336)
Property operating expenses	(3,418)
Net property income	37,577
Profit income	452
Net investment income	38,029
Management Fees	(3,573)
Trustee's fee	(175)
Islamic financing costs	(2,481)
Other trust expenses	(837)
Non-property expenses	(7,066)
Profit before taxation	30,963
Taxation	-
Net income for the year and total comprehensive income for the year attributable to Unitholders	30,963
Add: Non-cash items ⁽¹⁾	3,083
Distributable income	34,046
Number of Units in issue (in '000) ⁽²⁾	522,317
Assumed distribution rate (%)	100.0
Distribution cover (times)	1.00
Distribution per Unit (sen)	6.52
Retail Price (RM/Unit)	1.15
Distribution yield on Retail Price (%) ⁽³⁾	5.67

Notes:

- (1) Non-cash items comprise the Management Fees payable in Units, amortisation of transaction costs on financings capitalised and net of unbilled lease income receivables.
- (2) The total number of Units in issue includes the assumed approximately 2.3 million Units issued to the Manager as payment for the Management Fees for the Forecast Year 2023 at an assumed issue price of RM1.15 per Unit.
- (3) Distribution yield is calculated based on the assumption that the Listing Date is on 1 April 2022. The distribution yield will vary accordingly based on the actual Listing Date, or if the Final Retail Price is below RM1.15.

4. FINANCIAL INFORMATION (Cont'd)

4.5.1 Projected Income

The following sets out the forecast Total Revenue and NPI for each of the Subject Properties for the Forecast Year 2023.

Components	Forecast Year 2023	
	Total Revenue (RM'000)	NPI (RM'000)
Industrial Properties		
- SAC Subject Properties	18,247	16,542
- Indahpura Subject Properties	9,590	8,616
- SILC Subject Properties	3,104	2,778
	<u>30,941</u>	<u>27,936</u>
Dormitories	10,054	9,641
Total	<u>40,995</u>	<u>37,577</u>

4.5.2 Directors' Analysis and Commentary

The Directors confirm that the Profit Forecast of AME REIT and the underlying bases and assumptions stated herein have been reviewed by the Directors. After due and careful inquiries, with the Directors taking into account the future prospects of the industry, the future plans and strategies of AME REIT (as set out in Section 1.3 "Strategies" of this Prospectus) and its level of gearing, liquidity and working capital requirements, the Directors are of the opinion that the Profit Forecast of AME REIT is achievable and the assumptions made are reasonable at the time of issue of this Prospectus, barring unforeseen circumstances.

Nevertheless, the bases and assumptions are inherently subject to significant business, economic and competitive uncertainties and contingencies, which are beyond the Manager's control. Therefore, future events, regionally and globally, may have a material impact on the actual results of AME REIT during the Forecast Year 2023.

4.5.3 Bases and Assumptions

The Profit Forecast has been prepared for illustrative purposes, on the bases and accounting principles consistent with those to be adopted in the preparation of the financial statements of AME REIT. The financial year end of AME REIT is 31 March. The Profit Forecast has been prepared on the assumption that the Acquisitions had been completed on 1 April 2022 and that AME REIT is established and had commenced operation 1 April 2022. The actual establishment date of AME REIT is on 23 May 2022, of which the financial statements will be prepared for a period of less than 11 months for the financial period ending 31 March 2023. The actual revenue to be recorded by AME REIT shall commence on the Listing Date. The Manager has prepared the Profit Forecast on the following bases and assumptions. The Manager considers these bases and assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these bases and assumptions as well as the Profit Forecast and make their own assessment of the future performance of AME REIT.

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4. FINANCIAL INFORMATION (Cont'd)

4.5.3.1 Total Revenue

For the Forecast Year 2023, the forecasted rental income is approximately RM41.0 million. The breakdown of rental income derived from Industrial Properties and Dormitories are as follows:

	<u>Forecast Year 2023</u> (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	18,247
- Indahpura Subject Properties	9,590
- SILC Subject Properties	3,104
	<u>30,941</u>
Dormitories	10,054
Total	<u>40,995</u>

The Manager has assumed the following in arriving at the rental income of the Subject Properties for the Forecast Year 2023:

Industrial Properties

- (i) rental income derived from Industrial Properties is forecasted based on the agreed rental rates for committed tenancies for the Forecast Year 2023, after adjusting for increases in rentals during the later periods tenancy on a straight-line basis over the term of the tenancy⁽¹⁾; and
- (ii) there are 4 tenancies that expired and expiring (without renewal) during the Forecast Year 2023, the assumptions for these Subject Properties are:
 - (a) Rental revenue has been assumed for 1 Subject Property for which a new replacement tenancy was secured and the tenancy agreement was duly signed.
 - (b) For the other 3 tenancies that are expiring during the Forecast Year 2023, the Manager has engaged with all of them (2 tenants of 3 Subject Properties). Both tenants have expressed their intention not to renew their tenancies. The status are as follows:
 - (aa) For 1 Subject Property, a new lease proposal at a higher rate has been accepted. The rental has been included in the rental income for Forecast Year 2023.
 - (bb) Remaining 2 Subject Properties are assumed to be vacant and no rentals have been assumed upon the lapse of their tenancies.

Dormitories

Rental income derived from Dormitories is forecasted based on the agreed rental rates for committed tenancies for the Forecast Year 2023, after adjusting for increases in rentals during the later periods tenancy on a straight-line basis over the term of the tenancy⁽¹⁾. Rental for Plot 13 Dorm Indahpura has been assumed to commence on 15 July 2022, after receiving the CCC on 5 July 2022.

4. FINANCIAL INFORMATION (Cont'd)

Note:

- (1) *The straight-line rental income is obtained by dividing the total rental expected to be received for committed tenancies over the tenure of such rentals, i.e. the total rental amount over the life of the lease is divided and recognised equally over the relevant tenancy period. This differs from the actual rental applicable during the relevant periods, as leases may feature rental rate escalations over the tenure of the leases as well as rent-free periods.*

4.5.3.2 Property Operating Expenses

For the Forecast Year 2023, the Manager forecasts the Property Operating Expenses to be approximately RM3.4 million, the breakdown of which is as follows:

<u>Forecast Year 2023</u>	Industrial Properties	Dormitories	Total
	(RM'000)	(RM'000)	(RM'000)
Quit rent and assessment	1,552	251	1,803
Insurance	655	50	705
Repair and maintenance	318	28	346
Property management fees	248	88	336
Other operating expenses	228	-	228
Total	3,001	417	3,418

Quit rent and assessment

	<u>Forecast Year 2023</u>
	(RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	1,009
- Indahpura Subject Properties	426
- SILC Subject Properties	117
	<u>1,552</u>
Dormitories	251
Total	<u>1,803</u>

Quit rent and assessment rates is an amount prescribed by and payable to the state government and local council respectively on the Subject Properties. Assessment is computed based on the rent prescribed by the local council on the annual value of the Subject Properties.

Those expenses are forecasted to be approximately RM1.8 million for the Forecast Year 2023.

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4. FINANCIAL INFORMATION (Cont'd)

Insurance

	<u>Forecast Year 2023</u> (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	306
- Indahpura Subject Properties	271
- SILC Subject Properties	78
	<u>655</u>
Dormitories	50
Total	<u><u>705</u></u>

Insurance relates to insurance premium expenses incurred and payable for coverage of the Subject Properties. These include fire and consequential loss of income.

The forecast insurance expenses are estimated to be approximately RM0.7 million for the Forecast Year 2023. The insurance expenses are assumed based on the historical experience, and after considering the use of the properties, type and coverage value of the Subject Properties.

Repair and maintenance

	<u>Forecast Year 2023</u> (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	144
- Indahpura Subject Properties	113
- SILC Subject Properties	61
	<u>318</u>
Dormitories	28
Total	<u><u>346</u></u>

Repair and maintenance expenses refers to the cost for contractual maintenance as well as general repair and cost of upkeep of the Subject Properties such as repair and maintenance of concrete and steel structure, roof and gutters leakage, external wall of the building, including repainting and fencing wall of the properties.

For the Forecast Year 2023, the repair and maintenance expenses to be incurred on the Subject Properties are expected to be approximately RM0.3 million. The repair and maintenance expenses are assumed based on the age and condition of the Subject Properties. The Manager assumed that there will be no significant repair and maintenance works to be carried out for the Subject Properties in the Forecast Year 2023 which are not in the ordinary course of business.

4. FINANCIAL INFORMATION (Cont'd)

Property management fees

	<u>Forecast Year 2023</u> (RM'000)
Property management fees	240
Reimbursement cost	96
Total	<u>336</u>

Pursuant to the Property Management Agreement entered into between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager, the property management fee is based on the fixed rate of RM20,000 per month and estimated reimbursement of expenses.

The property management fees is forecasted to be approximately RM0.3 million for the Forecast Year 2023.

Other operating expenses

	<u>Forecast Year 2023</u> (RM'000)
<u>Subject Properties</u>	
Industrial Properties	
- SAC Subject Properties	97
- Indahpura Subject Properties	86
- SILC Subject Properties	45
	<u>228</u>
Dormitories	-
Total	<u>228</u>

Other operating expenses mainly consists of gated development charges for 3 Indahpura Subject Properties, 2 SILC Subject Properties and 1 SAC Subject Property. The monthly maintenance charges, landscape maintenance services, security outsourcing services, waste disposal services and pest control services were incurred only for FZW SAC. Other operating expenses is estimated to be approximately RM0.2 million for the Forecast Year 2023. The other operating expenses for the Subject Properties are assumed based on the historical experience and information, on the basis that there will be no significant deviation in charges by service providers from previous years.

4.5.3.3 Profit income

Profit income is assumed to be earned at a profit rate of 2.0% per annum applied to cash held in Islamic accounts / Islamic fixed deposit accounts with licensed financial institutions.

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4. FINANCIAL INFORMATION (Cont'd)

4.5.3.4 Management Fees

The Management Fees comprise both the base fee and the performance fee. Pursuant to the Trust Deed, the Management Fees are computed based on the following:

- (i) an annual base fee of up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts); and
- (ii) an annual performance fee of up to 5.0% per annum of the NPI of the Subject Properties for the Forecast Year 2023.

For the Forecast Year 2023, the Manager intends to charge an annual base fee of 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) and the annual performance fee of 5.0% per annum of the NPI of AME REIT, and this has been assumed for purposes of the Profit Forecast.

For the Forecast Year 2023, the total Management Fees is estimated to be approximately RM3.6 million which has been assumed to be paid wholly in Units.

4.5.3.5 Trustee's fee

Pursuant to the Trust Deed, the annual Trustee's fee is computed based on 0.03% of the NAV of AME REIT. One-off set up fee of the Trustee of RM15,000 for the first year is included in the Forecast Year 2023.

4.5.3.6 Islamic financing costs

Islamic financing costs comprise profit expenses on the Islamic Financing Facilities. To part finance the Acquisitions, the Manager has assumed a drawdown of a revolving credit facility of RM37.0 million upon establishment on 1 April 2022 and RM10.0 million to be used for working capital requirements and Listing expenses. The Islamic Financing Facilities carries an assumed floating profit rate of 4.2% per annum.

4.5.3.7 Other trust expenses

Other trust expenses comprise annual audit fees, taxation fees, valuation fees, Shariah advisory fee, market research fees, public relations expenses and other expenses relating to the preparation and distribution of reports to Unitholders, together with other miscellaneous expenses such as postage, printing and stationery.

4.5.3.8 Taxation

It is assumed that AME REIT will distribute 90.0% or more of its total income (as defined under the Income Tax Act) to its Unitholders within 2 months from the close of each financial year which forms the basis period for the year of assessment of AME REIT and accordingly, AME REIT will be exempted from income tax.

If the Listing Date happens on or before 30 September 2022, the first distribution will be in respect of the period from the Listing Date to 31 December 2022, being the first full financial quarter after 30 September 2022, and will be paid by the Manager within 2 months from 31 December 2022. Please refer to Section 1.6 "Distribution Policy" of this Prospectus for further details.

No current tax liabilities have been forecasted during the Forecast Year 2023 as it is assumed that 100% of AME REIT's total income (as defined under the Income Tax Act) will be distributed within 2 months after the close of the financial year.

4. FINANCIAL INFORMATION (Cont'd)

4.5.3.9 Investment properties and valuation

For the purposes of the Profit Forecast, the Manager has assumed that there will be no fluctuation on the fair value of the Subject Properties from the acquisition date until 31 March 2023. The total fair value of the Subject Properties is assumed to remain at RM557.0 million as at 31 March 2023. Accordingly, no fair value gains or losses are included in the Profit Forecast.

4.5.3.10 Distribution of income

The Manager has assumed that AME REIT will distribute 100.0% of its Distributable Income for the Forecast Year 2023.

4.5.3.11 General assumptions

- (i) All Consideration Units to be issued at RM1.00 per Unit;
- (ii) Credit risk within AME REIT is low, as significantly all revenue receivable by AME REIT, such as rental proceeds, will be received within the credit term for such activities;
- (iii) There will be no significant changes in the prevailing economic, political or property market conditions which will materially affect the activities or performance of AME REIT;
- (iv) There will be no material changes in present legislation and government regulations, including taxation and guidelines of regulatory authorities which will affect AME REIT's activities or the market in which AME REIT operates;
- (v) No material changes are expected for inflation rate;
- (vi) Existing financing facilities will remain available and the level of financing costs will not change materially from those presently prevailing;
- (vii) There will be no major industrial disputes, both domestic and overseas, which will adversely affect AME REIT's operations;
- (viii) There will be no significant changes in the principal activities, management structure and accounting policies adopted by AME REIT;
- (ix) All tenancies are enforceable and will be performed in accordance with terms with no premature termination of tenancies;
- (x) There will be no changes to the portfolio of the Subject Properties;
- (xi) There will be no compulsory acquisition by the Malaysian Government pursuant to the provision of Land Acquisition Act 1960;
- (xii) There will be no material contingent liabilities arising during the Forecast Year 2023, which may adversely affect the Profit Forecast. AME REIT will not be engaged in any material litigation and there will be no legal proceedings which will affect AME REIT's activities or performance or give rise to additional contingent liabilities which may materially affect the results of AME REIT;
- (xiii) It has been assumed that there is no significant impact on the Profit Forecast arising from the adoption of Malaysian Financial Reporting Standards and amendments effective for annual financial period beginning 1 April 2022 based on the announcement by the Malaysian Accounting Standards Board up to the LPD;

4. FINANCIAL INFORMATION (Cont'd)

- (xiv) There is sufficient insurance coverage on all the Subject Properties against fire and consequential loss on income;
- (xv) There will be no major disruption in the operations and there will be no other events and abnormal factors including war, terrorism attacks, epidemic outbreak such as recurrence of COVID-19 or natural disaster, which will adversely affect the operations of AME REIT; and
- (xvi) There will be no significant changes in the terms and conditions of material contracts and agreements; including but not limited to, the tenancy agreements, the SPAs, the Deed, the financing agreements and the Property Management Agreement.

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5. RISK FACTORS

An investment in the Units involves risks. Prospective investors should rely on their own evaluation and carefully consider the following risk factors in addition to other information contained elsewhere in this Prospectus, before investing in the Units.

This Prospectus contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results of AME REIT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Prospectus. If any of the risks described herein actually occur, AME REIT's business, prospects, financial condition, results of operations and ability to make distributions could be negatively affected, the trading price of the Units could decline and investors may lose all or part of their investment.

Unless specified or quantified in the relevant risk factors set out herein, the Manager is not in a position to quantify the financial or other implication of any of the risks described in this section. In addition, the following risk factors may not be exhaustive and additional risks and uncertainties not presently known to AME REIT or the Manager, or which are currently deemed to be immaterial may become material in the future, would have a material adverse effect on AME REIT or the trading price of the Units.

As an investment in a REIT is meant to produce stable income distributions, investors should not expect to realise a significant proportion of their returns in AME REIT in the form of capital gains.

Investors should be aware that the trading price of the Units may fluctuate. Investors should also note that they may not get back their original investment.

5.1 RISKS RELATING TO THE SUBJECT PROPERTIES

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

The tenancy cycle for the Subject Properties as depicted in the table below indicates a substantial number of the tenancies are for terms of 6 years and less:

Tenancy cycle (Based on the tenancy or lease agreements)	Number of tenancies	By number of tenancies (including Dormitories) %	Pro Forma Gross Rental Income (RM'000)	By Pro Forma Gross Rental Income %
0 – 3 years	15	42.9	1,822	52.9
More than 3 – 6 years	14	40.0	921	26.8
More than 6 – 9 years	--	--	--	--
More than 9 – 12 years	6	17.1	698	20.3
Total	35	100.0	3,441	100.0

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5. RISK FACTORS (Cont'd)

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

	<u>Number of tenancies</u>
SAC Subject Properties (excluding Dormitory)	2
Indahpura Subject Properties (excluding Dormitories)	1
SILC Subject Properties	--
Dormitories	--

The Subject Properties have tenancy cycles in which a substantial number of tenancies expire in certain years as disclosed below:

Components	Tenancies by Pro Forma Gross Rental Income⁽¹⁾ expiring in						Total
	FYE 2023	FYE 2024	FYE 2025	FYE 2026 to FYE 2028	FYE 2029 to FYE 2031	FYE 2032 to FYE 2034	
	%	%	%	%	%	%	
Industrial Properties							
- SAC Subject Properties	5.1	5.4	--	12.3	19.0	1.3	43.1
- Indahpura Subject Properties	1.2	10.6	3.2	7.6	--	--	22.6
- SILC Subject Properties	--	4.1	--	2.9	--	--	7.0
	<u>6.3</u>	<u>20.1</u>	<u>3.2</u>	<u>22.8</u>	<u>19.0</u>	<u>1.3</u>	<u>72.7</u>
Dormitories	--	8.7	--	18.6	--	--	27.3
Total	<u>6.3</u>	<u>28.8</u>	<u>3.2</u>	<u>41.4</u>	<u>19.0</u>	<u>1.3</u>	<u>100.0</u>

Note:

(1) Based on the assumption that there is no early termination of any of the tenancies of the Subject Properties.

In particular, 3 tenancies of Industrial Properties, occupying in aggregate approximately 0.1 million sq ft NLA, accounting for approximately RM0.2 million of the Pro Forma Gross Rental Income, will expire since LPD in the FYE 2023. For FYE 2024, 11 tenancies of Industrial Properties, occupying in aggregate approximately 0.4 million sq ft NLA, together with SAC Dorm which is tenanted to I Stay, will expire. They account for approximately RM1.0 million of the Pro Forma Gross Rental Income.

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

5. RISK FACTORS (Cont'd)

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

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

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

The income from the Subject Properties will be dependent on the ability of the Subject Properties to compete against other industrial properties for tenants. If, in the future, competing industrial parks are able to offer lower rental rates to attract the existing tenants of the Subject Properties, the income from the Subject Properties could be reduced, thereby adversely affecting AME REIT's cash flow and amount of funds available for distribution to Unitholders.

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

As at the LPD, the contribution of the top 10 largest tenants of the Industrial Properties, all of whom are third parties, based on their Occupied NLA to the Pro Forma Gross Rental Income across the Subject Properties is approximately 41.5%.

Accordingly, AME REIT's business, financial condition, results of operations and ability to make distributions may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of these tenants, as well as the decision by one or more of these tenants not to renew its tenancy. There can be no assurance that new tenants will be found on the same terms (or not less favourable terms) in time or at all.

A downturn in the businesses, bankruptcy or insolvency of the key tenants of the Subject Properties or any breach by the key tenants of their obligations under their respective tenancy agreements may have a material adverse effect on the financial conditions and results of operations of AME REIT.

The tenants' ability to make rental payments to AME REIT may be affected by factors including, but not limited to, an economic downturn, performance of tenants' other businesses, operating results of tenants' businesses and tenants' ability to compete with their competitors. The inability of any major tenants of the Subject Properties to meet their tenancy obligations under the respective tenancy agreements may have a material adverse effect on AME REIT's business, financial condition, results of operations and ability to make distributions to Unitholders.

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

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5. RISK FACTORS (Cont'd)

5.1.4 The Subject Properties may face increased competition from other properties

The Subject Properties are exposed to competition from other industrial properties in the immediate vicinity or within Iskandar Malaysia. The quality, appeal and attractiveness of the Subject Properties and the surrounding infrastructure may diminish in the future and as such, the Subject Properties may lose out to newly developed or similar properties that have undergone refurbishment. If the Subject Properties are unable to keep pace with comparable industrial properties in the area and this results in AME REIT's failure to retain major tenants and/or attract new tenants, the income from and the market value of the Subject Properties may significantly decrease.

In addition, there can be no assurance that the Manager will be able to seek new tenants for the Subject Properties in the future if any existing tenants decide not to renew their tenancy. The loss of tenants and the inability to attract new ones may result in the income from the Subject Properties being reduced and thereby adversely affecting AME REIT's cash flow and ability to make distributions to Unitholders.

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

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

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

As in the case of property valuations in general, the Appraised Values of the Subject Properties may have involved the use of assumptions, estimates, subjective parameters and/or close proxies. Additionally, the Independent Property Valuer may have included a subjective determination of certain factors relating to the Subject Properties such as their relative market positions, competitive strengths and physical condition. The Independent Property Valuer may also have taken into account external factors such as the demand and supply of the property market and general economic condition at the time of valuation. These factors and assumptions of which the Appraised Value of the Subject Properties were derived from may not accurately reflect the market at the time of their potential disposal in the future.

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

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5. RISK FACTORS (Cont'd)

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

As at the LPD, majority of the Subject Properties (27 Industrial Properties and 3 Dormitories out of 34 properties) are in or adjacent to AME Group's award-winning i-Park branded industrial parks which are managed by the subsidiaries of the Sponsor or their representatives. This arrangement is set out in DMCs which stipulate the responsibilities of AME Group in providing the required gated development services which include provision of security services, visitor management, maintenance of the landscaping and facilities in the recreational area within the parks and monitoring of the environment to promote a green, healthy, and comfortable environment for occupants. In return, owners of the managed industrial parks are required to pay gated development service charges. On 5 August 2022, the developer of i-Park @ SILC had handed over the management of i-Park @ SILC to the newly formed owners' committee.

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

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

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

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

The FZW SAC, one of the Subject Properties, requires adequate management and maintenance from the Manager and the Property Manager to attract new tenants, retain existing tenants, sustain rental rates and remain competitive. The lack of adequate management and maintenance may lead to a reduction in the value of the Subject Properties and this may result in the loss of tenants or lower rental rates, which will adversely affect the financial condition of AME REIT and its ability to make distributions to Unitholders. Failure to provide adequate management and maintenance to the Subject Properties may also lead to a decrease in tenancy rates, with tenants being attracted to the competitors of the Subject Properties. This will affect the financial performance of AME REIT.

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5. RISK FACTORS (Cont'd)

5.1.8 The Subject Properties may require significant capital expenditure beyond the Manager's current estimate and AME REIT may not be able to secure funding

To respond to competitive pressure in the future, the Subject Properties may require refurbishments, renovations and improvements. Such capital expenditure may be significantly beyond the Manager's current estimate and AME REIT may not be able to fund capital improvements solely from funds derived from its operating activities or future funding via equity or debt financing may be expensive. AME REIT may also require additional equity and debt financing to fund future expansion, operational needs and financing payments. The inability to secure required funding for capital expenditure may adversely affect rental negotiations and rental rates, and/or limit AME REIT's ability to carry out its operations and expansion plans, which in turn may have a material adverse effect on AME REIT's financial condition.

5.1.9 Failure to procure the subsequent purchaser(s) of the Subject Properties to execute and deliver the DMC and other land covenants

27 out of the 34 Subject Properties are located in managed industrial parks, where such facilities are presently provided and managed by the developers of the respective industrial parks who are subsidiaries of the Sponsor. The duties and powers of the developers of respective industrial parks in relation to the provision of gated development services are governed by the DMC. In the event that AME REIT, through the Trustee, decide to divest any of the Subject Properties from its investment portfolio, AME REIT shall be required to procure the subsequent purchaser(s) of the Subject Properties to execute the DMC and consent to be bound by the DMC. This may affect the marketability of the Subject Properties if the execution of the DMC forms part of the acquisition of the Subject Properties by the subsequent purchaser(s) as the subsequent purchaser(s) may not wish to be bound by the DMC.

In addition, pursuant to the sale and purchase agreement in relation to the acquisition of the land where i-Park @ SAC is located ("**Land**") by Ipark Development from the master developer, Ipark Development covenants and undertakes that any area of the Land within a 500 metre radius from the boundary of the Land occupied by Hershey Malaysia Sdn Bhd ("**Hershey**") will not be sold, disposed, leased or rented to persons who intend to use the Land for any non-complementary purposes that generate either excessive dusts or noxious or strong odours or smoke which may cause any material or adverse effects to or in respect of the use of Hershey's facility for its manufacturing operations or products ("**Hershey Covenant**").

As for SILC Subject Properties, they are currently bound by land covenants imposed by the master developer of SILC, UEM Land Berhad. Under the said land covenants, the master developer is granted with certain power such as power to erect barriers for security measures without affecting the operation of business on the land and the right of entry by master developer in event when there is a reasonable suspicion relating to pollution ("**SILC Land Covenants**").

As such, AME REIT, through the Trustee, would also be bound by the Hershey Covenant in respect of the 5 Subject Properties in i-Park @ SAC which are located within 500 metre radius from the land boundary of Hershey, and be bound by the SILC Land Covenant in respect of all the SILC Subject Properties. In the event that AME REIT, through the Trustee, decides to divest any of such Subject Properties from its investment portfolio, AME REIT shall be required to procure the subsequent purchaser(s) of the Subject Properties to consent to be bound by the Hershey Covenant or the SILC Land Covenants. This may eventually affect the marketability of the Subject Properties if the inclusion of the Hershey Covenant or the SILC Land Covenants forms part of the sale and purchase agreements in relation to the acquisition of the Subject Properties by the subsequent purchaser(s) as the subsequent purchaser(s) may not wish to be bound by the Hershey Covenant or the SILC Land Covenants.

5. RISK FACTORS (Cont'd)

AME REIT's portfolio of industrial real estates are mostly located in i-Park @ SAC, i-Park @ Indahpura and i-Park @ SILC respectively, which are managed industrial parks under the purview of the developer until such time that the developer decides to relinquish its role. An owners' committee will be required to be formed to assume the role of managing the industrial parks. There is no guarantee that the owners' committee will be formed and/or be managed in an acceptable level of service in the future, in which case the value of the Subject Properties located in the managed industrial parks may diminish. On 5 August 2022, the developer of i-Park @ SILC had handed over the management of i-Park @ SILC to the newly formed owners' committee.

Even if the developer continues to manage the park via external party or an owners' committee association has been set up, the value and the marketability of the said Subject Properties may be adversely affected if the industrial parks are not managed well by the respective parties over time.

5.1.10 Renovations, redevelopment works or physical damage to the Subject Properties may disrupt the operations of the Subject Properties and collection of rental income

The Subject Properties may need to undergo renovation or redevelopment works from time to time as the physical condition and functionality of the Subject Properties have a correlation with the attractiveness and the rental rates of the Subject Properties. The Subject Properties may also require unforeseen ad hoc maintenance or repairs in respect of defects that may arise over time and such costs may become more substantial as the Subject Properties age.

In addition, it is possible that the Subject Properties may be required to undergo modification or rectification works to comply with new planning laws or regulations. As a result of such renovation or redevelopment works, the operations of the Subject Properties may suffer disruptions. This may result in AME REIT not being able to collect rental income in full, or at all, with regard to any part of the premises affected by such renovation or redevelopment works. Further, there can be no assurance that AME REIT will be able to collect the same amount of rental income even after such renovation or development works. Any inconvenience or disruption to the operations of the Subject Properties may also result in the loss of major tenants and/or a decrease in rental demand for the Subject Properties.

5.1.11 AME REIT's insurance policies and terms of coverage may not be adequate

While the Manager seeks to ensure that all reasonable risks associated with industrial properties such as the risk of physical damage caused by fire are insured, the Subject Properties are still exposed to certain types of risks (such as war risk and loss of rental caused by the outbreak of contagious diseases, contamination or other damages caused by breaches of environmental law) that may be uninsurable or where the cost of insurance may be prohibitive when compared to the risk.

Should any insured losses occur, there can be no assurance that such losses will not exceed the insured amount under their existing insurance policies. In the event of any uninsured loss or a loss in excess of insured amounts, AME REIT could be required to bear such loss and/or lose capital invested in the affected Subject Property as well as the future income from that Subject Property as it is not possible to rent or sell that Subject Property. Any uninsured loss or loss in excess of insured amounts may adversely affect AME REIT's operating results and financial condition.

In addition, AME REIT's insurance policies and terms of coverage will be subject to renewal and negotiations on a periodic basis in the future. There is no assurance that AME REIT will be able to renew such insurance policies to the same or desired extent of coverage on commercially favourable terms in the future. Any material increase in the cost of insurance or decrease in available coverage in the future will adversely affect AME REIT's business, results of operations and financial condition.

5. RISK FACTORS (Cont'd)

Furthermore, physical damage to the Subject Properties resulting from fire or other unforeseen circumstances may result in major repair costs of the Subject Properties and may impose unbudgeted costs on AME REIT if not covered by insurance and result in an adverse impact on the business, financial condition, results of operations of AME REIT and its ability to make distributions.

Please refer to Section 2.8 of this Prospectus for further details on our level of insurance coverage.

5.1.12 The Subject Properties or any part of them may be acquired compulsorily

Under Section 3 of the Land Acquisition Act 1960, the State Authority has the power to acquire any land, whether in whole or in part, which is needed:

- (i) for any public purpose;
- (ii) by any person or corporation for any purpose which, in the opinion of the State Authority, is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public; or
- (iii) for the purpose of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act, 1960 and other relevant laws. The market value of any of the Subject Properties, if so acquired, as determined by the State Authority may be lower than the market value as determined by any independent property valuer appointed by AME REIT. Moreover, if any of the Subject Properties were compulsorily acquired by the State Authority after completion of the Acquisitions, and at a point in time when the market value of the Subject Properties has decreased, the level of compensation paid to AME REIT may be less than the price which AME REIT paid for the Subject Properties. This may have an adverse effect on the trading price of the Units and AME REIT's business, financial condition, results of operations and prospects.

In the event any of the Subject Properties are subject to compulsory acquisition by the State Authority before the completion of the Acquisitions, the Trustee has an option to terminate the relevant SPA or to proceed with the purchase of the relevant Subject Property under the terms of the SPA. In the event the Trustee elects to terminate the relevant SPA, the Vendor will refund to AME REIT the purchase consideration (free of interest) paid for the relevant Subject Property, and in exchange of the Vendor's refund, the Trustee will return all documents delivered by the Vendor. In the event the Trustee elects to proceed with the purchase of the relevant Subject Property, the Vendor will notify the State Authority of the interest of the Trustee in the relevant Subject Property and the terms of the relevant SPA, and the Vendor will pursue the best compensation available from the State Authority to be remitted to the Trustee, subject to full payment of the purchase consideration by the Trustee to the Vendor.

5.1.13 Certain utility services in the Subject Properties are dependent on third party providers

Certain utility services such as water, electricity, waste disposal and sewerage treatment are provided by third party providers. There is no assurance that the third parties or other parties contracted by the third parties will fulfil their obligations under any contracts of service. Any interruption to such services (where AME REIT has no control over) may cause disruption to the operations of the tenants on the Subject Properties and causing untold losses, which could damage our relationship with these tenants and may, as a result, lead to our tenants departing to competing industrial parks with more reliable third party services. Any loss of tenants and rental income continuity could have a material adverse effect on AME REIT's business, financial condition, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.1.14 The due diligence exercise on the Subject Properties may not have identified all material defects, breaches of laws and regulations and other deficiencies

Although the Manager has taken steps to cause reasonable due diligence to be conducted on the title and legal matters affecting the Subject Properties prior to their acquisitions, there can be no assurance that all material defects, breaches of laws and regulations or other deficiencies affecting the Subject Properties, including to their titles, have been discovered or disclosed pursuant to such due diligence exercise.

As no technical due diligence was undertaken by the Manager on the Subject Properties, there can be no assurance that the Subject Properties will not have design or construction defects or deficiencies that may require special repair or additional maintenance expenditure. Such repairs and maintenance may require significant capital expenditure other than those disclosed in this Prospectus and may have a material adverse effect on AME REIT's business, financial condition and results of operations.

Although a certain extent of such risks is mitigated by the representation, warranties and indemnities made in favour of AME REIT by the Vendors in the SPAs, these representations, warranties and indemnities are subject to limitations as to their scope and the amount and timing of claims which can be made. Hence, there is no assurance that AME REIT will be sufficiently indemnified for the costs and liabilities that may arise from any defect, breach of laws and regulations or deficiency.

5.2 RISKS RELATING TO AME REIT'S OPERATIONS

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

Although the Subject Properties are located in Iskandar Malaysia, AME REIT's results of operations would depend, to a large extent, on the performance of the Malaysian and global economy and industrial-related activities such as manufacturing, production, processing and storage of goods and products. A decline in the Malaysian and global economy and industrial-related activities could adversely affect the results of operations and future growth of the tenants on the Subject Properties. Historically, the Malaysian industrial property values, rents and occupancy rates have been affected by, among other factors, the rate of economic development in Malaysia, infrastructure development projects as well as local and foreign direct investments.

The performance of AME REIT may also be affected by the industrial property market conditions, such as the competitiveness of competing industrial parks or the supply and demand of industrial properties. There can be no assurance that the Malaysian and global economy will continue to improve, that industrial property values, rents and occupancy rates will not decline, or that local and foreign direct investments will not fall in the future. An economic decline in Malaysia, a decline in the industrial property market conditions in Malaysia or other developments outside the control of AME REIT and the Manager, may affect AME REIT's business, financial condition and results of operations.

The Malaysian economy is mainly affected by both global and domestic economic conditions. The performance of AME REIT may be adversely affected by disruptions to economic and production activities including, but not limited to:

- (i) an economic downturn in Malaysia or globally, affecting property values, rents, and occupancy rate;
- (ii) a negative impact to the financial position of tenants of the Subject Properties resulting in delays in the receipt of rental payments, defaults in rental payments or early termination of tenancies;
- (iii) reduced tenants in the Subject Properties;

5. RISK FACTORS (Cont'd)

- (iv) tenants becoming insolvent or otherwise unable to meet their obligations; and/or
- (v) an increase in counterparty risk involving parties such as tenants, insurers, lenders as well as contractors and suppliers.

AME REIT's business, prospects, financial condition and results of operations may be adversely affected by political, economic and social developments in Malaysia. Further, AME REIT may be affected by disruption arising from, amongst others, changes in Government policies as a result of change of government administration, and the political sentiments in Malaysia may change. Any change in Government policy arising from economic and social conditions, or arising from changes to senior positions within the Government and Parliament, or any political instability in Malaysia that may arise from these changes may have a material adverse effect on AME REIT.

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

On 16 March 2020, the Prime Minister of Malaysia announced the Movement Control Order (MCO) that prohibited mass movements and gatherings across the country, travel abroad and returning to Malaysia, and closure of government and private business offices except for those in the provision of essential services to curb the widespread of COVID-19 in Malaysia. The Prime Minister further announced a nationwide "total lockdown" on 28 May 2021 that was imposed on all social and economic sectors in Malaysia effective from 1 June 2021 and then further extended indefinitely until average daily cases fall below 4,000. Under this lockdown, only essential economic and social services listed by the National Security Council will be allowed to operate. Subsequently, on 15 June 2021, the Prime Minister announced a 4-phase National Recovery Plan (NRP) with the number of average daily COVID-19 cases used to indicate whether a state was ready to move up progressively to Phases 2, 3 or 4 to enjoy fewer restrictions with the reopening of more economic and social activities.

On 24 July 2021, the construction sector was allowed to operate under strict compliance to the standard operating procedures. Furthermore, Johor and Terengganu had been moved to Phase 4 of the NRP beginning from 25 October 2021. With the improving COVID-19 situation in the country, the Prime Minister of Malaysia announced the country's transition to the endemic phase. The Health Minister explained that endemic phase meant that the COVID-19 virus still exists but is in a well-controlled situation. The relaxed COVID-19 rules and standard operating procedures from 1 April 2022 include, amongst others, the borders of Malaysia being reopened to international travellers, and premise owners can implement their own hours in accordance with their premise licence.

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

These factors could materially and adversely affect the business, financial conditions and the results of operations of AME REIT. For details on the impact of COVID-19 pandemic to the operations of the Subject Properties and tenants of the Subject Properties, please refer to Section 2.3 "Impact of COVID-19" of this Prospectus.

5. RISK FACTORS (Cont'd)

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

The Subject Properties are all located in Iskandar Malaysia. As such, AME REIT will be subject to additional risks compared to other REITs and companies with portfolios consisting of property investments over a wider geographical area. These risks include potential changes in economic conditions, political environment, or governmental regulations and policies which are unfavourable to industrial properties in Iskandar Malaysia and such other factors that may affect the demand for industrial properties in that region. Further, the Subject Properties are all located within or adjacent or near to i-Park @ SAC, i-Park @ Indahpura and i-Park @ SILC. There is no assurance that there will be no adverse changes in the infrastructure in their vicinities or decline in the attractiveness of these industrial parks. Also, competitors may develop comparable industrial properties in those localities and offer more favourable terms to potential tenants. Such factors could affect the valuation of the Subject Properties, their rental income or the ability to attract or retain tenants. These factors could have a material adverse effect on the distributions to Unitholders, results of operations and financial conditions of AME REIT.

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

The rental income of AME REIT and the value of the Subject Properties may be adversely affected by a number of factors, including, but not limited to:

- (i) the ability to collect rent from tenants on a timely basis;
- (ii) the amount and extent to which AME REIT may grant rent free period or rebates to tenants in certain circumstances;
- (iii) defects affecting the Subject Properties which could affect the operations of tenants resulting in the inability of such tenants to make timely payments of rent or at all;
- (iv) the rental rates and the terms of the renewed leases being less favourable than the current leases;
- (v) the tenants seeking for protection under the insolvency laws which could result in delays in the receipt of rental payments, inability to collect rental income at all, or delays in termination of leases prior to expiry, which could hinder or delay the re-letting of the property in question or the sale of the relevant property;
- (vi) the tenants that breach the terms and conditions of the leases resulting in termination of leases or non-payment of rental;
- (vii) the general macroeconomic and supply and demand trends affecting the global and Malaysian economic conditions and conditions in the industrial real estate market sector in Malaysia;
- (viii) reduced Occupancy Rates due to change in tenants' business strategy and/or relocation of business operation, the length of potential vacancy periods arising from tenancy expiries and early terminations, and the rental rates at other competing industrial parks;
- (ix) the Manager's ability to provide adequate management and maintenance or to purchase or to put in place adequate insurance;
- (x) changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Rights related to the properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- (xi) acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases, natural disasters and other events beyond the control of the Manager.

5. RISK FACTORS (Cont'd)

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

AME REIT's ability to maintain a certain level of distribution to the Unitholders could be affected if its operating and other expenses increase without a corresponding increase in revenue or tenant reimbursement of operating and other costs.

Factors which could increase operating and other costs of the Subject Properties include, but are not limited to, the following:

- (i) increase in third party service provider costs;
- (ii) increase in quit rent and assessment (property and related taxes) and other statutory charges;
- (iii) increase in repair and maintenance costs;
- (iv) increase in insurance premiums;
- (v) increase in administrative expenses;
- (vi) increase in property management cost and management fees;
- (vii) adverse changes in the cost of existing and future financing for operating and/or capital requirements; and
- (viii) changes in statutory laws, regulations or governmental policies which result in the increase in the cost of compliance with such laws, regulations or policies.

In addition, AME REIT is also exposed to capital expenditures and other expenses, the timing of which may be irregular since on-going repairs and maintenance involves significant and potentially unpredictable expenditures. The amount and timing of such expenditures may affect AME REIT's ability to generate sufficient revenue to meet obligations such as operating expenses and financing obligations. AME REIT's income and ability to generate substantial cash flow directly impacts its ability to maintain a certain level of distribution to the Unitholders.

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

The performance of AME REIT depends, in part, on the experience, industry knowledge and abilities of the key personnel of the Manager. They are actively involved in AME REIT's day-to-day operations and also responsible for formulating and implementing AME REIT's business plans and investment strategies. The key personnel of the Manager also plays a key role in maintaining good relationships with AME REIT's tenants, bankers, service providers and key investors. Should these key personnel leave the employment of the Manager, time will be required to search for a replacement and the duties and functions which such key personnel are responsible for may be affected. The loss of any of the key personnel of the Manager may have a material and adverse effect on AME REIT's financial condition and results of operations.

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

AME REIT's focus on industrial real estate properties translates to a higher level of risk as compared to a portfolio which is more diverse. As the Subject Properties are located in industrial parks, they may not be easily converted to be used for residential, retail, office or hospitality. In any event, the condition stated in most of their land titles are for industrial use. As such, any interest in acquiring the Subject Properties will be from prospective purchasers looking out for industrial-related properties.

5. RISK FACTORS (Cont'd)

Industrial properties are relatively more illiquid as the demand for such properties are less compared to residential and office units and also more expensive due to their size. In addition, occupiers of industrial properties may require such properties to be constructed specifically to cater for their use and operations. Although the Sponsor has the capability to provide customisation, this would require time and incur additional costs for the potential buyers or tenants, there is no certainty that the additional cost incurred for the customisation can be charged back to the tenants as additional rental.

These factors may hinder AME REIT's ability to promptly lease out or sell any of the Subject Properties or vary its property investment portfolio in response to changing economic, financial and investment conditions. This in turn, may result in AME REIT not being able to lease or sell its properties on favourable terms.

A concentrated investment portfolio exposes AME REIT to a greater risk that comes with a downturn in the real estate market, including a decline in occupancy rate for its Subject Properties. This will negatively impact AME REIT's rental income and/or a decline in capital value of its Subject Properties. These factors could have an adverse effect on AME REIT's financial condition and results of operations, which could consequently affect AME REIT's ability to deliver expected distributions to Unitholders.

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

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

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

The planning and implementation of AME REIT's investment strategy lies with the Manager. Unitholders will have no right to participate in the management of AME REIT or to direct or otherwise influence the Manager in its decision-making with regard to its investment strategies. The Manager's ability to successfully implement its investment strategies or expand AME REIT's portfolio will depend on, amongst other factors, its ability to identify suitable investment opportunities that meet its investment criteria and to obtain the necessary funding on favourable terms. There can be no assurance that the Manager will be able to successfully implement its investment strategies on terms favourable to AME REIT and/or within the intended time frame.

AME REIT may also face intense competition for investment opportunities identified by the Manager from other property investors, including other REITs and property investment companies. There is no assurance that AME REIT will be able to compete successfully against such entities. Even if AME REIT were able to acquire such properties, there is no assurance that AME REIT will achieve the desired return on such acquisitions or investments. The Manager's failure to effectively implement its strategy or as planned, due to any of these factors, may have a material adverse effect on AME REIT's business, financial condition, results of operations and ability to make distributions to Unitholders.

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5. RISK FACTORS (Cont'd)

5.2.10 AME REIT is newly established and has no track record

AME REIT was established on 23 May 2022 and as such, has no operating history. The Pro Forma Statement of Comprehensive Income and Pro Forma Statement of Financial Position have been prepared for illustrative purposes and set out in Section 4 of this Prospectus. Please refer to Section 5.3.3 of this Prospectus for the risks that the Pro Forma Statement of Comprehensive Income and Pro Forma Statement of Financial Position may not reflect actual results and actual financial position of AME REIT. In addition, there can be no assurance that AME REIT will be able to generate sufficient income from its operations to make distributions or that such distributions will be in accordance with the expectations of investors or those set out in Section 4.5 "Profit Forecast" of this Prospectus.

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

The Manager is wholly-owned by the Sponsor. The Manager is also the management company of AME REIT. The Sponsor will be the single largest Unitholder of AME REIT via its subsidiary following the completion of the Offering.

The subsidiaries of the Sponsor are engaged in the development, investment and management of industrial properties. As such, the Sponsor via its subsidiaries may develop and sell industrial properties to third party purchasers or may themselves hold and manage such properties under their investment portfolio. As the Sponsor via its subsidiaries is a developer of industrial parks, such investment properties that they hold or sell to third parties will most likely be in the immediate vicinity of the Subject Properties. In both cases, these properties may directly compete with the Subject Properties for tenants and cause downward pressure on the demand for Subject Properties and their rental rates. The subsidiaries of the Sponsor are also responsible for the management of i-Park @ SAC, i-Park @ Indahpura and i-Park @ SILC, either by themselves or via third parties who act under their instructions.

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

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

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

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

5. RISK FACTORS (Cont'd)

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

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

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

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

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

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

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

5.2.14 AME REIT is subject to litigation risk from tenants and other third parties which may result in significant liabilities and damage to AME REIT's reputation

AME REIT may fail to meet its obligations under an agreement in which it is a party including under the tenancy agreements or other contracts entered into with service providers, contractors or other third parties. Failure or delay in rectifying physical defects to any part of the Subject Properties pursuant to the terms of the tenancy agreements may result in the tenants' inability to use the Subject Properties. Disputes may arise with contractors in relation to the refurbishment of the Subject Properties.

Sale and purchase agreements in respect of proposed acquisitions or disposals of properties by AME REIT may be breached, aborted or otherwise terminated resulting in contractual disputes with the vendors or purchasers in such transactions. The cost of such litigation or claims may be significant and may have a material adverse effect on AME REIT's business, financial condition, results of operations and prospects.

5. RISK FACTORS (Cont'd)

5.2.15 While the Subject Properties are located in Malaysia, AME REIT's future acquisitions may be located outside Malaysia, which would expose AME REIT to risks in other countries

The principal investment policy of AME REIT is to invest, directly or indirectly, in a Shariah-compliant portfolio of income-producing Real Estate used primarily for industrial and industrial-related purposes in Malaysia and overseas. AME REIT may therefore acquire properties outside Malaysia in the future, which would expose AME REIT to risks relating to foreign conditions in such countries, including:

- (i) a decline in general economic conditions or foreign real estate market conditions affecting the attractiveness of the properties or reducing demand for such a property;
- (ii) exchange rate fluctuations between the RM and the foreign currency, and government regulations in relation to foreign exchange;
- (iii) foreign laws and policies, such as government controls over property investments or laws concerning foreign ownership of property, and the limitations of AME REIT to seek recourse;
- (iv) differing levels of income tax, withholding tax, capital gains tax, or any other taxes that may be imposed in other countries or in Malaysia, and potential increases thereto; and
- (v) uncertainty as to whether AME REIT will be able to repatriate to Malaysia the income and gains derived from investment in the properties on a timely and regular basis.

Any inability to navigate the above risks, to the extent they materialise, will affect AME REIT's ability to make distributions to Unitholders from income and gains derived from properties outside of Malaysia.

5.2.16 AME REIT may not meet the requirements to enjoy tax exemptions under Section 61A of the Income Tax Act by virtue of (among other things) tax adjustments which could affect the requirement of 90.0% distribution of taxable income or changes in tax laws

Pursuant to Section 61A of the Income Tax Act, a listed REIT is exempted from income tax for the relevant year of assessment provided that it distributes at least 90.0% of its total income (as defined under Income Tax Act) to its Unitholders in the basis period of the REIT for the relevant year of assessment. The Malaysian Inland Revenue Board has given a concession for such distribution to be made within 2 months after the close of the financial year which forms the basis period for the tax assessment of the REIT.

So long as this condition pursuant to Section 61A of the Income Tax Act is met, AME REIT will be exempted from Malaysian income tax. However, AME REIT will be required to withhold tax on such taxable income distributed to certain Unitholders. Please refer to Appendix C "Tax Consultant's Letter on Taxation of AME REIT and Unitholders" of this Prospectus for the Malaysian withholding tax implications on distributions to investors from a Malaysian REIT which meets the requirement of Section 61A of the Income Tax Act.

There is no assurance that AME REIT will be able to comply with the requirement to enjoy tax exemptions under Section 61A of the Income Tax Act. In the event of a tax audit, it is possible that an upward adjustment is made to the total income of AME REIT, which may result in AME REIT no longer satisfying the 90.0% threshold requirement of Section 61A of the Income Tax Act. Moreover, if AME REIT was not originally exempted under Section 61A of the Income Tax Act, an upward adjustment to total income would result in AME REIT being subject to more tax.

5. RISK FACTORS (Cont'd)

The Malaysian tax laws may change from time to time. For example, the pre-requisites for tax exemption may become more difficult to meet, such that AME REIT would be more likely to be subject to income tax or the tax exemption for Malaysian REITs may be removed altogether. Any other tax exemptions or reliefs, such as stamp duty, which Malaysian REITs currently enjoy, may also be removed in the future. Such changes may be unfavourable to AME REIT and could potentially reduce the distributions to Unitholders.

5.2.17 AME REIT will depend on external Islamic financing and therefore may face risks associated with debt financing and be affected by existing and future financing facilities and financing covenants

Upon listing, AME REIT is expected to have total indebtedness of approximately RM46.5 million representing approximately 8.1% of its estimated Total Asset Value of RM574.5 million based on the AME REIT's Pro Forma Statement of Financial Position. AME REIT is subject to risks associated with existing and future financing, including the risk that its cash flow will be insufficient to meet the required payments of principal and profit under such financing, and therefore be unable to make distributions to Unitholders as envisaged. Please refer to Section 3.9 "REIT Financing" of this Prospectus for further details on the financing of AME REIT.

The Manager intends to distribute at least 90.0% of AME REIT's Distributable Income. For the period from the Listing Date to 31 March 2023, AME REIT will distribute 100.0% of its Distributable Income. As a result of this distribution policy, AME REIT may not have sufficient funds to be able to meet all of its payment obligations under its financing if there is disruption in its cash flow from rentals. AME REIT may be required to pay maturing financing with funds from additional Islamic financing or equity financing or both and there is no assurance that such financing will be available on acceptable terms or at all.

If principal amounts due for payment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity, AME REIT will not be able to pay all maturing financing. In such cases, if AME REIT defaults under such financing facilities, the financier may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided. Further, if AME REIT's properties are charged, such properties could be foreclosed by the financier or the financier could require a forced sale of the properties with a consequent loss of income and asset value to AME REIT. This would in turn affect the distributions to be paid to Unitholders.

Even if AME REIT is successful in securing new Islamic financing, AME REIT may be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the existing financing sought to be refinanced (including issuances of sukuk). AME REIT may also be subject to certain covenants that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders. Such covenants may also restrict AME REIT's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or payment of security deposits or require AME REIT to maintain certain financial ratios (such as loan to value ratios). The triggering of any such covenants may have an adverse impact on AME REIT's financial condition. There can be no assurance that the Manager will be successful in negotiating and obtaining terms which are not adverse to AME REIT from its financiers.

Notwithstanding the above, fluctuations of the financing rates could also significantly affect AME REIT's financial condition and results of operations. The financing rates of the banking facilities may change from time to time as it is based on the cost of funds of the respective financiers. Any material increase in the rates for AME REIT's existing or future financing would increase its funding costs and may adversely impact its results of operations, planned capital expenditure and cash flows.

5. RISK FACTORS (Cont'd)

5.2.18 The amount of financing which AME REIT may obtain is limited, which may affect the operations and expansion of AME REIT

Under the REIT Guidelines, AME REIT is only permitted to incur financing up to 50.0% of its Total Asset Value at the time the financing incurred. AME REIT may, from time to time, require further financing to achieve its investment strategies. If further funding is incurred, it would result in increased financing payment obligations and may also result in additional operating and financing covenants, or liens on the Subject Properties, that may restrict its operations.

Should AME REIT fail to obtain adequate financing, AME REIT may fail to implement its investment strategies and these may result in an inability to fund:

- (i) capital expenditure requirements in relation to AME REIT's existing asset portfolio; and
- (ii) potential acquisitions to expand AME REIT's portfolio.

Therefore, the attractiveness and marketability of the Subject Properties may be affected.

5.2.19 Risks relating to natural disasters and other acts of God could adversely affect AME REIT's revenue

AME REIT is subject to risks such as natural disasters or other acts of God in the locations where the Subject Properties are situated as well as areas where its tenants conduct their businesses. If the impact of such disasters in the areas where the Subject Properties are located are substantial, there may be a decline in the demand for the Subject Properties as tenants may for the time being seek other locations. If the tenants' businesses are affected by such disasters, their financial position may be adversely impacted as a consequence, and this would in turn affect their ability to meet their rental obligations to AME REIT. Such events could also cause serious damage to the Subject Properties, which may not be covered by insurance. In addition, such damage may require repairs and, in the meantime, the damaged properties may not be in a tenantable condition, resulting in loss of rental for AME REIT. Events beyond the control of AME REIT and the Manager may reduce the overall demand for AME REIT's Subject Properties and have a material adverse effect on its results of operations and financial condition.

5.2.20 AME REIT may be exposed to liability arising from environmental laws and regulations

An owner of a property may be subject to environmental laws imposed from time to time including ensuring that there are no hazardous substances on the premises or that there are no release of such hazardous substances into the environment. As the Subject Properties are occupied by the tenants, AME REIT may not be aware of or have control over any acts which may constitute such non-compliance. The presence of hazardous substances on or the release of such substances from any of the Subject Properties may negatively impact AME REIT's ability to sell or rent its Subject Properties. There can be no assurance that the cost of removing any hazardous substances and the adverse effects of hazardous substances on the value of the Subject Properties will not negatively impact AME REIT's financial conditions and its ability to make distributions to Unitholders.

5.2.21 AME REIT is exposed to risks associated to political, economic and social developments in Malaysia

AME REIT may be adversely affected by political, economic and social developments in Malaysia. There can be no assurance that AME REIT's business, financial condition, results of operations and prospects will not be significantly affected by political, economic and social events, circumstances, threats or uncertainties such as war, acts of terrorism, civil unrest, riots and changes in interest rates, foreign exchange rates and taxation. Political changes including but not limited to changes in governmental regulations and policies, changes to senior positions within the federal or state governments, or any political instability in Malaysia or other countries may also have a material adverse effect on AME REIT.

5. RISK FACTORS (Cont'd)

5.3 RISKS RELATING TO AN INVESTMENT IN THE UNITS

5.3.1 The actual performance of AME REIT and the Subject Properties could differ materially from the forward-looking statements in this Prospectus

This Prospectus contains forward-looking statements regarding, amongst others, forecast distribution/yield levels for the Forecast Year 2023. These forward-looking statements are based on a number of assumptions which are deemed to be reasonable as at the date of this Prospectus and subject to uncertainties and contingencies which are outside of the Manager's control. As the actual results may differ materially from the forecasts, investors are advised to read and understand the assumptions, uncertainties and contingencies underlying the profit forecast as set out in Section 4.5.3 "Bases and Assumptions" of this Prospectus for further details. AME REIT's ability to achieve the abovementioned forecast distributions/yields is subject to events and circumstances assumed which may not occur as expected, or events and circumstances not anticipated which may arise.

No assurance is given that the assumptions will be realised and the actual distributions/yields will be as forecasted.

In addition, certain forward-looking statements regarding AME REIT are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results expressed or implied in such forward-looking statements. The inclusion of a forward-looking statement in this Prospectus should not be regarded as a representation of warranty by the advisers or the Manager, that the plans and objectives of AME REIT will be achieved.

5.3.2 There has been no prior market for the Units, the listing of the Units on the Main Market may not result in an active or liquid market for the Units

On 2 June 2022, approval was obtained from Bursa Securities for the admission of 520.0 million Units of AME REIT to the Official List of the Main Market and for the permission to deal in and the listing of, and quotation for, all the issued Units. The Units comprise new securities for which there is currently no public market. There is no guarantee that the listing and quotation for the Units will develop a trading market or if a market does develop, the liquidity of that market for the Units. Prospective Unitholders must be prepared to hold their Units for an indefinite length of time if the trading price of the Units does not meet Unitholders' expectations due to illiquidity, as there is no assurance that the trading price of the Units will reflect AME REIT's financial conditions, operations and growth prospects.

5.3.3 AME REIT's Pro Forma Statement of Financial Position and Pro Forma Statement of Comprehensive Income included herein may not reflect actual financial position and results

AME REIT's Pro Forma Statement of Financial Position has been prepared to show the effects of the Acquisitions and the Offering, based on the assumption that the events have been effected on the date of establishment of AME REIT. As AME REIT's Pro Forma Statement of Financial Position is prepared for illustrative purposes only, such information, because of its nature, does not provide a true representation of the effects of the formation of AME REIT on the financial position of AME REIT had the events occurred on the date of establishment of AME REIT. Further, such information does not purport to predict AME REIT's future financial position.

AME REIT's Pro Forma Statement of Comprehensive Income included in this Prospectus has been prepared on an aggregate basis as if the Subject Properties have been operated under AME REIT throughout (or commencing from the date when the Subject Property is physically ready for tenancy, whichever is later) and as at the periods and dates presented. The Pro Forma Statement of Comprehensive Income is also not necessarily indicative of the results of operations that would have been attained had AME REIT actually existed earlier.

5. RISK FACTORS (Cont'd)

Please refer to Section 4.1 and 4.2 of this Prospectus for more details on AME REIT's Pro Forma Statement of Financial Position and Pro Forma Statement of Comprehensive Income.

5.3.4 The sale of a substantial number of Units by the Sponsor could adversely affect the price of the Units

Upon Listing, AME REIT will have 520.0 million issued Units, of which at least 265.2 million Units will be held by the Sponsor (via AME Development). If the Sponsor sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected.

5.3.5 Unitholders who do not or are not able to participate in future equity financing by AME REIT will experience a dilution in their interest in AME REIT

If Unitholders do not or are not able to participate in any future equity fund raising, such as rights issues or private placements, their proportionate interest in AME REIT will be reduced. Any consideration received by such Unitholders in exchange for any rights under future equity fund raisings may not be sufficient to compensate for the dilution of their unitholding as a result of the equity fund raising.

5.3.6 The price of the Units may decline after the Listing

The Final Retail Price and the Institutional Price may not be indicative of the market price for the Units upon completion of the Listing.

The trading price of the Units will depend on many factors, including, but not limited to:

- (i) the perceived prospects of AME REIT's business and investments and the Malaysian real estate market;
- (ii) differences between AME REIT's actual financial and operating results and those expected by investors and analysts;
- (iii) changes in analysts' recommendations or projections, if any;
- (iv) changes in general economic or market conditions;
- (v) the market value of AME REIT's assets;
- (vi) the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- (vii) the balance of buyers and sellers of the Units;
- (viii) the size and liquidity of the Malaysian REIT market;
- (ix) any changes to the regulatory system, including the accounting standards and tax system, both generally and specifically in relation to Malaysian REITs;
- (x) any ability on the Manager's part to implement successfully its investment and growth strategies; and
- (xi) broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

5. RISK FACTORS (Cont'd)

For these reasons, amongst others, Units may trade at prices that are higher or lower than the NAV per Unit. To the extent that AME REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of AME REIT's Total Asset Value and NAV, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash contributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. The Units are not capital-protected/guaranteed products. There is no guarantee that Unitholders can regain the amount invested. If AME REIT is terminated or liquidated, investors may lose a part or all of their investment in the Units.

5.3.7 There is no assurance that AME REIT will be able to make distribution to Unitholders or maintain any given level of distribution

Distributable Income is dependent on:

- (i) the NPI earned from real estate investments which depends on, among other factors the amount of Gross Rental Income and other property income received and the level of property expenses incurred; and
- (ii) the trust level expenses of AME REIT, such as Management Fees and financing costs.

If the Subject Properties from time to time do not generate sufficient Distributable Income and cash flows, AME REIT's ability to make distributions to Unitholders could be adversely affected.

No assurance can be given as to AME REIT's ability to pay or maintain distributions. Neither is there any assurance that the level of distributions will increase over time, that there will be contractual increases in rental under the tenancies of the Subject Properties or that the receipt of Gross Rental Income in connection with expansion of the properties or acquisitions of properties will increase AME REIT's cash flow available for distribution to Unitholders.

5.3.8 The Manager is not obliged to redeem Units

Unitholders have no right to request the Manager to redeem their Units. Therefore, there can be no assurance that a Unitholder will be able to dispose of his/her Units at the price at which they purchased the Units or at any price, or at all. Accordingly, Unitholders may only be able to liquidate or dispose of their Units by selling their Units through trading on the Main Market.

5.3.9 The NAV per Unit may be diluted if new Units are issued and priced below the current NAV per Unit

The Deed contemplates new issues of Units, the offering price for which may be above, at or below the then current NAV per Unit. The NAV per Unit may be diluted if new Units are issued and the proceeds from such issue of these Units generates insufficient cashflow to compensate for the dilution. Where new Units, including Units which may be issued to the Manager in payment of the Management Fees, are issued at less than the NAV per Unit, the then current NAV per Unit may be diluted.

5.3.10 Cyclical market and economic conditions may affect the price and demand for the Units

Cyclical movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units provides investors a lower return compared to other investments.

5. RISK FACTORS (Cont'd)

There can be no assurance that the performance of the Malaysian securities markets will continue to improve. The Malaysian securities markets are smaller than certain other international securities markets. Malaysian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

5.3.11 The laws, regulations and accounting standards in Malaysia may change, including the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs

AME REIT may be affected by the introduction of new or revised legislation, regulations or accounting standards. Accounting standards in Malaysia are subject to change as they are further aligned with international accounting standards. The financial statements of AME REIT may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are unknown and subject to confirmation by the relevant authorities.

There is no assurance that these changes will not:

- (i) have a significant impact on the presentation of AME REIT's financial statements;
- (ii) have a significant impact on AME REIT's results of operations;
- (iii) have an adverse effect on the ability of AME REIT to make distributions to Unitholders;
- (iv) have an adverse effect on the ability of the Manager to carry out AME REIT's investment strategies; or
- (v) have an adverse effect on the operations and financial condition of AME REIT.

AME REIT may also be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or AME REIT specifically, consequently having a corresponding adverse effect on Unitholders.

5.3.12 The Malaysian Ringgit may be subject to exchange controls

From 1988 to 2005, Bank Negara Malaysia maintained a fixed exchange rate of RM3.80 to USD1.00. In 2005, Bank Negara Malaysia removed the peg and allowed the Malaysian Ringgit to operate in a managed float, with the value of the currency being determined by various economic factors.

There can be no assurance that Bank Negara Malaysia will, or would be able to, intervene or maintain this managed float system in the future or that any such intervention or managed float system would be effective. In addition, there can be no assurance that the exchange rate will not deviate significantly from the previous fixed exchange rate.

Furthermore, there can be no assurance that the Government will not impose more restrictive or other exchange controls. Any further imposition, variation or removal of exchange controls may adversely affect the value of the Units or the ability of investors to repatriate the proceeds of any distributions or form the sale of any Units out of Malaysia.

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5. RISK FACTORS (Cont'd)

5.3.13 Foreign investment in Malaysian assets may be subject to further controls

Foreign investment in Malaysian assets is regulated and monitored by the Economic Planning Unit of the Prime Minister's Department. Currently there is no restriction imposed on foreign investment in REITs which have invested in Malaysian assets. However, there can be no assurance that the Economic Planning Unit of the Prime Minister's Department and/or the Government will not impose any restrictive or other controls relating to foreign investment in Malaysian assets. Any imposition or variation of such controls may affect Unitholders' ability to sell the Units to foreign parties and may affect the liquidity of the Units. Such conditions may also limit AME REIT's access to future sources of equity capital.

5.3.14 Unitholders may be unable to recover claims brought against the Manager as the Manager is not an entity with significant assets

Unitholders may in future have claims against the Manager in connection with the carrying on of its duties as manager of AME REIT (including in relation to the Offering and this Prospectus).

Under the terms of the Deed, the Manager is indemnified from the assets of AME REIT against any actions, costs, claims, damages, expenses or demands to which it may be put as manager of AME REIT unless occasioned by fraud, gross negligence, wilful default or breach of the Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the assets of AME REIT would be available to satisfy a claim.

5.3.15 Failure in the Listing will result in refund monies without interest

The Listing is exposed to the risk that it may be delayed or may fail should any one or more of the following events occur:

- (i) AME REIT is unable to meet the public spread requirement of a minimum of 1,000 public Unitholders holding not less than 100 Units each at the point of Listing or such other minimum public unitholding spread as may be approved by Bursa Securities;
- (ii) AME REIT is unable to meet the public unitholding spread of at least 25.0% at the point of Listing as a condition of the approval by Bursa Securities;
- (iii) the Financing Facilities being withdrawn, terminated or not being drawn down for any reason whatsoever; and
- (iv) the authorities revoke approvals for Listing.

If the Offering is not completed and/or the Manager decides in its absolute discretion not to proceed with the Listing, any monies paid in respect of all applications under the Offering will be refunded without interest.

5.3.16 There is no assurance that the Units will remain listed on Bursa Securities and/or not be suspended from trading

Although it is intended that the Units will remain listed on Bursa Securities, there is no guarantee of the continued listing of the Units. Among other factors, AME REIT may not continue to satisfy the public spread requirements under the Listing Requirements. Accordingly, Unitholders will not be able to sell their Units through trading on Bursa Securities if the Units are no longer listed on Bursa Securities and/or are suspended from trading for an indefinite period.

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6. THE MANAGER

6.1 CORPORATE INFORMATION

The Manager, I REIT Managers Sdn Bhd (Registration No. 202101014501 (1414801-X)) was incorporated in Malaysia under CA 2016 on 19 April 2021. As at the LPD, it has an issued share capital of RM2,000,000.00 comprising 2,000,000 ordinary shares.

A summary of the Manager's audited financial performance for the period from the incorporation date of the Manager up to 31 March 2022 ("FPE 2022") and financial position as at 31 March 2022, is set out in the table below:

	FPE 2022
	(RM)
Paid-up share capital	100 ⁽¹⁾
Accumulated losses	478,518
Revenue	--
Loss before tax	478,618
Loss after tax	478,618

Note:

(1) The paid-up share capital was subsequently increased to RM2.0 million on 12 April 2022.

The principal activity of the Manager is to manage and administer AME REIT. The Manager is a wholly-owned subsidiary of the Sponsor. The Manager is a Capital Markets Services Licence holder, authorised to carry out fund management activities in relation to asset management restricted to REITs. As at the date of this Prospectus, the Manager only manages AME REIT.

6.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager shall, subject to the provisions of the Deed and the Relevant Laws and Requirements and as advised by the Shariah Adviser, carry out all activities as it may deem necessary for the management of AME REIT. The Manager's main responsibility is to manage activities in relation to AME REIT.

The Manager shall, in managing AME REIT, undertake primary management activities in relation to AME REIT, including but not limited to overall strategy, risk management strategy, acquisition and disposal strategy, property development activities, marketing and communications, individual asset performance and business planning, market performance analysis and other activities as provided under the Deed.

The Manager's functions, duties and responsibilities shall include the following:

- (i) to carry on and conduct its business in a proper, diligent and efficient manner and ensure that AME REIT is managed and administered in a proper, diligent and efficient manner and in accordance with acceptable and efficacious business practices in the real estate investment industry;
- (ii) to act with due care, skill and diligence in managing AME REIT and effectively employ the resources and procedures necessary for the proper performance of AME REIT;
- (iii) to observe high standards of integrity and fair dealing in managing AME REIT to the best and exclusive interest of the Unitholders;
- (iv) not to take on, lease or otherwise acquire, any immovable property or any interest, except for the purposes of operating AME REIT and those entered into in the ordinary course of business;

6. THE MANAGER (Cont'd)

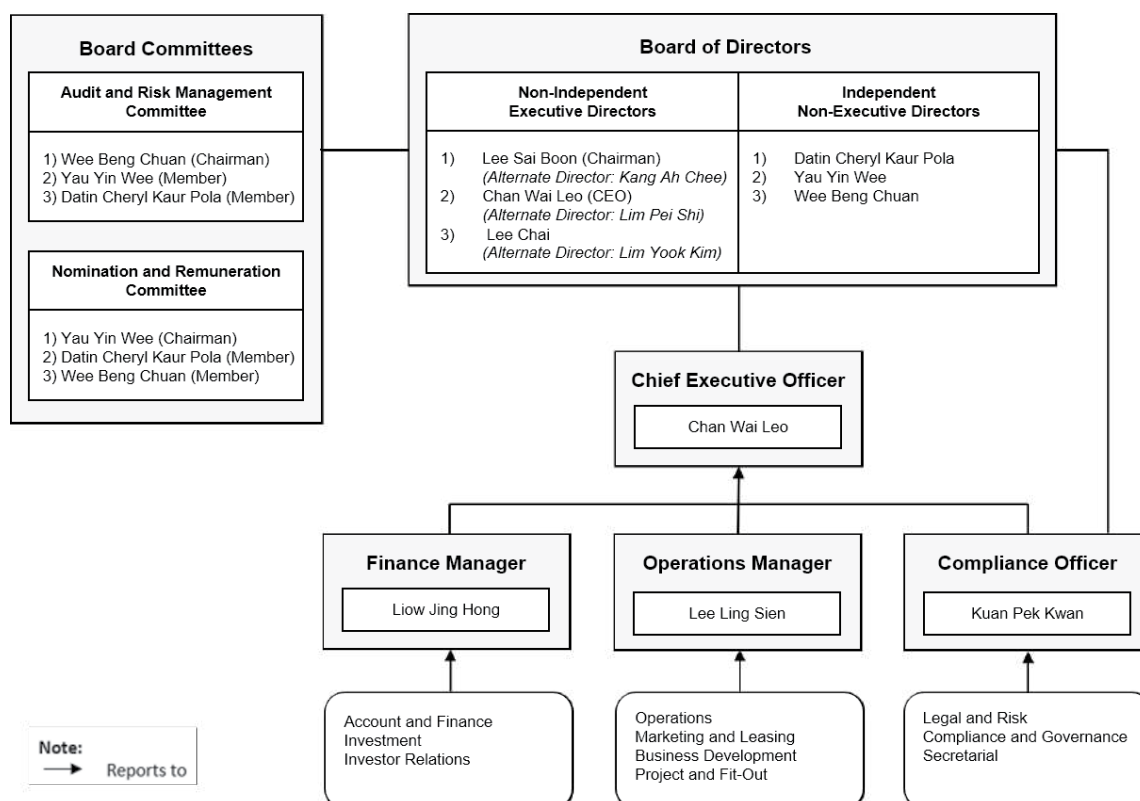
- (v) not to make improper use of its position in, or information acquired through, managing AME REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of Unitholders and to ensure that its officers and delegates comply with the same;
- (vi) to submit or make available any information relating to AME REIT, its business and any other information as may be required by the Trustee from time to time;
- (vii) to the same extent as if the Trustee was a director of the Manager:
 - (a) to make available to the Trustee or an authorised officer or employee of the Trustee or the auditor appointed by the Trustee ("**Auditor**"), for inspection, the whole of the books and records of the Manager in relation to AME REIT wherever kept;
 - (b) to make available to the Trustee or an authorised officer or employee of the Trustee or the Auditor, for inspection, all financial and other records of AME REIT wherever kept; and
 - (c) to give to the Trustee or an authorised officer or employee of the Trustee or the Auditor such oral or written information, explanation or other assistance that they may require with respect to all matters relating to AME REIT or any assets of AME REIT (whether acquired before or after the date of the Deed) or otherwise relating to the affairs of AME REIT;
- (viii) to ensure that AME REIT has, at all times, an appointed trustee and a Shariah adviser, for so long as AME REIT subsists as an Islamic REIT;
- (ix) unless otherwise permitted by the SC and the provisions of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981, to appoint an individual as a designated person responsible for the Real Estate management of AME REIT, who must possess the necessary experience and expertise in real estate investment or a property management company which has been approved by the Trustee to manage Real Estate held by AME REIT and which possesses adequate human resources with the necessary qualifications, expertise and experience in real estate management;
- (x) to ensure that AME REIT has, at all times, an appointed person responsible for compliance (who has basic knowledge of Shariah laws and principles, for so long as AME REIT subsists as an Islamic REIT) who shall directly report to the directors of the Manager to ensure AME REIT's compliance with the Deed and the Relevant Laws and Requirements;
- (xi) to ensure that all Real Estate held by AME REIT is kept in good repair, that all valid notices from and requirements of proper authorities in relation thereto are observed and complied with and that they are let and otherwise dealt with to the best advantage;
- (xii) to furnish the Trustee with a copy of all announcements that the Manager makes to Bursa Securities as soon as practicable after the announcement is made to Bursa Securities;
- (xiii) to ensure that its officers and delegates comply with any of its duties and obligations prescribed under the Relevant Laws and Requirements;
- (xiv) to take all necessary steps to ensure that the assets of AME REIT are clearly identified as AME REIT's assets and held separately from the assets of the Manager and any other REIT managed by the Manager;
- (xv) to insure and keep covered or insured in the name of the Trustee for their full replacement value or such amounts as may be recommended by a qualified independent valuer against fire, explosion, storm, tempest, flood, lightning and other usual risks including loss of rent where applicable on all Real Estate comprised in the assets of AME REIT and on request by the Trustee, produce for the inspection of the Trustee all takaful certificates or insurance policies effected;

6. THE MANAGER (Cont'd)

- (xvi) to account to the Trustee for any loss suffered by the fund as a result of the Manager's failure to exercise the degree of care and diligence required in operating and managing AME REIT;
- (xvii) to take all reasonable steps and exercise due diligence to ensure that the assets of AME REIT are correctly valued in accordance with provisions of the Deed and the Relevant Laws and Requirements;
- (xviii) to establish and maintain risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in relation to AME REIT;
- (xix) to conduct all transactions for AME REIT on arm's length basis;
- (xx) where AME REIT's investment strategy includes investments in Non-Real Estate Assets, to ensure that a designated person responsible for such investments is appointed, whether the function is undertaken internally within the Manager or externally. The Manager shall ensure that the appointment of such designated person, whether internally or externally, complies with the qualification criteria stipulated in the REIT Guidelines;
- (xxi) where the fund management function is undertaken by an external party, the Manager must ensure that the external party appoints a designated person for AME REIT;
- (xxii) for the purpose of valuing assets of AME REIT, to refrain from doing or omit anything that would or might confer on itself a benefit or advantage at the expense of Unitholders or investors;
- (xxiii) to take reasonable steps to ensure that its employees provide such assistance as the Shariah Adviser reasonably requires to discharge its duties;
- (xxiv) to pay the Trustee any money payable by it to the Trustee under the Deed;
- (xxv) where investments involve Real Estate located outside Malaysia:
 - (a) the Manager shall ensure that:
 - (aa) the Manager has the necessary experience, capability, resources and competence to deal with the legal and other regulatory requirements of Real Estate located outside Malaysia;
 - (bb) such an investment is in the best interest of the REIT and the Unitholders;
 - (cc) the Relevant Laws and Requirements are complied with; and
 - (dd) approvals or authorisations from the relevant authorities (foreign or domestic) have been obtained prior to the acquisition;
 - (b) the Manager shall demonstrate that it has the requisite competence, experience and resources to:
 - (aa) analyse the issues and risks associated with foreign investments;
 - (bb) develop, implement and keep up-to-date a set of effective internal controls and risk management systems to deal with existing and foreseeable risks associated with foreign investments; and
 - (cc) inform investors in a clear, concise and timely manner of the investment profile and risk to AME REIT; and
 - (c) the Manager shall have a contingency plan that enables it to proactively respond to any urgent need that may arise in the course of its investment and management of Real Estate located outside Malaysia and its divestment of such Real Estate (if any).

6. THE MANAGER (Cont'd)

6.3 MANAGEMENT REPORTING STRUCTURE OF THE MANAGER



6.4 DIRECTORS OF THE MANAGER

The Board is entrusted with the responsibility for the overall management of the Manager. The following table sets forth certain information regarding the directors of the Manager:

Name	Nationality	Position
Lee Sai Boon	Malaysian	Chairman / Executive Director
Chan Wai Leo	Malaysian	CEO / Executive Director
Lee Chai	Malaysian	Executive Director
Datin Cheryl Kaur Pola	Malaysian	Independent Non-Executive Director
Yau Yin Wee	Malaysian	Independent Non-Executive Director
Wee Beng Chuan	Malaysian	Independent Non-Executive Director
Lim Yook Kim	Malaysian	Alternate Director to Lee Chai
Kang Ah Chee	Malaysian	Alternate Director to Lee Sai Boon
Lim Pei Shi	Malaysian	Alternate Director to Chan Wai Leo

6. THE MANAGER (Cont'd)

6.4.1 Experience and Expertise of the Board

Information on the business and working experience of the Directors of the Manager is set out below:

- (i) **Lee Sai Boon**, a Malaysian aged 57, is the Chairman/ Executive Director. He was appointed to the Board on 19 April 2021. Mr Lee has around 28 years of experience in construction and around 11 years in property development, and property investment and management.

Mr Lee graduated from Universiti Teknologi Malaysia with a Bachelor of Mechanical Engineering in September 1988. In June 1993, he obtained his Master of Business Administration from University of Dubuque, Iowa, US.

Mr Lee is currently the Executive Director of AME. He is responsible for the overall operations and performance of the mechanical and electrical (“**M&E**”) services division. In addition, as the Executive Director in charge of the finance and IT departments, he makes recommendations to the board of AME on the AME Group’s financial budgets, assisted by the group financial controller and decisions on the AME Group’s IT investments and improvements.

Mr Lee began his career as a Trainee Engineer at Oriental Assemblers Sdn Bhd, in June 1988, where he was responsible for the daily operation and meeting of output targets of a motor vehicle line production. He left Oriental Assemblers Sdn Bhd in September 1988 and subsequently joined Western Digital Malaysia Sdn Bhd in October 1988 as an Assembly Engineer, where he provided assembly engineering support for manufacturing operations. In November 1988, Mr Lee worked as a Process Engineer in PCI Printed Circuits International Pte Ltd, Singapore, where he was in charge of the wave soldering machines as well as the Surface-Mount Technology lines. His role was to ensure that the output targets were met and to minimise defects in the Surface-Mount Technology lines. Mr Lee left PCI Printed Circuits International Pte Ltd in January 1990. In the same month, Mr Lee was employed in Hewlett Packard (“**HP**”) Pte Ltd, Singapore as a Process Engineer in the Inject Components Operation fabrication section. In March 1990, he was sent for training in the HP facility in Oregon, US, as part of the transfer of the Inject Component Division’s Thermal Inkjet Silicon Wafer Manufacturing Technology to the Singapore branch of HP. In January 1992, he was assigned to the HP plant in San Diego, US, where he was involved in the transfer of the Bobcat and Squirt Pen Head Saw processes to HP, Singapore. In July 1994, Mr Lee left HP and in the same month, he joined Tru-Tech Electronics (M) Sdn Bhd, as a Production Manager where he was responsible for the daily production output of the audio and video production line. Mr Lee left Tru-Tech Electronics (M) Sdn Bhd in November 1994.

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

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

Mr Lee is instrumental in providing M&E engineering solutions to the Sponsor Group. With his strong technical expertise in engineering, Mr Lee is the key decision maker to the Sponsor Group for the M&E engineering operations involving the design, supply, and installation of M&E engineering systems in industrial, residential, and commercial buildings. Alongside Mr Lee Chai, Mr Lee is also actively involved in the construction operation activities where he oversees the design and construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises.

6. THE MANAGER (Cont'd)

Following the establishment of AME Group's development division, Mr Lee has gained years of industrial property development experience through his involvement in the development of various industrial parks including i-Park @ SILC, i-Park @ Indahpura (including the joint venture between AME Industrial Park Sdn Bhd and Axis IE Sdn Bhd for Phase 3 of the development of i-Park @ Indahpura), i-Park @ SAC and a newly developed industrial park, i-TechValley in SILC (measuring 169.8 acres). Mr Lee oversees all stages of the development including the feasibility study, sourcing of land bank and conceptual planning.

Mr Lee has vast experience in the workers' dormitories business, sourcing of prospective tenants and the formulation of leasing strategies including the tenant mix strategies, fixing of rental rates, tenancy management and facility management.

As at the LPD, Mr Lee is an Executive Director of the Sponsor and holds directorships in other private limited companies.

- (ii) **Chan Wai Leo**, a Malaysian aged 48, is the CEO / Executive Director. He was appointed to the Board on 1 April 2022. He has approximately 25 years of experience in audit, financial reporting, property investment, REIT management and property development.

Mr Chan obtained his Association of Chartered Certified Accountants ("**ACCA**") qualification in August 1996 and was subsequently admitted as a member in 2000. He became a member of the Malaysian Institute of Accountants in November 2001 and was made a fellow member of The Association of Chartered Certified Accountants (UK) in May 2005.

He began his career with Arthur Andersen & Co., Malaysia as an Audit Staff Assistant in the Assurance Division in December 1996 and was made an Assistant Manager in September 2001. He was subsequently promoted to Manager in June 2002. During his tenure in the Assurance Division, he handled various portfolios ranging from statutory audits, special audits such as profit forecasts, business advisory services, corporate debt restructuring engagements, performance of diagnostic reviews of companies seeking financing and share valuation exercises. In December 2002, he left the firm, which was known as Ernst & Young Malaysia (following the merger with Arthur Andersen & Co.) and joined Pacific Star Group (Singapore) (formerly known as Greenwich Group (Asia) Sdn Bhd) as Group Accountant in January 2003. He oversaw the group's accounting and financial reporting functions. In February 2006, Mr Chan left Pacific Star Group and joined Citibank Berhad as Assistant Vice-President, Financial Control, Global Consumer Banking in April 2006 where he managed monthly expense closing for the various business units within the consumer banking division.

In September 2006, Mr Chan joined AXIS Development Sdn Bhd as Senior Finance Manager where he oversaw the finance and operations of AXIS Development Sdn Bhd and shareholder-controlled private companies ("**AXIS Development Group of Companies**"). This included coordinating the acquisition, sourcing of financing and disposal of the investment properties in the Axis Development Group of Companies. In August 2008, he was transferred to Axis REIT Managers Berhad as the Head of Business Development & Investor Relations. Axis REIT Managers Berhad is the manager for Axis-REIT, a listed real estate investment trust investing in industrial and office properties. In 2011, he was redesignated as Head of Originations and Investments. During his tenure with Axis REIT Managers Berhad, he was involved in the business development and strategy for property investment including evaluation and acquisition of investment properties, equity fund-raising exercises, developing strategic tie-ups and developing asset pipeline for Axis REIT and investor relations.

6. THE MANAGER (Cont'd)

In December 2015, he left Axis REIT Managers Berhad and joined AREA Management Sdn Bhd as Chief Operating Officer in January 2016. He oversaw the development and completion of AREA Logistics, 3-storey ramp up warehouse facility located in Ulu Klang. Upon completion of AREA Logistics, he was promoted to CEO in October 2020 and was tasked to oversee Compass IP Sdn Bhd. AREA Management Sdn Bhd is currently the Investment Manager for Compass IP Sdn Bhd, a joint venture between the shareholders of AREA Management Sdn Bhd, entities of Permodalan Nasional Berhad and KWEST Sdn Bhd (a wholly-owned subsidiary of Kumpulan Wang Persaraan (Diperbadankan)) to develop a 220-acre industrial estate in Kota Seri Langat, Banting. His responsibilities include identifying and negotiating potential proposed built facilities for clients, delivering property development projects from concept and development stage to completion and operations. He also oversaw the capital management of the project companies, leasing of the investment properties and investor relations.

In 2016, Mr Chan together with shareholders of AREA Management Sdn Bhd, co-founded Alpha REIT Managers Sdn Bhd which manages Alpha REIT. Alpha REIT is a Shariah compliant unlisted REIT focusing on education and education-related assets. He was appointed as a Director in Alpha REIT Managers Sdn Bhd, the manager for Alpha REIT in October 2016 until 13 December 2021.

He was also a director in AREA EduReit Sdn Bhd (holding company of Alpha REIT Managers Sdn Bhd) from May 2017 to 13 December 2021.

- (iii) **Lee Chai**, a Malaysian aged 59, is the Executive Director. He was appointed to the Board on 19 April 2021. Mr Lee has around 38 years of experience in the construction industry and around 10 years of experience in property development, and property investment and management.

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

Mr Lee is currently the group managing director of AME Group. He is responsible for the business growth and direction, strategic corporate planning as well as the overall operations and management of AME Group.

Mr Lee began his career in Syarikat Asia Mechanical Engineering in 1984 as a Contract Executive. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Lee was appointed as a Director in December 1985. In October 1993, he founded AME Construction Sdn Bhd and was instrumental in expanding AME Group's business from a construction company to a group of companies which conduct various businesses including property development, provision of engineering services and provision of property investment and management services. In December 1994, Mr Lee, together with Lim Yook Kim, Kang Ah Chee and Lee Sai Boon, established Asiamost Sdn Bhd, a company that provides fire protection system and mechanical and electrical engineering services for building and construction projects. Subsequently, Mr Lee, together with Lim Yook Kim and Kang Ah Chee, established Amsun Capital Sdn Bhd in February 1997 and was appointed as a Director in March 1997 for the provision of heavy construction equipment and machinery hiring services. In September 2008, he co-founded AME Engineering Industries Sdn Bhd, where his role involved the management of overall business activities such as strategic planning and business development activities.

Throughout his tenure in AME Group, Mr Lee plays a major role in the design and construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. His years of active involvement in the construction operation activities allowed him to gain an extensive expertise and technical knowledge in a wide range of construction services from planning and scoping, design, construction, and management to post construction maintenance.

6. THE MANAGER (Cont'd)

Mr Lee has also led various industrial development projects. Mr Lee oversees all stages of the development including the feasibility study, sourcing of land bank and conceptual planning. His involvement in property development began with the launch of i-Park @ SILC in 2011 by AME Development, an integrated industrial park developer in Malaysia. He is also instrumental in the development of other industrial parks undertaken by AME Group namely i-Park @ Indahpura (including the joint venture between AME Industrial Park Sdn Bhd and Axis IE Sdn Bhd for Phase 3 of i-Park @ Indahpura), i-Park @ SAC and a newly developed industrial park, i-TechValley in SILC (measuring 169.8 acres).

In addition to his role in construction and industrial property development, Mr Lee has considerable experience in overseeing of property investment including the successful leasing and tenanting of industrial properties, as well as the rental and management of workers' dormitories. He played a pivotal role in building a well-diversified portfolio of leasing properties comprising tenants from various sectors such as electrical and electronic, logistic services/ e-commerce and consumer products (home appliances and furniture) manufacturing.

As at the LPD, Mr Lee is the Group Managing Director of the Sponsor and holds directorships in other private limited companies.

- (iv) **Datin Cheryl Kaur Pola**, a Malaysian aged 43, is the Independent Non-Executive Director. She is also a member of both the Audit and Risk Management Committee and Nomination and Remuneration Committee.

Datin Cheryl was appointed to the Board on 1 April 2022. Datin Cheryl has 20 years of experience in research and fund management. Her last position was the Deputy Head of Equities at Affin Hwang Asset Management Berhad, a leading fund management company, where she was responsible for investing more than RM1.5 billion in assets. She also assisted in managing a team of 7 fund managers and analysts.

Datin Cheryl graduated with a Bachelor of Commerce (Accounting and Finance) from Monash University, Clayton, Australia in May 2000. She has been a Chartered Financial Analyst Charterholder since September 2004.

Datin Cheryl commenced her career as an Audit Assistant at KPMG Malaysia in February 2000. She left in December 2000 to join a pioneer online research start-up. After her time there, she joined Amanah SSCM Asset Management Berhad in May 2001 until August 2004 as an Equity Analyst. In September 2004, she joined Prudential Assurance Berhad as the Deputy Manager, Equity, where she was part of a team responsible for managing in-house insurance funds.

In August 2006, she joined Affin Hwang Asset Management Berhad as a portfolio manager, where she was subsequently promoted to Senior Portfolio Manager and later, Deputy Head of Equities, until her departure in May 2020.

- (v) **Yau Yin Wee**, a Malaysian aged 64, is the Independent Non-Executive Director. He is also the Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Management Committee.

Mr Yau was appointed to the Board on 1 April 2022. Yau Yin Wee has more than 30 years of experience in Marketing and Credit Management. Prior to his retirement in March 2021, he was the Senior Regional Head (Southern Region) in Hong Leong Bank Berhad, a position he has held since November 2015.

Mr Yau graduated with a Bachelor of Science in Business Administration majoring in Finance from the University of South Alabama, United States of America in June 1984.

6. THE MANAGER (Cont'd)

Upon returning to Malaysia, he joined Hong Leong Finance Berhad in October 1983 as a Marketing and Credit Executive, where he was responsible for the marketing of business and retail loans. He was promoted to the position of Branch Manager in June 1987, where his responsibility expanded to overseeing the business operations of the branch.

In August 1991, he was re-designated to the position of Hire Purchase Centre Manager to spearhead the bank's automobile business in Perak by initiating new business concept, as well as setting up a dedicated team of Marketing and Credit Managers and Officers. He was subsequently promoted to the position of Corporate and Commercial Manager (Senior Manager) in February 1996. In September 2005, Mr Yau joined AmBank Group as Senior Manager and was subsequently promoted to Associate Director of the Corporate and Institutional Banking in May 2010 where he was involved in business marketing and development for corporate advisory and business loans, as well as assisted clients with their initial public offering processes on both Malaysia's and Singapore's stock exchanges until November 2014.

In January 2015, he joined Hong Leong Bank Berhad as the Head of Retail Community Business whereby he facilitated the management of the Retail Community Business division in efforts to increase business efficiency, prior to the transfer as the Senior Regional Head (Southern Region) in November 2015.

Mr Yau served as a Committee Member of the Institute of Bankers Malaysia (now known as Asian Institute of Chartered Bankers) from 2001 to 2014 and Chairman of the Association of Finance Companies Malaysia (Johor Regional Committee) from 2000 to 2006.

As at the LPD, Mr Yau holds directorships in Cape EMS Berhad (formerly known as Cape EMS Manufacturing (M) Berhad), a non-listed public company and a private limited company.

- (vi) **Wee Beng Chuan**, a Malaysian aged 59, is the Independent Non-Executive Director. He is also the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

Mr Wee was appointed to the Board on 1 April 2022. Mr Wee has more than 30 years of experience in accounting and audit services.

He obtained his ACCA qualification in December 1988 and he was admitted as a Fellow of the ACCA in March 1997. He is a registered chartered accountant with the Malaysian Institute of Accountants since October 1994.

In March 1989, he commenced his professional training in an audit firm, Weston Kay in London, England. Upon his return to Malaysia, he joined KPMG Malaysia, a financial and audit services firm, as Audit Senior in March 1993. In October 2003, he was admitted as a partner of KPMG Malaysia and was responsible for the audit of a wide range of companies which included public listed companies and multinationals in various industries until his retirement from the firm on 31 December 2017.

He is also an experienced reporting accountant who has worked on numerous initial public offerings and various fund-raising exercises in the capital market. In August 2018, he joined Pembinaan Tuju Setia Sdn Bhd as a Financial Advisor overseeing the accounting and financial management matters. In August 2020, he was appointed as the Executive Director of Tuju Setia Berhad ("**Tuju Setia**") and is responsible for the accounting, financial management and advisory of Tuju Setia group of companies' financial matters.

As at the LPD, Mr Wee is an Executive Director of Tuju Setia and an Independent Non-Executive Director of QL Resources Berhad, both of which are public listed companies on the Main Market of Bursa Securities. He also holds a directorship in a private limited company.

6. THE MANAGER (Cont'd)

- (vii) **Lim Yook Kim**, a Malaysian aged 68, is the Alternate Director to Lee Chai.

Mr Lim was appointed to the Board on 1 April 2022. Mr Lim has around 48 years of experience in the construction industry and around 11 years in property development, and property investment and management. Mr Lim plays a major role in the construction operations activities of AME, where he is involved in the construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. As an Executive Director of AME Group, Mr Lim is also actively involved in overseeing AME Group's property development activities, property investment and management services and engineering services.

He attended Sekolah Jenis Kebangsaan (C) Labis, Johor for his primary education from 1961 to 1964.

Mr Lim began his career as a general construction worker in a construction company in Singapore in 1974. Mr Lim left Singapore and returned to Malaysia in 1977. In 1977, he became a joint proprietor of Syarikat Asia Mechanical Engineering which ran the business of steel fabrication. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Lim was appointed as a director in December 1985.

Mr Lim was appointed as a director of AME Construction Sdn Bhd ("**AME Construction**") in October 1993. His role in the company involved overseeing construction operation activities. He was also actively involved in the steel fabrication division of AME Construction, particularly in the sourcing of new equipment, the recruitment of skilled welders and capacity expansion plans. In December 1994, Mr Lim, together with Lee Chai, Kang Ah Chee and Lee Sai Boon established Asiamost Sdn Bhd, a company that provides fire protection system and mechanical and electrical engineering services for building and construction projects. Subsequently, Mr Lim, together with Lee Chai and Kang Ah Chee established Amsun Capital Sdn Bhd in February 1997 and was appointed as a director in March 1997 for the provision of heavy construction equipment and machinery hiring services. In September 2008, he co-founded AME Engineering Industries Sdn Bhd, where he took an active role in its management and business activities. During his tenure as the director of AME Construction, Mr Lim was involved in setting up the fabrication plant of AME Engineering Industries Sdn Bhd.

In August 2018, Mr Lim was appointed as the Executive Director of AME, and is responsible for the on-site operations and activities carried out by the construction and engineering division.

As at the LPD, Mr Lim is an Executive Director of the Sponsor and holds directorships in other private limited companies.

- (viii) **Kang Ah Chee**, a Malaysian aged 67, is the Alternate Director to Lee Sai Boon.

Mr Kang was appointed to the Board on 1 April 2022. Mr Kang has around 50 years of experience in the construction industry and around 11 years in property development, property investment and management. Mr Kang plays a major role in the construction operations activities of AME, where he is involved in the construction of customised large manufacturing plants and other industrial buildings for multinational and local enterprises. As an Executive Director of AME Group, Mr Kang is also actively involved in overseeing AME's property development activities, property investment and management services and engineering services.

He attended Sekolah Menengah Kebangsaan Pekan Nenas, Johor for his secondary education until 1971.

Mr Kang began his career as a mechanical welder in a steel fabrication company in 1972. In 1981, Mr Kang became a joint proprietor of Syarikat Asia Mechanical Engineering, which ran the business of steel fabrication. Subsequently, when Syarikat Asia Mechanical Engineering Sdn Bhd was incorporated, Mr Kang was appointed as a director in December 1985.

6. THE MANAGER (Cont'd)

He was appointed as a director of AME Construction in October 1993 where he was primarily involved in construction machinery management as well as site operation activities. In December 1994, Mr Kang, together with Lee Chai, Lim Yook Kim and Lee Sai Boon, established Asiamost Sdn Bhd, a company that provides fire protection system and mechanical and electrical engineering services for building and construction projects. Subsequently, Mr Kang, together with Lee Chai and Lim Yook Kim, established Amsun Capital Sdn Bhd in February 1997 and was appointed as a director in July 1999 for the provision of heavy construction equipment and machinery hiring services. In September 2008, he co-founded AME Engineering Industries Sdn Bhd, a company principally involved as a contractor for fabrication of building structures and its related business.

In August 2018, Mr Kang was appointed as the Executive Director of the Sponsor, and is responsible for the on-site operations and activities carried out by the construction and engineering division.

As at the LPD, Mr Kang is an Executive Director of the Sponsor and holds directorships in other private limited companies.

(ix) **Lim Pei Shi**, a Malaysian aged 34, is the Alternate Director to Chan Wai Leo.

Ms Lim was appointed to the Board on 1 April 2022. Ms Lim has around 10 years of experience in the sales and marketing, and the leasing and management of industrial properties. She is instrumental in the sales and marketing of AME's industrial properties namely i-Park @ SILC, i-Park @ Indahpura, i-Park @ SAC and a newly developed industrial park, i-TechValley in SILC to buyers and potential tenants.

Ms Lim graduated with a Bachelor of Education (Montessori Early Childhood Teaching) from the Auckland University of Technology, New Zealand in December 2009.

In 2010, Ms Lim was employed as a full-time teacher at the Lollipops Albany Childcare Centre, New Zealand. She also participated in programme planning and management with the teaching team. Ms Lim resigned from the centre in 2011.

Ms Lim joined AME Development as a Marketing Administration Executive in August 2011 and was promoted to the position of Assistant Marketing Manager in March 2012. Ms Lim was appointed as the Marketing Director of AME Development in February 2013. Her primary role includes sales and marketing strategic planning, conducting presentations, planning and organising events in relation to marketing and publicity launches, organising site tours and exhibitions, and submitting the necessary information for various awards and accolades for the property development division. Ms Lim is also involved in the negotiation of commercial terms including pricing and technical specifications and liaising with the project management on the completion and delivery of properties. In October 2018, Ms Lim was appointed as the Alternate Director to Lim Yook Kim in AME. She was promoted to the position of Property Development Director in July 2019, a position she still holds currently.

Ms Lim is responsible for the property development operations including oversee of all stages of industrial park development, starting from feasibility study, land banking, conceptual planning, sales and marketing to management and operation of the industrial park. She is also involved in the leasing and management of industrial properties of the Sponsor. Upon listing, she will no longer oversee the 34 Subject Properties to be transferred into AME REIT.

As at the LPD, Ms Lim is an Alternate Director to Lim Yook Kim on the board of the Sponsor and holds directorships in other private limited companies.

6. THE MANAGER (Cont'd)

6.4.2 Directorships of Directors of the Manager in other Management Companies

As at the LPD, none of the Directors of the Manager hold directorships in any other management companies.

6.4.3 Role of the Board

The key roles of the Board are to:

- (i) establish business and organisational goals and provide guidance in respect of the corporate strategy and directions of the Manager;
- (ii) optimise the financial operations of the Manager (including budgeting approval and all other financial matters);
- (iii) provide leadership to all staff;
- (iv) enhance stakeholder value and returns by motivating business development and operating efficiency;
- (v) recommend and establish the distribution policy of AME REIT;
- (vi) set directions and strategies to procure and retain tenants;
- (vii) evaluate and approve the acquisitions and divestments of Real Estate of AME REIT;
- (viii) provide direction on organic growth strategies to enhance the performance of AME REIT;
- (ix) promote good corporate governance culture within the Manager which reinforces ethical, prudent and professional behaviour;
- (x) ensure there is a sound framework for risk management and internal control; and
- (xi) maintain positive relationships with internal and external stakeholders.

Each director of the Manager has been appointed on the basis of their professional experience and ability to provide the proper guidance to AME REIT.

The Board will have in place a set of internal controls which set out certain approval limits to facilitate operational efficiency as well as arrangements in relation to cheque signatories. To further facilitate operational efficiency, sub-limits are also delegated to various management levels.

The Audit and Risk Management Committee closely monitors any changes made to regulations and accounting standards. In order to keep pace with regulatory changes which have an important bearing on the Manager's or its Directors' disclosure obligations, briefing will be provided to the Directors either during Board meetings or at specially convened sessions involving relevant professionals.

Complete and adequate information is also provided by the management to the Board in a timely manner through regular updates on financial results, market trends and business developments.

There are 3 Directors who are non-executive and independent. This allows the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board to facilitate the making of informed and critical decisions. Lee Chai and Lee Sai Boon as the executive directors representing the Sponsor will also be carrying out the following functions for the Manager, which are limited and incidental to their executive roles in the Sponsor Group:

6. THE MANAGER (Cont'd)

- (i) liaising with potential and new tenants in respect of properties in the industrial parks developed by the Sponsor Group;
- (ii) relationship management of existing and new tenants in respect of properties in the industrial parks developed by the Sponsor Group; and
- (iii) liaising with, understanding and meeting the requirements in relation to the technical specifications requested by tenants (including renovations and refurbishments) for properties in the industrial parks developed by the Sponsor Group.

Lee Chai and Lee Sai Boon will not receive any salary from the Manager in respect of their executive functions.

The above would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shaping the strategic process. This, together with clear identifiable roles of the Chairman of the Board and the CEO of the Manager, provides a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate on business activities of the Manager.

The positions of Chairman of the Board and CEO of the Manager are separately held by 2 persons in order to maintain an effective oversight and clear segregation of duties. The Chairman of the Board is Lee Sai Boon, while the CEO of the Manager is Chan Wai Leo.

The Chairman assumes responsibility for the management of the Board and ensures that members of the Board and the management work together in a constructive and respectful manner, and that the Board communicates effectively with the management by engaging in constructive debate on strategies, business operations, enterprise risk and other plans.

The CEO is responsible for proposing and working with the Board to determine the overall business, investment and operational strategies or policies for AME REIT, overseeing the day to day operational management of AME REIT, and implementing business policies, strategies and decisions in accordance with the objectives of AME REIT.

The Board has direct access to the advice and services of senior management and the company secretary. The Board may seek independent professional advice on any matter connected with the discharge of its responsibilities as it may deem necessary and appropriate.

Audit and Risk Management Committee

The Audit and Risk Management Committee was established to assist the Board in assessing the risks and control environment, overseeing financial reporting, evaluating the internal and external audit process as well as reviewing situations caused by conflicts of interest and related party transactions of AME REIT.

The Audit and Risk Management Committee comprises Wee Beng Chuan, Datin Cheryl Kaur Pola and Yau Yin Wee. Wee Beng Chuan will assume the position of Chairman of the Audit and Risk Management Committee.

The key duties and responsibilities of the Audit and Risk Management Committee are:

- (i) Risk Management and Internal Control**
 - (a) review the adequacy and effectiveness of the risk management, internal control system and management information system of AME REIT;
 - (b) review the extent of compliance with established internal policies, standard plan, procedures, law and regulations and observance of a proper code of conduct; and

6. THE MANAGER (Cont'd)

- (c) advise the Board on risk policy matters including but not limited to oversight of compliance with AME REIT's risk management policy, review and/or recommend changes to risk policies for Board approval.

(ii) Financial Reporting Review

Oversee the financial reporting of AME REIT to ensure that it presents a true and fair view of the financial position and performance of AME REIT, and comply with applicable MFRS and regulatory requirements.

(iii) External Audit

- (a) review and recommend audit fee, assess the performance and effectiveness of the external auditors and to consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of AME REIT's external auditors;
- (b) review the audit plan and audit reports of the external auditors;
- (c) review and monitor the external auditors' independence, objectivity and the effectiveness of the audit process and their services, including non-audit services; and
- (d) review external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Manager, the Property Manager and/ or other service providers in order to be satisfied that appropriate action is being taken.

(iv) Internal Audit

- (a) review the adequacy of the scope, functions, independence, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (b) review internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
- (c) evaluate the adequacy, efficiency and effectiveness of the internal controls and the appropriateness of the accounting policies adopted by AME REIT; and
- (d) review internal audit programmes and findings arising from audits and the performance of the internal audit function and report to the Board when necessary.

(v) Conflict of Interest Situations and Related Party Transactions

- (a) review any related party transaction and conflict of interest situation that may arise within the Manager and/or AME REIT including any transaction, procedure or course of conduct that raises questions of management integrity to ensure compliance with the provision of the Listing Requirements. For the avoidance of conflict of interest situations, the Audit and Risk Management Committee members shall abstain from participating in discussions and decisions on any matters involving him or her; and
- (b) ensure that the Manager has clear lines drawn with respect to the use of the assets of the Manager and AME REIT and related party transactions.

6. THE MANAGER (Cont'd)

(vi) Others

- (a) reviewing and recommending for the Board's approval, the extent of AME REIT's compliance with the requirements of the Listing Requirements on the appropriate materials and disclosures to be included in the Audit Committee report of AME REIT's annual report;
- (b) undertaking special investigations requested by the Board, reviewing any significant transactions which are not within the normal course of business of AME REIT; and
- (c) reporting breaches and non-compliance of the Listing Requirements to Bursa Securities if such matters are not satisfactorily resolved by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established to assist the Board in assessing and recommending to the Board suitable candidates to act as directors of the Manager, as well as to establish a formal and transparent remuneration policy or framework for directors, senior and key management personnel.

The Nomination and Remuneration Committee comprises Wee Beng Chuan, Datin Cheryl Kaur Pola and Yau Yin Wee. Yau Yin Wee will assume the position as Chairman of the Nomination and Remuneration Committee.

The key duties and responsibilities of the Nomination and Remuneration Committee are as follows:

- (i) to carry out annual performance assessment on the Board as a whole including the performance and contribution of each director and to ensure that the Board has the optimal mix of qualification, skills, experience and other qualities;
- (ii) to review the succession plans for directors and other key management personnel to ensure that an appropriate balance of skills and experience for AME REIT's business to be maintained;
- (iii) to assess the independence of the independent Directors, especially in case of retaining an independent director who continues to serve on the Board as an independent director after a cumulative term of 9 years and more and to make the recommendation to the Board on the retention of independent director, if required;
- (iv) to review and recommend suitable training programmes for the Board members including board induction and training for new directors;
- (v) to recommend the remuneration framework for directors as well as the remuneration packages of the CEO, executive directors and senior and key management personnel;
- (vi) to review the performance of and recommend to the Board for approving the annual total remuneration packages of individual executive directors and key management personnel;
- (vii) to review and recommend the remuneration of non-executive directors to the Board;
- (viii) to formulate and review the said remuneration packages with the aim of attracting, retaining and motivating individuals of the highest calibre which are required to manage the business of AME REIT and uphold Unitholders' interest; and
- (ix) to review and make recommendations on any other matters related to remuneration referred by the Board from time to time.

6. THE MANAGER (Cont'd)

6.5 MANAGEMENT TEAM OF THE MANAGER

The key management personnel of the Manager are entrusted with the responsibility for the daily operations of the Manager. The following table sets forth information regarding the key management personnel of the Manager:

Name	Nationality	Position
Chan Wai Leo	Malaysian	CEO / Executive Director
Lee Ling Sien	Malaysian	Operations Manager
Liow Jing Hong	Malaysian	Finance Manager
Kuan Pek Kwan	Malaysian	Compliance Officer

6.5.1 Expertise and Experience of Key Management Personnel

Save for the information of Chan Wai Leo, the CEO, which is set out in Section 6.4.1(ii) of this Prospectus, the information on the working experience of the other key management personnel of the Manager is set out as below:

- (i) **Lee Ling Sien**, a Malaysian aged 32, is the Operations Manager.

Ms Lee was appointed on 1 May 2022, and will assist the CEO in overseeing the Manager's and AME REIT's overall operations, including to formulate business plans in relation to the properties of AME REIT to maximise the rental income of AME REIT and to implement AME REIT's strategies. Ms Lee has around 9 years of experience in the sales and marketing of properties. She was instrumental in the sales and marketing of AME's industrial properties namely i-Park @ Indahpura and i-Park @ SAC to buyers and potential tenants.

Ms Lee graduated with a Bachelor of Business (Marketing and Management) from the Monash University in Australia in September 2012. In November 2018, she obtained a Professional Diploma in Digital Strategy and Planning from the Digital Marketing Institute.

Ms Lee started her career as a Marketing Trainee with Axis REIT Managers Berhad ("**Axis REIT**") in October 2012 and subsequently as a Marketing Executive in January 2013. Her role in Axis REIT involved newsletter publication, annual report preparation and other marketing related activities. She left Axis REIT in February 2013 to join AME Development as a Marketing and Planning Executive. Her responsibilities included marketing-related activities such as preparing marketing collateral, company website management, event planning, preparing property award submissions as well as customer relationship management.

Ms Lee was promoted in July 2015 as a Business Development Executive for which she was responsible for property business development as well as property projects and budget management. In January 2018, Ms Lee was promoted to the position of Marketing Manager before being transferred to the Manager in May 2022. She was primarily responsible for providing direct assistance and reports to the Marketing Director pertaining to the sales and marketing functions as well as branding and promotional activities of the property development division of AME Group. She was actively involved in the customer relationship management including the handling of feedbacks from purchasers and tenants (including that of the Subject Properties), lease renewal and expansion plans and tenant management for the tenanted properties of AME Group.

In May 2020, Ms Lee was appointed as an Alternate Director to Lee Chai on the board of the Sponsor, a position she still holds currently.

6. THE MANAGER (Cont'd)

- (ii) **Liow Jing Hong**, a Malaysian aged 32, is the Finance Manager.

Mr Liow was appointed on 1 May 2022 and is responsible for overseeing the Manager's and AME REIT's overall accounting and financial matters including financial planning and reporting, taxation, treasury management, investment analysis, corporate affairs and internal controls. He will also be responsible for investments as well as investor relations for AME REIT.

Mr Liow has been qualified as a member of the ACCA since September 2016 and admitted as a Chartered Accountant of the Malaysian Institute of Accountants since December 2016. He has been registered as an ASEAN Chartered Professional Accountant since January 2020. Mr Liow has further been admitted as a Fellow member of the ACCA since September 2021.

He commenced his career as an Account Assistant with Marcus Ching & Associates in July 2011 and he was then promoted to an Audit Semi Senior in January 2013, where he was responsible for carrying out accounting and audit assignments. Mr Liow left the firm to join KPMG Malaysia as an Audit Associate in July 2013 after completion of his ACCA professional examinations in February 2013, where he was involved in various audit assignments. He progressed smoothly from an Audit Associate to Audit Senior Associate, Audit Assistant Manager and Audit Manager in January 2015, January 2016 and January 2018 respectively, before he left KPMG Malaysia in January 2019. During his tenure with KPMG Malaysia, he undertook various responsibilities including leading the audit teams to conduct audit and special assignments of multinational corporations and Malaysian public listed companies, involving in initial public offering assignments and due diligence exercises, as well as conducting trainings for the office. He had obtained extensive audit experience spanning various industries such as construction, property development, manufacturing, plantation, palm oil refinery and education.

In March 2019, Mr Liow joined AME Construction Sdn Bhd (presently a major subsidiary of AME) as a Corporate Accountant. He was promoted to Finance Manager in January 2021. He was involved in the initial public offering and due diligence exercises of AME and he was responsible for various roles and group matters including the group accounts and consolidation, financial planning and reporting, corporate finance and governance, compliance and risk management, as well as investor relations.

- (iii) **Kuan Pek Kwan**, a Malaysian aged 33, is the Compliance Officer.

Ms Kuan was appointed on 18 April 2022. She has approximately 9 years of corporate secretarial experience in property, retail and services industries, for both public and private companies. She is responsible for ensuring the Manager's compliance with securities law, regulations and guidelines governing the regulated activities that are being carried out by the Manager.

Ms Kuan, having studied at Advance Tertiary College, Kuala Lumpur, graduated with a Bachelor of Laws (University of London International Programme) in August 2013 and subsequently completed her Master of Business Administration (Corporate Governance) at Putra Business School in March 2022. She is also expected to obtain her Graduateship status awarded by the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) in August 2022.

Ms Kuan began her career as an Assistant Company Secretary in ASI Secretarial Services Sdn Bhd from August 2013 to December 2014. During her time there, she provided company secretarial services to approximately 100 private limited companies where her responsibility includes providing consultation to directors and shareholders on compliance with the Act and other relevant laws and regulations such as in relation to trademark application, expatriates working permit applications and other license applications with the Malaysian government departments/agencies, as well as monitoring regulatory changes to ensure the company's ongoing compliance.

6. THE MANAGER (Cont'd)

In January 2015, she left to join Lion Group Management Services Sdn Bhd as a Secretarial Executive where she assisted in providing in-house secretarial services to Parkson Holdings Berhad Group and Lion Industries Corporation Berhad Group. She left in July 2017 and joined Hap Seng Management Services Sdn Bhd as a Secretarial Executive until January 2020. During her tenure there, she provided the full spectrum of company secretarial services to Hap Seng Consolidated Berhad and Hap Seng Plantations Holdings Berhad with focus on the Credit Financing and Property Divisions.

From February 2020 to May 2020, she took a short term career break to focus on her on-going education and to manage certain family obligations as a result of the outbreak of the COVID-19 pandemic in Malaysia. During her career break, she completed a short stint as Secretary Advisor for KCC Mgt Sdn Bhd from February 2020 to March 2020 on a contract basis, where she performed due diligence on the Secretarial Division comprising approximately 120 private companies to ensure their compliance with the Act.

Ms Kuan subsequently joined Tricor Corporate Services Sdn Bhd in June 2020 as a Senior Associate. As Senior Associate, in addition to providing company secretarial services to public and private companies in Malaysia to ensure their on-going compliance with the Act, Listing Requirements, MCGG and other relevant legislations. She also assumed responsibility to provide guidance to approximately 12 junior colleagues on company secretarial matters. In April 2022, Ms Kuan left to join the Manager.

6.5.2 Roles of the Key Management Personnel of the Manager

The **CEO** leads the team of the Manager and oversees the day-to-day operational management of AME REIT which includes preparing proposals and working with the Board to determine the overall business, investment and operational strategies or policies for AME REIT as well as to ensure that the business, investment and operational strategies of AME REIT are implemented in accordance with the Manager's stated investment strategy and also in accordance with the Deed constituting AME REIT, guidelines issued by SC and Listing Requirements.

The **Operations Manager** will assist the CEO to work with the Property Manager to ensure that the business and operational strategies of AME REIT are implemented in accordance with the Manager's stated investment strategy. The Operations Manager will work with the Property Manager and the Finance team to oversee the management and operations of AME REIT's Real Estate to engage with tenants, maximise rental income and manage the expenses of the Real Estate of AME REIT without compromising its marketability.

The **Finance Manager** will assist the CEO and the other team members of the Manager to formulate strategic plans for AME REIT in accordance with the Manager's stated investment strategy. The Finance Manager will be responsible for applying the appropriate investment and capital management strategies, including tax and treasury matters, as well as finance and accounting matters, overseeing implementation of AME REIT's short and medium-term business plans, and investor relations. The Finance Manager will also be responsible for the preparation of all relevant financial reporting (including interim reporting) required under relevant regulatory requirements, including but not limited to the Relevant Laws and Requirements apart from assessing, and evaluating potential acquisitions and related investments with a view to enhance and optimise the value of AME REIT's portfolio and ensuring that investments are in line with AME REIT's investment policy, objective and strategies.

The **Compliance Officer** will advise and monitor the Manager to ensure its compliance with the Relevant Laws and Requirements including advising and monitoring the internal corporate governance policies of the Manager and to ensure that there are no breaches of the covenants of the Deed and any other contracts/agreements entered into by the Manager and Trustee (on behalf of AME REIT) with third parties. The Compliance Officer will report to the Board on compliance matters.

6. THE MANAGER (Cont'd)

6.6 MANAGEMENT FEES

The Manager may elect to receive the Management Fees in cash or new Units or a combination of cash and new Units (as it may in its sole discretion determine). The Manager is entitled under the Deed to the following Management Fees (exclusive of service tax, if any):

6.6.1 Base Fee and Performance Fee

(i) The Manager is entitled under the Deed to the following fees:-

(a) **Base Fee**

up to 1.0% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) in the relevant financial year. The Manager intends to charge a base fee of 0.3% per annum of the Total Asset Value of AME REIT (excluding cash and bank balances which are held in non-interest / non-profit bearing accounts) for the Forecast Year 2023.

For avoidance of doubt, where an investment is held through one or more SPV, the Total Asset Value shall include the value of all the assets of the relevant SPV, prorated, if applicable, to the proportion of AME REIT's interest in the said SPV.

(b) **Performance Fee⁽¹⁾**

up to 5.0% per annum of the NPI.

Note:

(1) *Performance fees have been included in the fees chargeable by managers of 7 out of 8 REITs listed in Malaysia since 2010. The 3 REITs quoted by the Independent Market Researcher as set out in Appendix B, namely Axis REIT, Atrium REIT and Al-Salam REIT, which have investment in industrial properties of more than 10% of their respective total investment portfolio, do not charge any performance fee. It should be noted that Axis REIT and Atrium REIT were listed before 2010.*

6.6.2 Acquisition Fee and Divestment Fee

The Manager is also entitled under the Deed to the following fees:

(a) **Acquisition Fee**

1.0% of the acquisition price of each of the following as is applicable (subject to there being no double-counting):

(aa) in relation to an acquisition (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate purchased by AME REIT or its SPV (pro-rated, if applicable, to the proportion of AME REIT's interest); or

(bb) in relation to an acquisition (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest);

For the avoidance of doubt, no Acquisition Fee is payable with respect to the acquisition of the Subject Properties in connection with the Listing but Acquisition Fee is payable with respect to all other transactions (including related party transactions and non-related party transactions and acquisitions from AME Group).

6. THE MANAGER (Cont'd)

(b) Divestment Fee

0.5% of the disposal price of each of the following as is applicable (subject to there being no double-counting):

- (aa) in relation to a disposal (whether directly or indirectly through the Trustee or one or more SPVs of AME REIT) of any Real Estate, the transaction value of any Real Estate disposed by AME REIT or its SPV (pro-rated, if applicable, to the proportion of AME REIT's interest); or
- (bb) in relation to a disposal (whether directly or indirectly through one or more SPVs of AME REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of AME REIT's interest).

For the avoidance of doubt, the Divestment Fee is payable with respect to all other transactions (including related party transactions and non-related party transactions and divestments to AME Group), as well as for compulsory acquisitions.

In making the payment of the Management Fees mentioned above, AME REIT shall also bear all applicable sales and services taxes or such other duties and levies whatsoever imposed on the Management Fees by the relevant authorities in Malaysia or elsewhere.

The Management Fees should not be higher than that disclosed above in this Section 6.6 "Management Fees" unless:

- (i) the Manager has notified the Trustee in writing of the new higher rate and the Trustee consents to the same;
- (ii) the Manager has announced to Bursa Securities of the higher fee rate and its effective date;
- (iii) 90 days has elapsed from the date of this Prospectus; and
- (iv) prior approval of the unitholders is obtained by way of a majority resolution (or such other majority as may be required under the REIT Guidelines from time to time).

Any upward variation of the Management Fees shall be effected by way of a supplemental deed in accordance with the requirements of the CMSA.

Based on the Profit Forecast, the Management Fees estimated for the Forecast Year 2023 amounts to approximately RM3.6 million, which was computed based on a base fee of 0.3% per annum of the Total Asset Value of AME REIT (on the assumption that cash and bank balances are held in profit bearing accounts) and a performance fee of 5.0% per annum of the NPI for the Forecast Year 2023.

The Management Fees are payable to the Manager in cash, new Units or a combination thereof as the Manager may elect. Any payment of the Management Fees in cash must be paid within 15 days of (i) in respect of Base Fee and Performance Fee, the announcement of the relevant quarterly financial reports; or (ii) in respect of the Acquisition Fee and Divestment Fee, the completion of the relevant acquisition or divestment (each, a "Trigger Event"). Any payment of the Management Fees in new Units must be paid as soon as practicable after obtaining Bursa Securities' approval for the listing of and quotation for the said Units. Where such approval cannot be obtained, the payment of the Management Fees will be paid in cash. Bursa Securities has approved the listing of and quotation for up to 30.0 million Units to be issued as payment of the Management Fees on a staggered basis, on 2 June 2022. The 30.0 million Units are tabulated based on 5.8% of the initial Units listed. The approval of the SC is not required for the issuance of the 30.0 million Units.

The Manager will ensure that the payment of the Management Fees in the form of new Units does not result in a conflict of interest by taking the following steps:

6. THE MANAGER (Cont'd)

- (i) The payment of the Management Fees in the form of new Units will be in accordance with the following formula:

$$\text{New Units to be issued as payment of the Management Fees} = \frac{\text{Management Fees payable in Units}}{\text{Market Price}}$$

For this purpose, “**Market Price**” means the volume weighted average market price of the Units for the last 5 Market Days preceding the following events:

- (a) in respect of the Base Fee and Performance Fee, the announcement of the relevant quarterly financial reports; or
- (b) in respect of the Acquisition Fee and Divestment Fee, the completion of the relevant acquisition/divestment,
- (each a “**Trigger Event**”).

With reference to any Book Closing Date, where the Trigger Event is before but the issuance of the new Units relating to such Trigger Event is after the said Book Closing Date, the Market Price will be further adjusted for the entitlement relating to such Book Closing Date.

- (ii) The Manager will make immediate announcements to Bursa Securities disclosing the number of new Units issued and the issue price of the new Units when new Units are issued as payment for Management Fees. Payment of the Management Fees in Units shall be subject to AME REIT complying with the public spread requirements stated in the Listing Requirements and there being no adverse implications under Rules on Take-over.

In determining whether to pay the Management Fees in the form of Units or cash or a combination of both, the Manager will be guided by, amongst others, the cash flows planning of the Manager, the potential capital appreciation through holding the Units, the alignment of interest with the Unitholders and the manner of payment of the Management Fees will not be detrimental to the Unitholders.

6.6.3 Illustration of the Management Fees Payable

To illustrate the Management Fees payable in any particular financial year, the following scenarios for AME REIT’s financial position and performance as well as acquisition and divestment activities are assumed:

Total Asset Value as at the end of the current FYE : RM574.5 million

NPI for the current FYE : RM30.0 million

Acquisition activities during the FYE : **Acquisition 1:** Acquisition of a Real Estate for a purchase consideration of RM30.0 million.

Acquisition 2: Acquisition of the SPV, which holds a Real Estate valued at RM30.0 million (by an independent valuer) and has borrowings of RM18.0 million, for a purchase consideration of RM12.0 million.

Divestment activities during the FYE : **Divestment 1:** Divestment of a Real Estate for a sale consideration of RM30.0 million.

Divestment 2: Divestment of the SPV, which holds a Real Estate valued at RM30.0 million (by an independent valuer) and has borrowings of RM18.0 million, for a sale consideration of RM12.0 million.

6. THE MANAGER (Cont'd)

Based on the above, the Management Fees payable by AME REIT are illustrated on the 2 following scenarios as set out in the table below:

Base Case : Assuming Management Fees are charged at the rate in line with the assumptions for the Profit Forecasts (see Section 6.6 "Management Fees" of this Prospectus for further details)

Maximum Case : Assuming Management Fees are charged at the maximum rate provided for under the Deed

Base Fee	Base Case	Maximum Case
	0.3% of the Total Asset Value	1.0% of the Total Asset Value
	= 0.3% of RM574.5 million	= 1.0% of RM574.5 million
	= RM1.7 million	= RM5.7 million

Performance Fee	5.0% of NPI = 5.0% of RM30.0 million = RM1.5 million	5.0% of NPI = 5.0% of RM30.0 million = RM1.5 million
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Acquisition Fee : **Acquisition 1:** 1.0% of transaction value (being the total purchase price)
= 1.0% of RM30.0 million
= RM0.3 million

Acquisition 2: 1.0% of underlying value
= 1.0% of RM30.0 million
= RM0.3 million

Divestment Fee : **Divestment 1:** 0.5% of transaction value (being the total disposal price)
= 0.5% of RM30.0 million
= RM0.2 million

Divestment 2: 0.5% of underlying value
= 0.5% of RM30.0 million
= RM0.2 million

Apart from the event driven fees (being the Acquisition Fee and the Divestment Fee), the aggregate annual Management Fees (being the Base Fee and Performance Fee) and its proportion as a percentage of NPI based on the illustrations above are RM3.2 million (10.7% of NPI) and RM7.2 million (24.0% of NPI) for the Base Case and Maximum Case, respectively.

6.7 OUTSOURCING OF THE REGISTRAR FUNCTION

The Manager has entered into a service agreement with Boardroom Share Registrars Sdn Bhd to delegate the function of registrar to Boardroom Share Registrars Sdn Bhd.

Boardroom Share Registrars Sdn Bhd was incorporated in Malaysia under the Companies Act 1965 on 7 March 1996 and deemed registered under CA 2016. As at the LPD, the issued share capital of Boardroom Share Registrars Sdn Bhd is RM2,550,000.00 comprising 2,550,000 ordinary shares.

The principal services to be provided by the Registrar shall comprise, among others, the following:

- (i) maintenance and update of the Principal Register of Unitholders in compliance with CA 2016 and SICDA;

6. THE MANAGER (Cont'd)

- (ii) attending to relevant correspondences and enquiries from the Unitholders and any other interested parties pertaining to the Principal Register which include changes of names and addresses, replacement of lost certificates, registration of powers of attorneys, letters of administration, grant of probate, indemnities, court orders and any other matters ancillary thereto;
- (iii) preparing, signing and despatching of distribution to Unitholders and reconciling the distribution accounts unless surrendered to the Registrar of Unclaimed Moneys in accordance with the Unclaimed Moneys Act 1965 (if applicable);
- (iv) providing list of names and printing of address labels for the purposes of mailing the notices, circulars, documents and annual reports to Unitholders;
- (v) liaising with the Bursa Depository to facilitate depositing of Units, access to the Record of Depositors, statistics for Unitholders' information and for the purposes of the Unitholders' meeting or any other corporate actions, in compliance with SICDA;
- (vi) obtaining from Bursa Depository the list of Unitholders entitled to distribution;
- (vii) providing statistic reports or detailed Unitholders' information for annual report disclosure and as may be required by the Manager or the relevant authorities on a regular basis or upon receipt of a written request, which shall include the following:
 - (a) analysis of Unitholders by size and type;
 - (b) list of thirty largest Unitholders; and
 - (c) category of Unitholders;
- (viii) preparing distribution master list, bonus master list, right issue master list, list of major Unitholders, analysis of Unitholders and distribution in terms of size of unitholdings and percentage, unit capital ownership analysis and any other lists which are not specifically mentioned herein which is/are required by the Manager;
- (ix) providing services for other corporate exercises (bonus issue/rights issues and distribution payment), which shall include the provision of information on the following:
 - (a) entitlement list;
 - (b) excess applicants list; and
 - (c) successful allotment list.
- (x) acting as advisor to the Manager on all matters in relation to Bursa Depository or SICDA and be the official link between Bursa Depository and the Manager;
- (xi) processing issue of new Units including computation and allotment, verification of data for crediting into the respective CDS accounts and the subsequent dispatching of new global certificates to Bursa Depository, notices of allotment and relevant confirmation letter(s) to the Unitholders; and
- (xii) preparing for and handling the registration for Unitholders' meeting which includes the following:
 - (a) handling registration of Unitholders for meeting purposes; and
 - (b) handling lodgement and processing of proxy forms received up to providing the analysis of voting instruction based on proxy forms received.

6. THE MANAGER (Cont'd)

Notwithstanding the above, the services of the Registrar are not intended, in anyway, to diminish the responsibilities of the Manager. The Registrar function is the responsibility of the Manager.

6.8 OUTSOURCING OF THE INTERNAL AUDIT FUNCTION

Sterling Business Alignment Consulting Sdn Bhd was incorporated in Malaysia under the Companies Act 1965 on 27 May 2004 and deemed registered under CA 2016. As at the LPD, the issued share capital of Sterling Business Alignment Consulting Sdn Bhd is RM60,000.00 comprising 60,000 ordinary shares. Sterling Business Alignment Consulting Sdn Bhd is principally involved in the provision of internal audit services, corporate governance advisory, risk management consulting services and general consulting services.

The Manager has entered into a service agreement with Sterling Business Alignment Consulting Sdn Bhd to delegate the function of the internal auditor to Sterling Business Alignment Consulting Sdn Bhd.

The principal services to be provided by Sterling Business Alignment Consulting Sdn Bhd shall comprise, amongst others, the following:

- (i) developing a risk-based internal audit plan to the Audit and Risk Management Committee for approval;
- (ii) conducting an annual internal control review covering key business processes, including but not limited to, procurement and payment of property operating expenses and property enhancement services, tenancy agreement, collection of rentals, acquisition and divestment of investment properties and fund management activities;
- (iii) presenting the findings on internal control reviews to the Audit and Risk Management Committee at the scheduled periodic meetings; and
- (iv) conducting a follow-up review to determine the implementation status of action plans arising from the internal control review conducted, as necessary.

Notwithstanding the above, the primary obligation, accountability and responsibility with regards to the scope of internal audit services shall remain with regards to the scope of internal audit services approved by the Board and the Manager at all times.

The Manager shall ensure that the internal audit functions executed for AME REIT are guided by the International Professional Practice Framework of the Institute of Internal Auditors Malaysia.

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6. THE MANAGER (Cont'd)

6.9 OUTSOURCING OF COMPANY SECRETARIAL FUNCTION

The Manager has entered into a service agreement with Boardroom Corporate Services Sdn Bhd to delegate the function of company secretarial services to Boardroom Corporate Services Sdn Bhd.

Boardroom Corporate Services Sdn Bhd was incorporated in Malaysia under the Companies Act 1965 on 13 April 1960 and deemed registered under CA 2016. As at the LPD, the issued share capital of Boardroom Corporate Services Sdn Bhd is RM250,000 comprising 250,000 ordinary shares.

The principal services to be provided by Boardroom Corporate Services Sdn Bhd shall comprise, amongst others, the following:

- (i) preparation and submission of return forms under the Act to the Companies Commission of Malaysia;
- (ii) proper maintenance of statutory books;
- (iii) liaising with Bursa Securities and the SC in respect of compliance with the Listing Requirements or other relevant requirements;
- (iv) drafting of all necessary notices, directors' resolutions, minutes of directors' meetings and shareholders' meetings and relevant documents under the direction and instruction of the Board;
- (v) attending board, committee and general meetings and any other meetings of the Manager, if so required;
- (vi) preparation of Board papers for directors' meetings or any other meetings, if so required;
- (vii) providing certification of company secretarial documents and forms when required;
- (viii) providing advisory services on matters relating to the statutory requirements as prescribed under the CA 2016 and requirements under Bursa Securities, the latest updates on legislative changes and such other matters relating to good corporate and secretarial practices; and
- (ix) providing 2 named company secretaries to the Manager.

Notwithstanding the above, the services of Boardroom Corporate Services Sdn Bhd are not intended, in anyway, to diminish the responsibilities of the Manager. The company secretarial function is the responsibility of the Manager.

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6. THE MANAGER (Cont'd)

6.10 UNITHOLDINGS OF THE SPONSOR, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL OF THE MANAGER IN AME REIT

AME REIT was established on 23 May 2022. Prior to the Offering, the substantial shareholders, directors and key management personnel of the Manager will not hold any Units, direct and/or indirect, in AME REIT.

The expected unitholding of the said parties after the Acquisitions and Offering (after taking into account their respective entitlements under the ROFS and allocation from the Restricted Pink Form Offering) are set out in the table below:

	Minimum Scenario				Maximum Scenario			
	Direct		Indirect		Direct		Indirect	
	No. of Units	%	No. of Units	%	No. of units	%	No. of units	%
<u>Substantial Shareholders</u>								
Sponsor	-	0.0	265,200,000 ⁽¹⁾	51.0	-	0.0	265,200,000 ⁽¹⁾	51.0
Lee Sai Boon ⁽⁷⁾	7,397,400	1.4	266,346,330 ⁽²⁾	51.2	9,247,933	1.8	266,601,070 ⁽²⁾	51.3
Lee Chai ⁽⁸⁾	22,540,330	4.3	266,376,330 ⁽³⁾	51.2	28,160,403	5.4	266,637,736 ⁽³⁾	51.3
Lim Yook Kim ⁽⁹⁾	22,768,230	4.4	266,686,690 ⁽⁴⁾	51.3	28,447,836	5.5	266,964,176 ⁽⁴⁾	51.3
Kang Ah Chee ⁽¹⁰⁾	22,318,230	4.3	266,406,330 ⁽⁵⁾	51.2	27,897,836	5.4	266,674,402 ⁽⁵⁾	51.3
<u>Directors</u>								
Lee Sai Boon ⁽⁷⁾	7,397,400	1.4	266,346,330 ⁽²⁾	51.2	9,247,933	1.8	266,601,070 ⁽²⁾	51.3
Chan Wai Leo	335,000 ⁽⁶⁾	*	-	0.0	335,000 ⁽⁶⁾	*	-	0.0
Lee Chai ⁽⁸⁾	22,540,330	4.3	266,376,330 ⁽³⁾	51.2	28,160,403	5.4	266,637,736 ⁽³⁾	51.3
Datin Cheryl Kaur Pola	230,000 ⁽⁶⁾	*	-	0.0	230,000 ⁽⁶⁾	*	-	0.0
Yau Yin Wee	230,000 ⁽⁶⁾	*	-	0.0	230,000 ⁽⁶⁾	*	-	0.0
Wee Beng Chuan	230,000 ⁽⁶⁾	*	-	0.0	230,000 ⁽⁶⁾	*	-	0.0
Lim Yook Kim ⁽⁹⁾	22,768,230	4.4	266,686,690 ⁽⁴⁾	51.3	28,447,836	5.5	266,964,176 ⁽⁴⁾	51.3
Kang Ah Chee ⁽¹⁰⁾	22,318,230	4.3	266,406,330 ⁽⁵⁾	51.2	27,897,836	5.4	266,674,402 ⁽⁵⁾	51.3
Lim Pei Shi ⁽¹¹⁾	323,000 ⁽⁶⁾	*	-	0.0	342,333 ⁽⁶⁾	*	-	0.0
<u>Key Management Personnels</u>								
Chan Wai Leo	335,000 ⁽⁶⁾	*	-	0.0	335,000 ⁽⁶⁾	*	-	0.0
Lee Ling Sien ⁽¹²⁾	182,230 ⁽⁶⁾	*	-	0.0	197,170 ⁽⁶⁾	*	-	0.0
Liow Jing Hong	114,750 ⁽⁶⁾	*	-	0.0	128,350 ⁽⁶⁾	*	-	0.0
Kuan Pek Kwan	32,000 ⁽⁶⁾	*	-	0.0	32,000 ⁽⁶⁾	*	-	0.0

6. THE MANAGER (Cont'd)

Notes:

- * Less than 0.1%.
- (1) Deemed interested by virtue of its interest in AME Development, pursuant to Section 8 of the Act.
 - (2) Deemed interested by virtue of his interest in the Sponsor, Lotus Ideal Sdn Bhd ("**Lotus Ideal**") and Lifestyle Capital Sdn Bhd ("**Lifestyle Capital**") pursuant to Section 8 of the Act (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).
 - (3) Deemed interested by virtue of his interest in the Sponsor, Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his spouse, Tan Mui Heong, pursuant to Section 59(11)(c) of the Act (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).
 - (4) Deemed interested by virtue of his interest in the Sponsor, Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his son, Lim Khai Wen, pursuant to Section 59(11)(c) of the Act (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).
 - (5) Deemed interested by virtue of his interest in the Sponsor, Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his son, Kang Chai Poh, and daughter, Kang Miay Hong, pursuant to Section 59(11)(c) of the Act (assuming full subscription by the relevant parties of their respective entitlements under the ROFS).
 - (6) Assuming full subscription of their respective entitlements to the Offer Units to the Eligible Directors and Employees under the Restricted Pink Form Offering and before any Excess Offer Units Applications as well as full subscription for their entitlements under the ROFS and before any Excess ROFS Applications.

Lee Sai Boon, Lee Chai, Lim Yook Kim and Kang Ah Chee have voluntarily opted out of the Restricted Pink Form Offering. Further details on the allocation to Eligible Directors and Employees under the Restricted Pink Form Offering are set out in Section 3.4.1.2 of this Prospectus.
 - (7) Lee Sai Boon is the brother of Lee Chai and brother-in-law to Lim Yook Kim. He is also the uncle to Lim Pei Shi and Lee Ling Sien. He is a substantial shareholder and executive director of AME.
 - (8) Lee Chai is the brother of Lee Sai Boon and brother-in-law to Lim Yook Kim. He is the father to Lee Ling Sien and uncle to Lim Pei Shi. He is a substantial shareholder and group managing director of AME.
 - (9) Lim Yook Kim is the brother-in-law to Lee Chai and Lee Sai Boon. He is the father of Lim Pei Shi and uncle to Lee Ling Sien. He is a substantial shareholder and executive director of AME.
 - (10) Kang Ah Chee is a substantial shareholder and executive director of AME.
 - (11) Lim Pei Shi is the daughter of Lim Yook Kim and niece to Lee Chai and Lee Sai Boon. She is the cousin of Lee Ling Sien. She is the alternate director of Lim Yook Kim in AME.
 - (12) Lee Ling Sien is the daughter of Lee Chai and niece to Lee Sai Boon and Lim Yook Kim. She is the cousin to Lim Pei Shi. She is the alternate director of Lee Chai in AME.

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6. THE MANAGER (Cont'd)

6.11 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER

6.11.1 Retirement

The Manager may retire upon giving 6 months' written notice to the Trustee (or such shorter period as may be agreed upon with the Trustee) and the Trustee shall then appoint in writing any other corporation as the management company of AME REIT in its place subject to the approval of the SC.

6.11.2 Removal and Replacement

- (i) The Trustee may take all reasonable steps to remove the Manager from its appointment as soon as practicable after becoming aware of the occurrence of any of the following circumstances where the Manager:
 - (a) has been wound-up;
 - (b) was not validly appointed under the Relevant Laws and Requirements;
 - (c) is not eligible to be appointed or is disqualified from acting as a management company pursuant to the CMSA;
 - (d) fails or refuses to act as management company in accordance with the provisions or covenants of the Deed or the provisions of the CMSA;
 - (e) has a receiver appointed over the whole or a substantial part of its assets or undertaking and such receivership has not ceased or a petition is presented for the winding up of the Manager and such petition has not been withdrawn or struck off within 10 days thereof;
 - (f) contravenes the Companies Act or CMSA and where such breach can be remedied, has not been remedied within 30 days thereof;
 - (g) is required to be removed by the SC or pursuant to the provisions of the REIT Guidelines; or
 - (h) is required to be removed by the Unitholders by way of an ordinary resolution passed at a Unitholders' meeting convened for that purpose in accordance with the Deed.

The Trustee may then appoint a replacement management company which is eligible to act as a management company under the CMSA and which has been approved by the SC.

- (ii) Without prejudice to the Trustee's right to appoint a replacement management company, the Manager shall have the right to nominate a new management company (which is eligible to be appointed to act as management company under the CMSA) which shall not be a Related Party (as defined in the Deed) of the Manager, within 14 days of its removal for consideration by the Trustee.

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6. THE MANAGER (Cont'd)

6.12 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

The Deed states that the Manager and the Trustee shall avoid and ensure that their appointed delegates do not have conflict of interest arising from any transaction with AME REIT, or, if a conflict arises, shall ensure that AME REIT is not disadvantaged by such transaction. The Manager must not make improper use of its position in managing AME REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of Unitholders.

The Directors are under a fiduciary duty towards AME REIT to act in the best interest of AME REIT. In addition, the executive and non-executive directors (including CEO) and the key management personnel of the Manager are expected to act with honesty and integrity at all times.

The Directors must ensure that any related party transactions carried out by AME REIT shall be in accordance to the REIT Guidelines, the Listing Requirements and the Relevant Laws and Requirements and with the approval of the Unitholders where stipulated under the REIT Guidelines, the Listing Requirements and the Relevant Laws and Requirements at all times.

Under the Deed, the Related Parties (as defined in the Deed) of the Manager may hold Units, whether directly or through nominees, but shall not have voting rights in respect of the Units held by them in meetings of Unitholders and shall not be counted in a quorum for such meeting if they have interest in the outcome of the transaction tabled for approval which is different from the interest of other Unitholders.

Notwithstanding the above, the Related Parties of the Manager, whether directly or through nominees, may exercise the voting rights for the Units held by them or their nominees and counted in a quorum for a meeting of Unitholders for the removal of the Manager or any other circumstances as permitted under the Relevant Laws and Requirements.

Please refer to Section 12 “Corporate Governance, Related Party Transactions and Conflict of Interest” of this Prospectus for further details on conflicts of interest and related party transactions.

6.13 CORPORATE GOVERNANCE

Please refer to Section 12 “Corporate Governance, Related Party Transactions and Conflict of Interest” of this Prospectus.

6.14 MATERIAL LITIGATION AND ARBITRATION

As at the LPD, the Manager is not engaged in any material litigation and arbitration, either as plaintiff or defendant which has a material effect on its financial position and its directors do not know of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

6.15 SUSTAINABILITY

As a wholly-owned subsidiary of the Sponsor, the Manager has adopted relevant sustainability policies from the Sponsor, AME REIT aims to maximise its contribution and minimise any potential negative impact that may arise from its business operations on the community and the environment where AME REIT operates.

6.15.1 Environmental Sustainability

The environmental sustainability policies are as follows:

- (i) committed towards environmental protection by minimising risk and impact towards the environment;

6. THE MANAGER (Cont'd)

- (ii) ensure responsible and efficient use of natural resources; and
- (iii) comply with relevant environmental regulatory and legal requirements.

The Subject Properties acquired from the Sponsor Group were planned and designed based on the Green Building Concept (“**Concept**”). The Concept focuses on increasing the efficiency of resource use while reducing negative impact on human health and the environment during a building’s life cycle.

The Subject Properties are designed to reduce energy consumption by utilising natural lighting and ventilation. The energy saving features for the Industrial Properties includes, but are not limited to, the use of zincalume metal roof with thick fiberglass insulation to reduce heat radiation, translucent sheet and high ceiling to increase natural lighting. The Industrial Properties are also equipped with rainwater harvesting system and low water consumption fixtures to improve water efficiency.

Majority of the Subject Properties are located within industrial parks which incorporates ESG aspects in its planning, development and management of its industrial parks to promote a green, healthy, and comfortable environment for its occupants. The industrial parks feature large green areas and recreational park to promote nature-oriented working and living environment. Please refer to Section 2.2.2.2 of this Prospectus for details on the ESG considerations of the Sponsor in developing the industrial parks.

6.15.2 Social Sustainability

The Manager is committed to, among others, achieving the following:

- (i) contributing to the wellbeing and development of the surrounding community through corporate social responsibility programmes, employee volunteerism, job creation and donation;
- (ii) ensuring a safe, healthy, and conducive work environment for its employees;
- (iii) cultivating a diverse and inclusive culture that recognises and values individuality;
- (iv) ensuring equal access to opportunities regardless of age, gender, ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics;
- (v) eliminating improper conducts and practices in the workplace, including but not limited to bullying, discrimination, intimidation and victimisation; and
- (vi) empowering the Manager’s workforce through supporting the personal and professional growth of its employee.

6.15.3 Governance Sustainability

The Manager is committed to adhere to good corporate governance practices in accordance with the principles and practices of corporate governance as set out in MCCG. The Board strives to achieve a high standard of corporate governance which is fundamental in safeguarding the interest of the unitholders of AME REIT.

The Board is also committed to, among others, achieving the following:

- (i) maintain the highest standards of business ethics, integrity, and corporate governance practices;
- (ii) establish and continually improve appropriate governance structures and processes;
- (iii) comply with applicable laws and regulations;

6. THE MANAGER (Cont'd)

- (iv) resolve verifiable complaints, grievances and conflicts through an open, transparent and consultative process;
- (v) establish robust policies and procedures to ensure the adequacy and integrity of the AME REIT's internal control system;
- (vi) conduct business in an open, transparent, and accountable manner; and
- (vii) engage in continuous, timely, transparent, and meaningful communication with stakeholders to facilitate mutual understanding.

The Manager has adopted the recommendations under the MCCG to have a board comprising at least 50% independent directors. Further, the Board takes note of the recommendation by the MCCG to have at least 30% women directors. 1 out of 6 Directors of the Manager or 17% of the Board is female. In respect of this, the Manager endeavours to identify suitable women candidates to comply with the recommendation of the MCCG for the Board to comprise a minimum of 30% women directors within 36 months from the Listing.

Upon Listing, the Manager will make the relevant disclosures of the applicable practices prescribed under MCCG as required under the Listing Requirements.

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7. BACKGROUND INFORMATION ON THE SPONSOR

7.1 THE SPONSOR

The Sponsor was incorporated under its present name of AME Elite Consortium Berhad in Malaysia on 27 August 2018 under the Act as a public limited company. The registered office of AME is located at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor. The Sponsor is principally an investment holding company which was publicly listed on the Main Market on 14 October 2019.

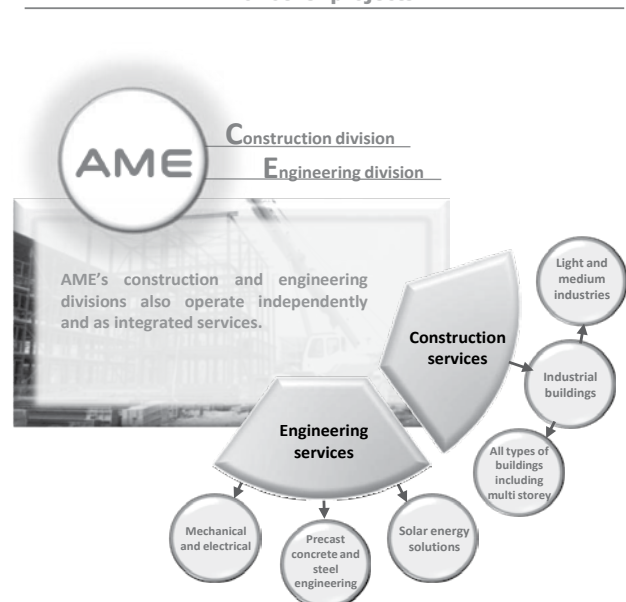
AME Group is a property development and construction group with core expertise in the construction of customised large manufacturing plants as well as design-and-build of industrial parks complemented by AME Group's offerings in engineering services, property investment and management services in Malaysia.

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

Integration of AME Group's services



Construction and engineering services provider for other projects



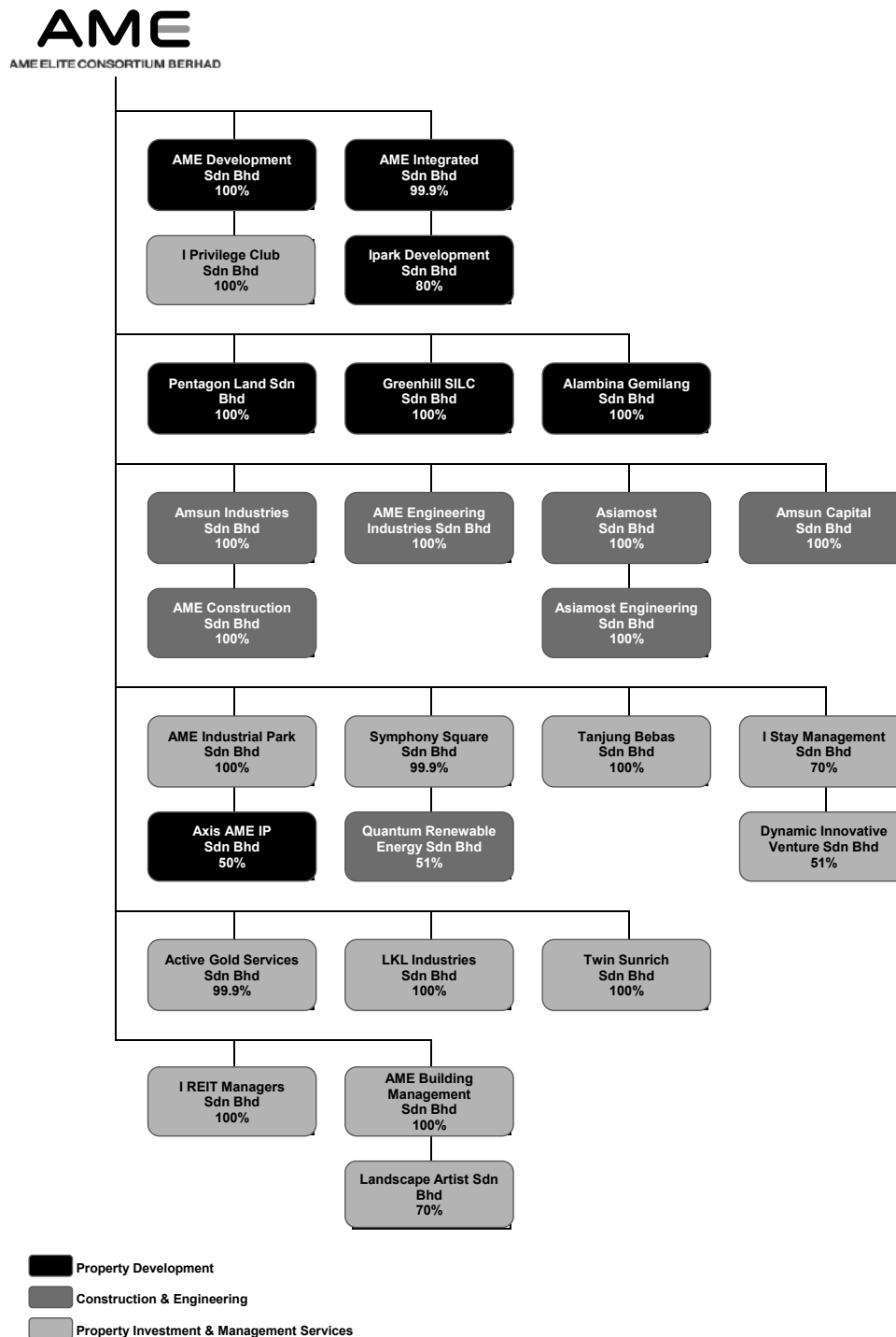
As at the LPD, AME is the holding company of the Manager with a direct interest of 100.0% in the Manager.

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7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

7.1.1 The Sponsor's Group Structure

Upon listing, the Sponsor's group structure will be as set out below:



Note:

- (1) Alambina Gemilang Sdn Bhd had on 9 August 2022 changed its name to Northern Industrial Park Sdn Bhd.

7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

7.1.2 The Sponsor's Share Capital

As at the LPD, the Sponsor's issued share capital is RM620,139,959 comprising 640,672,649 AME Shares. There are outstanding 142,371,453 Warrants 2021/2026.

7.1.3 The Sponsor's Subsidiaries and Jointly-Controlled Entity

The Sponsor's subsidiaries and jointly-controlled entity as at the LPD are as follows:

Name	Date and country of incorporation	Issued share capital RM	Equity interest %	Principal activities
Directly held subsidiaries				
Amsun Industries Sdn Bhd	16 November 1996 / Malaysia	233,333	100.0%	Investment holding
AME Development Sdn Bhd	21 January 2008 / Malaysia	1,000,000	100.0%	Property development, management services and investment holding
AME Industrial Park Sdn Bhd	29 August 2012 / Malaysia	100	100.0%	Investment holding
AME Engineering Industries Sdn Bhd	23 September 2008 / Malaysia	750,000	100.0%	Provision of manufacturing, installation and contractor for industrialised building system-precast concrete and steel structure product
AME Integrated Sdn Bhd	28 August 2012 / Malaysia	200	99.9%	Investment holding
AME Building Management Sdn Bhd	31 May 2021 / Malaysia	100	100.0%	Management of real estate and other management consultancy activities
Asiamost Sdn Bhd	2 December 1994 / Malaysia	1,000,000	100.0%	Fire protection system, mechanical and electrical contractor
Amsun Capital Sdn Bhd	24 February 1997 / Malaysia	100,000	100.0%	Provision of heavy equipment for construction industry
Tanjung Bebas Sdn Bhd	28 August 2008 / Malaysia	250,000	100.0%	Property investment
I Stay Management Sdn Bhd	18 February 2014 / Malaysia	100,000	70.0%	Property letting and maintenance
Pentagon Land Sdn Bhd	1 June 2020 / Malaysia	500,000	100.0%	Property development, investment holding and management of real estate

7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

Name	Date and country of incorporation	Issued share capital RM	Equity interest %	Principal activities
Alambina Gemilang Sdn Bhd ⁽¹⁾	22 September 2020 / Malaysia	100	100.0%	Property development, investment holding and management of real estate
Active Gold Services Sdn Bhd	16 July 2007 / Malaysia	500,000	99.9%	Property investment
Greenhill SILC Sdn Bhd	2 June 2020 / Malaysia	500,000	100.0%	Property development, investment holding and management of real estate
Symphony Square Sdn Bhd	6 November 2012 / Malaysia	300,000	99.9%	Property investment
Twin Sunrich Sdn Bhd	1 November 2012 / Malaysia	10	100.0%	Property investment
LKL Industries Sdn Bhd	13 October 2000 / Malaysia	100,000	100.0%	Property investment
I REIT Managers Sdn Bhd	19 April 2021 / Malaysia	2,000,000	100.0%	Manager of REIT
Subsidiary of Amsun Industries Sdn Bhd				
AME Construction Sdn Bhd	7 October 1993 / Malaysia	5,000,000	100.0%	Fabrication works, building contractors and property letting activities
Subsidiary of Asiamost Sdn Bhd				
Asiamost Engineering Sdn Bhd	26 November 1996 / Malaysia	100,000	100.0%	Provision of servicing, maintenance and installation of firefighting system
Subsidiary of AME Building Management Sdn Bhd				
Landscape Artist Sdn Bhd	9 June 2016 / Malaysia	1,000	70.0%	Landscape project and maintenance and its related services
Subsidiary of AME Integrated Sdn Bhd				
Ipark Development Sdn Bhd	28 September 2012 / Malaysia	5,009,600	80.0%	Property development and investment holding
Subsidiary of AME Development Sdn Bhd				
I Privilege Club Sdn Bhd	3 March 2022 / Malaysia	100	100.0%	Operation of clubhouse and the provision of sports and recreational activities
Subsidiary of I Stay Management Sdn Bhd				
Dynamic Innovative Venture Sdn Bhd	17 May 2022 / Malaysia	100	51.0%	Operation of canteens, convenience stores and laundromats

7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

Name	Date and country of incorporation	Issued share capital	Equity interest	Principal activities
		RM	%	
Subsidiary of Symphony Square Sdn Bhd				
Quantum Renewable Energy Sdn Bhd	1 July 2020 / Malaysia	1,000,000	51.0%	One-stop solution and service provider for solar energy systems, engineering, procurement, construction and commissioning of renewable energy projects and development, investment, management, operation and maintenance of solar energy systems
Jointly-controlled entity of AME Industrial Park Sdn Bhd				
Axis AME IP Sdn Bhd	16 November 2012 / Malaysia	1,000,000	50.0%	Property development and investment

Note:

(1) *Alambina Gemilang Sdn Bhd had on 9 August 2022 changed its name to Northern Industrial Park Sdn Bhd.*

7.1.4 Shareholding Structure of the Sponsor

As at the LPD, the substantial shareholders of the Sponsor as well as their direct and indirect interests are as follows:

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lee Chai	112,701,650	17.6	5,881,650 ⁽¹⁾	0.9
Lim Yook Kim	113,841,150	17.8	6,243,450 ⁽²⁾	1.0
Kang Ah Chee	111,591,150	17.4	6,031,650 ⁽³⁾	0.9
Lee Sai Boon	36,987,000	5.8	5,731,650 ⁽⁴⁾	0.9

Notes:

- (1) *Deemed interested by virtue of his interest in Lotus Ideal Sdn Bhd ("Lotus Ideal") and Lifestyle Capital Sdn Bhd ("Lifestyle Capital") pursuant to Section 8 of the Act, and shares held by his spouse, Tan Mui Heong, pursuant to Section 59(11)(c) of the Act.*
- (2) *Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his son, Lim Khai Wen, pursuant to Section 59(11)(c) of the Act.*
- (3) *Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act, and shares held by his son, Kang Chai Poh, and daughter, Kang Miay Hong, pursuant to Section 59(11)(c) of the Act.*
- (4) *Deemed interested by virtue of his interest in Lotus Ideal and Lifestyle Capital pursuant to Section 8 of the Act.*

7. BACKGROUND INFORMATION ON THE SPONSOR (Cont'd)

7.2 RELEVANT EXPERIENCE

Please refer to Section 2.2 “Competitive Strengths and Investment Highlights” of this Prospectus for information on the relevant experience of the Sponsor.

7.3 UNITHOLDINGS OF THE SPONSOR IN AME REIT

Please refer to Section 6.10 “Unitholdings of the Sponsor, Substantial Shareholders, Directors and Key Management Personnel of the Manager in AME REIT” of this Prospectus for information on the unitholdings of the Sponsor in AME REIT before and after the Listing.

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8. THE TRUSTEE

The following information in this section (save where it relates to the Deed) has been prepared and provided by the Trustee. None of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners, the Sole Underwriter and any other person have independently verified this information and therefore, none of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter make any representation as to the correctness, accuracy or completeness of such information. Accordingly, prospective investors should not place undue reliance on such information.

8.1 CORPORATE INFORMATION

RHB Trustees Berhad was incorporated in Malaysia under Companies Act 1965 on 6 March 2002 and deemed registered under CA 2016 and is registered as a trust company under Section 4 of the Trust Companies Act 1949 (“**Trust Companies Act**”) on 16 August 2002 with its registered address at Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The Trustee is also registered with the SC for trusteeship service in respect of unit trust funds. As at the LPD, the issued and paid-up share capital of the Trustee is RM6,000,000.00 comprising 1,200,000 ordinary shares, paid-up to RM5.00 per share with RM5.00 per share remaining unpaid in accordance with Section 3(c) of the Trust Companies Act.

The principal activity of the Trustee is to provide professional corporate and retail trustee services. The Trustee has been in the trustee business since 2002. As at the LPD, the Trustee’s staff strength comprises 30 executive staff.

The Trustee undertakes all types of trustee business allowed under the Trust Companies Act, ranging from corporate trustee services to retail services. The Trustee offers corporate trustee services such as trustee for REITs, unit trust funds, and custodian services. Its retail services include estate planning services (will writing, custodian and executor/trustee services) and private trustee services (private purpose trust, investment trust, charitable trust, insurance trust, business succession trust, estate administration trust, custodian and stakeholder services). As at the LPD, the Trustee is trustee for more than 14 unit trust funds, 47 wholesale funds and 2 exchange-traded funds with approximate aggregate fund size of RM2.9 billion.

8.2 BOARD OF DIRECTORS OF THE TRUSTEE

The following table sets out information regarding the Board of Directors of the Trustee:

<u>Name</u>	<u>Directorship</u>
Dato’ Siow Kim Lun @ Siow Kim Lin	Independent Non-Executive Chairman
Dato’ Darawati Hussain	Senior Independent Non-Executive Director
Tony Chieng Siong Ung	Non-Independent Executive Director / Chief Executive Officer
Dr Chong Han Hwee	Non-Independent Non-Executive Director

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8. THE TRUSTEE (Cont'd)

8.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee's functions, duties and responsibilities are set out in the Deed. The general function, duties and responsibility of the Trustee include, but are not limited to the following:

- (i) safeguarding the interests of the Unitholders and actively monitoring the administration of AME REIT by the Manager to ensure that the interests of Unitholders are upheld at all times;
- (ii) acting continuously as trustee under the trust created by the Deed until AME REIT is terminated as provided in the Deed or until the Trustee has retired from the trust in the manner provided in the Deed;
- (iii) ensuring that AME REIT has, at all times, an approved Manager and a Shariah Adviser (for so long as AME REIT subsist as an Islamic REIT);
- (iv) ensuring that the Manager does not make improper use of its position in managing AME REIT to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interest of the Unitholders;
- (v) exercising all due care, skill, diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of the Unitholders in accordance with the Deed and the Relevant Laws and Requirements;
- (vi) ensuring at all times, through proper and adequate supervision and in exercising reasonable due diligence, that AME REIT is operated, managed and administered by the Manager in accordance with AME REIT's objectives, the Deed, the documents lodged with the SC and the Relevant Laws and Requirements and acceptable and efficacious business practices within the real estate investment industry. In ensuring compliance with the requirements and safeguarding the interests of the Unitholders, the Trustee will actively monitor AME REIT's operations and management by the Manager by conducting independent reviews and not only depend on the submission of information by the Manager;
- (vii) doing everything in its power to ensure that the Manager remedies any breach known to the Trustee of the provisions or covenants of the Deed, unless the Trustee is satisfied that the breach will not materially prejudice the Unitholders' interests;
- (viii) immediately notifying the SC of any irregularity, breach of the Deed, the Relevant Laws and Requirements or any other matter properly regarded by the Trustee as not being in the interests of Unitholders;
- (ix) taking all reasonable steps and exercising due diligence to ensure that the systems, procedures and processes employed by the Manager are adequate to ensure that the assets of AME REIT are correctly valued and priced in accordance with provisions of the Deed and the Relevant Laws and Requirements; and
- (x) having in place adequate compliance and monitoring mechanism for regular review of compliance which includes monitoring and checking of compliance with investment limits as well as processes for reconciliation.

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8. THE TRUSTEE (Cont'd)

8.4 FINANCIAL INFORMATION OF THE TRUSTEE

The following is a summary of the Trustee's past audited financial performance for the past three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021.

	← Audited →		
	Financial year ended 31 December		
	2019	2020	2021
	(RM)	(RM)	(RM)
Paid-up share capital	6,000,000	6,000,000	6,000,000
Shareholders' funds	17,575,714	18,115,550	18,624,494
Revenue	9,790,745	10,919,554	12,062,920
Profit before tax	3,686,455	4,019,302	3,335,447
Profit after tax	2,885,157	3,039,836	2,508,944

8.5 TRUSTEE'S FEE

In accordance with the Deed, AME REIT will pay the Trustee RM15,000.00 as a one-time appointment fee and an annual trusteeship fee of 0.03% per annum of the NAV of the AME REIT. Other than this, there will be no payment due to the Trustee by way of remuneration for its services upon the subscription for or sale of a Unit and upon any distributions of income and capital or otherwise under the Deed.

The trustee's fee may only be varied upwards with the prior approval of the Unitholders obtained by way of a majority resolution (or such other majority as may be required under the REIT Guidelines from time to time), and shall be effected by way of a supplementary deed in accordance with the requirements of CMSA pursuant to the Deed.

8.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

8.6.1 Retirement

The Trustee may retire upon giving 6 months' written notice to the Manager (or such shorter period as may be agreed upon with the Manager) whereupon the Manager shall within 3 months after becoming aware of the intention of the Trustee to retire, appoint by way of a deed, a replacement trustee who is eligible to be appointed to act as trustee under the CMSA and who has been approved by the SC.

8.6.2 Removal and Replacement

The Manager may take all reasonable steps to remove the Trustee from its appointment as soon as practicable after becoming aware of the occurrence of any of the following circumstances where the Trustee:

- (i) is wound-up;
- (ii) is not validly appointed under the Relevant Laws and Requirements;
- (iii) is not eligible to be appointed or is disqualified from acting as trustee pursuant to the CMSA;
- (iv) fails or refuses to act as trustee in accordance with the provisions or covenants of the Deed or the provisions of the CMSA;
- (v) has a receiver appointed over the whole or a substantial part of its assets or undertaking and such receivership has not ceased, or a petition is presented for the winding up of the Trustee and such petition has not been withdrawn or struck off within 10 days thereof;

8. THE TRUSTEE (Cont'd)

- (vi) is under investigation for conduct that contravenes the Trust Companies Act, the Trustee Act 1949, the CA 2016 or any securities law and where such breach can be remedied, has not been remedied within 30 days thereof; or
- (vii) is required to be removed by the SC or pursuant to the provisions of the REIT Guidelines;

The Manager may then appoint by way of a deed a replacement trustee which is eligible to be appointed to act as trustee under the CMSA and which has been approved by the SC.

The Trustee may be removed on grounds that the Trustee is in breach of its obligations under the Deed and the Trustee has failed to remedy the breach despite the request from the Manager to remedy the breach and another trustee (which is eligible to be appointed to act as trustee under the CMSA and duly approved by the SC) shall be appointed if the Unitholders decide on such removal and replacement by a special resolution, passed at a duly convened meeting requisitioned by the Unitholders in the manner provided in the Deed.

Nothing in the Deed limits the right of the SC under CMSA to remove the Trustee and appoint a replacement on the SC's own accord, or on application of the Manager or of a Unitholder, on any of the grounds stated in sub-paragraphs (i) to (vii) above.

8.7 TRUSTEE'S RESPONSIBILITY STATEMENT

The Trustee has given its willingness to assume the position as trustee of AME REIT and all the obligations in accordance with the Deed and all the Relevant Laws and Requirements.

8.8 MATERIAL LITIGATION AND ARBITRATION

As at the LPD, the Trustee and its delegates are not currently involved in any existing, pending or threatened litigation proceedings, claims, demands, disputes, mediation or arbitration proceedings, commenced, taken up/ instituted or threatened by or against the Trustee or its delegates in their own capacity that might materially affect the business and financial position of the Trustee or its delegates, to act in the capacity as trustee of AME REIT.

8.9 DELEGATION OF THE TRUSTEE'S FUNCTION

As at the LPD, none of the Trustee's function in relation to AME REIT has been delegated.

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9. THE SHARIAH ADVISER

The following information in this section has been prepared and provided by the Shariah Adviser. None of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners, the Sole Underwriter and any other person have independently verified this information and therefore, none of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter make any representation as to the correctness, accuracy or completeness of such information. Accordingly, prospective investors should not place undue reliance on such information.

9.1 BACKGROUND INFORMATION

BIMB Securities Sdn Bhd is appointed as the Shariah adviser of AME REIT.

BIMBSEC was incorporated in Malaysia under Companies Act 1965 on 21 February 1994 and deemed registered under CA 2016 as a private limited company and is an Islamic Participating Organisation of Bursa Malaysia Berhad involved in the business of dealing in securities. The registered office of the Shariah Adviser is at 32nd Floor, Menara Bank Islam, No. 22 Jalan Perak, 50450 Kuala Lumpur.

The principal activity of BIMBSEC is stockbroking and related activities based on Shariah principles. BIMBSEC is also registered with the SC to act as a Shariah adviser for Islamic capital market products and services regulated by the SC, which include Islamic collective investment schemes. BIMBSEC is independent from the Manager. As at the LPD, BIMBSEC is a corporate Shariah adviser to 85 Islamic funds including 2 Islamic REITs.

As at the LPD, BIMBSEC has an issued share capital of RM100,000,000.00 comprising 100,000,000 ordinary shares. It is a wholly-owned subsidiary of Bank Islam Malaysia Berhad.

9.2 BOARD OF DIRECTORS OF THE SHARIAH ADVISER

The following table sets out the information regarding the board of directors of the Shariah Adviser:

Name	Designation
Dr. Mohd Hatta Dagap	Chairman
Kamaruzaman Abdullah	CEO/ Executive Director
Adi Asri Baharom	Non-Executive Director
Dr. Nurmazilah Dato' Mahzan	Non-Executive Director
Mohd Asri Awang	Non-Executive Director

9.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE SHARIAH ADVISER

As the Shariah Adviser for AME REIT, the role of BIMBSEC is to ensure that the operations and investments of AME REIT are in compliance with Shariah Requirements.

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

The general functions, duties and responsibilities of the Shariah Adviser include, but are not limited to the following:

- (i) advising on all aspects of AME REIT's compliance with Shariah;

9. THE SHARIAH ADVISER (Cont'd)

- (ii) providing Shariah expertise and guidance on all matters in relation to AME REIT, particularly on the Deed and this Prospectus, structure, investment instruments and ensuring Shariah compliance with relevant securities laws and guidelines issued by the SC;
- (iii) ensuring that AME REIT comply with the applicable Shariah principles, concepts and rulings endorsed or resolved by the SACSC;
- (iv) preparing a report to be included in the annual report of AME REIT confirming that AME REIT has been managed in compliance with Shariah, including Shariah principles, concepts and rulings endorsed by the SACSC; and
- (v) consulting the SC where there is any ambiguity or uncertainty to any Shariah matters.

9.4 PROFILES OF SHARIAH PERSONNEL

The designated persons responsible for Shariah matters relating to AME REIT are as follows:

Ir. Dr. Muhamad Fuad bin Abdullah (“Dr. Muhamad Fuad”)

Dr. Muhamad Fuad is the designated person in-charge of all Shariah matters in BIMBSEC.

He graduated with a Bachelor of Science Degree in Electrical Engineering in 1977 and a Master of Philosophy Degree in Electrical Engineering in 1982, both from the University of Southampton, England. He also obtained a Bachelor of Arts (Jayyid) Degree in Shariah from the University of Jordan in 1994 and a Doctor of Philosophy in Muslim Civilization from the University of Aberdeen, Scotland in 1996.

He is a registered individual Shariah adviser with the SC and is the chairman of the Shariah Advisory Committee of BIMBSEC. He sits on the Shariah Committees of Bank Islam Malaysia Berhad, AIA-Public Takaful Berhad and BIMB Investment Management Berhad.

He is the independent non-executive chairman of Gagasan Nadi Cergas Berhad and a board member of Universiti Tun Abdul Razak Sdn Bhd and Medic IG Holdings Sdn Bhd.

Dr. Muhamad Fuad is a recipient of the National Book Award 2015 for his book published by Institute of Islamic Understanding Malaysia entitled "The Influence of Islam Upon Classical Arabic Scientific Writings: An Examination of the Extent of Their Reference to Quran, Hadith and Related Texts".

Nurussaádah binti Nasarudin (“Nurussaádah”)

Nurussaádah joined BIMBSEC in June 2015 as Shariah executive and was promoted to head of Shariah section effective 1 May 2021. She is the Designated Shariah Officer registered under the BIMBSEC's Shariah advisory license, responsible for the Shariah advisory services offered by BIMBSEC.

Nurussaádah graduated with a Bachelor of Shariah majoring in Islamic Banking and Economics from the University of Yarmouk, Jordan.

She has responsibility for the Shariah aspects of the advisory, consultancy and research functions of BIMBSEC pertaining to Islamic capital market and Islamic collective investment schemes, as well as Shariah products offered to non-financial institutions.

She has experience in product development and review in particular those related to Islamic stockbroking services.

For detailed information on the Shariah Adviser, please visit www.bimbsec.com.my

10. PROPERTY MANAGER

The following information in this section (save where it relates to the Property Management Agreement) has been prepared and provided by the Property Manager. None of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners, the Sole Underwriter and any other person have independently verified this information and therefore, none of the Manager, the Sponsor, the Selling Subsidiaries, the Principal Adviser, the Joint Bookrunners and the Sole Underwriter make any representation as to the correctness, accuracy or completeness of such information. Accordingly, prospective investors should not place undue reliance on such information.

10.1 PROPERTY MANAGER'S INFORMATION

The Property Manager, Nusa Realtors, is a newly established sole proprietorship registered in Malaysia on 29 October 2021 with the Registration No: VEPM (3)0032 under the Valuers, Appraisers, Estate Agents and Property Managers Act 1981. Lee Kong Wah, who is the registered owner of the Property Manager, has been principally involved in property management, property valuation, real estate agency and consultancy services since 1987 in various capacities. He is duly registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia.

10.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE PROPERTY MANAGER

The Trustee, the Manager and the Property Manager entered into the Property Management Agreement on 23 June 2022 for the appointment of the Property Manager to provide property management services to manage, operate and maintain the Subject Properties upon the terms and conditions therein.

The services provided by the Property Manager for each property under its management include the following:

- (i) property management services including operation, repair and maintenance of the Subject Properties, recommending, engaging and/or reviewing third party contracts for provision of property maintenance, supervision and control of maintenance and repairs, ensuring compliances with building and safety regulations, arranging and taking out property insurance, submitting applications to the appropriate regulatory authorities for licences in timely manner, permissions and consents required relating to the operation, maintenance, management or improvement of the property, advising on improvement and upgrading to enhance income yields and capital value of the Subject Properties;
- (ii) financial management services by assisting the Manager and/or the Trustee in respect of the financial, cost and budgetary coordination, administration and measurement including establishment and keeping of information and records to effect cost and budgetary control, preparation of budgets for management operation, procedures for monitoring budgetary performance and compliance, and monthly and annual reports as well as analysis of operation performance;
- (iii) letting and tenancy management services by assisting the Manager and/or the Trustee in respect of, including coordinating handover of premises and tenants' fitting-out requirements, administration of rental collection and management of rental arrears and rental collection policies and practices, formulating letting policies and advising on tenancy terms and conditions;
- (iv) reporting system services whereby the Property Manager will submit the relevant report relating to the management of the Subject Properties to the Manager and/or the Trustee, either on a monthly, quarterly or annual basis, the frequency depending on the nature and types of reports; and
- (v) providing professional services including advising on capital value, assessment value and consulting with other professionals in legal, technical, financial and accounting matters, if and whenever necessary.

10. PROPERTY MANAGER (Cont'd)

In accordance with the terms of the Property Management Agreement, the Property Manager shall, during the duration of the Property Management Agreement, employ, by itself or through third party service providers, personnel required to properly operate, maintain and manage all the Subject Properties on such terms and conditions as are commercially reasonable or appropriate having regard to the qualification, skill and experience of the persons employed for the relevant positions, responsibilities and duties. Please refer to Section 10.6 "Salient Terms of the Property Management Agreement" of this Prospectus for further details of the Property Management Agreement.

10.3 EXPERIENCE IN PROPERTY MANAGEMENT AND PROPERTIES MANAGED

Lee Kong Wah has over 30 years of working experience in property consultancy work including valuation, estate agency, property management, research and feasibility studies. He is currently the sole proprietor and sole personnel of the Property Manager. As the Property Manager is newly established, there are no properties under management as at the LPD.

The Property Manager had managed five residential projects during his tenure with Knight Frank Malaysia (M) Sdn Bhd's Johor Bahru branch office, which are as follows:

- (i) 644 units at 1Medini;
- (ii) 350 units at Medini Signature;
- (iii) 382 units at Paradiso Nuova;
- (iv) 426 units at One Sentral Serviced Residence; and
- (v) approximately 100 units of terraced and semi detached houses within Emerald Bay @ Puteri Harbour.

10.4 INFORMATION ON KEY PERSONNEL

The profile of the key personnel of the Property Manager who is involved in the management of the Subject Properties is as follows:

Lee Kong Wah is the sole proprietor of Nusa Realtors, a registered real estate consultancy firm registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVAEPM). He is a registered valuer and estate agent and a registered property manager by profession. He is also a member of the Royal Institution of Surveyors Malaysia (RISM), a member of the Persatuan Penilai, Pengurus Harta, Ejen Harta & Perunding Harta Swasta Malaysia (MPEPS) and an Associate of the Royal Institution of Chartered Surveyors, (RICS) United Kingdom.

He has over 30 years of working experience in the real estate industry, including property and asset management, asset and mortgage valuation, real estate agency and project marketing, research and feasibility studies as well as investment appraisals. He was the Executive Director of Knight Frank Malaysia (M) Sdn Bhd from October 2012 to December 2018 where he oversaw the business operations in the state of Johor. He continued his service in Knight Frank (M) Sdn Bhd as a consulting advisor from January 2019 to December 2019.

Prior to that he has undertaken various positions in different firms, namely the Managing Partner of Hartamas Valuation and Property Consultants (2010-2012), the Director of Valuation in DTZ Nawawi Tie Leung International Property Consultants (2006-2010), Senior Vice President in the Property and Asset Management department of Hongkong and Shanghai Banking Corporation (Kuala Lumpur) (2005-2006), Managing Partner of Jasaland Valuers and Property Consultants (Johor Bahru) (1999-2005), Senior Valuer/Manager in the Valuation department of WTW International Property Consultants (Johor Bahru) (1994-1999) and Branch Manager in Rahim & Co International Property Consultants (Johor Bahru) (formerly known as Rahim & Co Chartered Surveyors and Property Consultants (Johor Bahru)) (1990-1994).

10. PROPERTY MANAGER (Cont'd)

He is a graduate of the University of Aberdeen, Scotland with a Bachelor in Land Economy and he obtained his Master of Science in Facilities Management from the University of Technology Malaysia.

10.5 PROPERTY MANAGEMENT FEE

The Property Manager is entitled to receive RM20,000.00 (excluding any applicable tax) per month (equivalent to RM240,000.00 (excluding any applicable tax) per annum) for the management and operation of the Subject Properties. In addition, the Property Manager is also entitled to full reimbursement of costs and expenses properly incurred in the operation, maintenance and management of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to its services provider(s).

The property management fee is payable to the Property Manager in the form of cash.

10.6 SALIENT TERMS OF THE PROPERTY MANAGEMENT AGREEMENT

- (i) Subject to the right of termination under the Property Management Agreement, the appointment of the Property Manager shall commence from the date of completion of the Acquisitions and shall unless terminated in accordance with the Property Management Agreement, continue for an initial period of two years and may be extended for a further term with the agreement of the Trustee and Manager on such terms and conditions as may be mutually agreed between the parties ("**Management Period**").
- (ii) The functions, duties and responsibilities of the Property Manager under the Property Management Agreement is summarised in Section 10.2 "Functions, Duties and Responsibilities of the Property Manager" of this Prospectus.
- (iii) The Property Management Agreement may be terminated in accordance to the terms and conditions therein under any one of the following circumstances:
 - (a) any representation, warranty or covenant which is made (or acknowledged to have been made) in relation to the Property Management Agreement by the Property Manager proves to be untrue or misleading in any material respect;
 - (b) the Property Manager is in breach of the terms or conditions of the Property Management Agreement and such breach is not remedied to the satisfaction of the non-defaulting party within 30 days;
 - (c) upon occurrence of any force majeure event which results in the failure of the Property Manager to deliver a substantial majority of the services contemplated under the Property Management Agreement for at least 14 days;
 - (d) the termination of AME REIT in accordance with the provisions of the Deed;
 - (e) an order is made for the owner of the Property Manager to be adjudged bankrupt or any steps are taken to for the dissolution of the Property Manager;
 - (f) the Property Manager becomes insolvent or a receiver has been appointed over the whole or a substantial part of the assets of the Property Manager;
 - (g) the Property Manager changes or threatens to change the nature or scope of its business, suspends or threatens to suspend a substantial part of the present business operations;
 - (h) the revocation of the Property Manager's licence or the Property Manager is no longer legally qualified to act in its capacity as a property manager; and
 - (i) the Manager ceases to act as the management company of AME REIT.

10. PROPERTY MANAGER (Cont'd)

For the purposes of this Section 10.6, “force majeure event” means all events which are beyond the reasonable control of the parties to the Property Management Agreement and which are unforeseen or if foreseen are unavoidable and which render impossible the performance of any material obligation or the exercise of any material right under the Property Management Agreement by any of the parties and shall include but is not limited to (i) war, invasion, rebellion, revolution, insurrection or civil war; (ii) act of government in its sovereign capacity; (iii) earthquakes, fire, lightning, storms, floods or any other occurrence caused by the operation of the forces of nature; (iv) strikes, lockouts, boycotts or labour disputes affecting the operation of any of the Subject Properties; (v) terrorism, sabotage or arson; (vi) change in law; and (vii) pandemics, epidemics, local disease outbreaks or public health emergencies declared by the Government.

10.7 UNITHOLDING OF THE PROPERTY MANAGER IN AME REIT

As at the LPD, the Property Manager may wish to apply for Units under the Institutional Offering.

10.8 SERVICE PROVIDERS TO PROVIDE PERSONNEL TO THE PROPERTY MANAGER

Pursuant to the Property Management Agreement, the Property Manager may appoint any third-party service provider to, among others, provide personnel in order for the Property Manager to carry out its services under the Property Management Agreement to the best of its abilities provided that the appointment of such third-party service providers has been approved by the Manager and the Trustee. The fees of such third-party service providers will be determined under the approved annual business plan and budget for the Subject Properties. The Property Manager is entitled to reimbursement of costs and expenses properly incurred in the operation, maintenance and management of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to its service providers. Notwithstanding the above, the Trustee and/or the Manager can make payment directly to the service providers subject to the recommendation from the Property Manager.

The Property Manager entered into a Service Provider Agreement with AME Building Management Sdn Bhd on 23 June 2022, wherein AME Building Management Sdn Bhd will provide the Property Manager with, among others, personnel with the appropriate qualification, skill, expertise, experience and internal working and operation knowledge of the Subject Properties for the Property Manager to carry out its functions, duties and responsibilities stipulated in the Property Management Agreement, in accordance with the terms and conditions of the Service Provider Agreement.

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11. SALIENT TERMS OF THE DEED

The Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Deed. Certain salient terms of the Deed are summarised in other sections of this Prospectus. Recipients of this Prospectus and all prospective investors in the Units should refer to the Deed itself to confirm specific information or for a detailed understanding of AME REIT. The Deed is available for inspection at the registered office of the Manager.

11.1 THE DEED

AME REIT is a REIT constituted by the Deed, as entered into between the Trustee and the Manager on 23 May 2022. The Deed came into effect on 23 May 2022 when it was registered with the SC.

Each Unitholder and all persons claiming through it shall be entitled to the benefit of and shall be bound by the terms and conditions of the Deed and any supplementary deed as if it had been a party thereto and as if the Deed contained covenants on the part of each Unitholder to observe and be bound by all the provisions thereto and an authorisation by each Unitholder to do all such acts and things as the Deed may require the Trustee or the Manager (as the case may be) to do. The Deed shall not establish either the Trustee or the Manager as the agent of the Unitholders and shall not create any other relationship other than that which is established by the provisions of the Deed.

Pursuant to the Deed, the Trustee shall hold the assets of AME REIT upon trust for the Unitholders and the assets of AME REIT so held shall be segregated from the general assets of the Trustee. The rights of the Unitholders under the Deed are divided into Units.

The Manager and the Trustee shall in the performance of their respective duties under the Deed at all times comply with applicable provisions of the Relevant Laws and Requirements, subject to compliance with any applicable waiver or exemption given by any relevant regulatory authority (including the SC or Bursa Securities, as the case may be) in respect of the Relevant Laws and Requirements.

Please refer to Information Summary – “Fees and Charges” of this Prospectus for a summary of fees payable to the Manager and the Trustee; Section 6.6 “Management Fees” of this Prospectus for further details of the Management Fees payable to the Manager and Section 8.5 “Trustee’s Fee” of this Prospectus for further details of the fees payable to the Trustee, pursuant to the terms of the Deed.

The Deed is governed by, and shall be construed in accordance with, the laws of Malaysia.

11.2 NATURE OF UNITS

Each Unit is of equal value and represents an undivided interest in AME REIT. There is only 1 class of Units in AME REIT, and all issued Units rank *pari passu* in all respects without preference or priority among themselves. A Unit shall not confer any interest in any particular assets of AME REIT but only such interest in AME REIT as a whole under the provisions of the Deed.

11.3 RIGHTS OF UNITHOLDERS

The Units shall confer on the Unitholders the rights to receive distribution entitlements, to participate and vote at meetings of Unitholders, to receive any distribution made on termination of AME REIT and such other rights, benefits, entitlements and privileges as are conferred on them in accordance with the provisions of the Deed and the Relevant Laws and Requirements.

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11. SALIENT TERMS OF THE DEED (*Cont'd*)

11.4 LIMITATION OF LIABILITY AND RIGHTS OF UNITHOLDERS

The liability of each Unitholder in its capacity as such is solely limited to the Unitholder's investment in AME REIT and no Unitholder shall be under any obligation to indemnify, reimburse or compensate the Trustee, the Manager or any creditors of AME REIT against any liability of the Trustee or the Manager in respect of AME REIT.

However, the rights of Unitholders are limited as follows:

- (i) a Unitholder has no proprietary interest in any assets of AME REIT and is not entitled to compel the transfer of any assets of AME REIT or any interest therein;
- (ii) the right of a Unitholder in the assets of AME REIT is limited to the right to require the due administration of AME REIT and the discharge of duties and obligations of the Trustee and the Manager in accordance with the Deed; and
- (iii) without limiting the generality of the foregoing, each Unitholder is deemed to acknowledge and agree that:
 - (a) a Unitholder shall not and hereby waives any rights it may otherwise have to commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the assets of AME REIT or any part thereof;
 - (b) a Unitholder's recourse against the Trustee or the Manager, in the event of any breach or threatened breach in respect of any provisions of the Deed or the Relevant Laws and Requirements, is limited to a right to recover damages or monetary compensation from the Trustee or the Manager in a court of competent jurisdiction; and
 - (c) the award of damages or monetary compensation to a Unitholder is an adequate remedy for such breach or threatened breach;

unless the Trustee or the Manager purports, attempts, threatens or take steps to terminate AME REIT in contravention with the provisions of the Deed, in which case, a Unitholder shall be at liberty to seek an order for specific performance or for injunctive relief.

- (iv) a Unitholder is deemed to acknowledge and agree that a Unitholder (in its capacity as such) shall not at any time:
 - (a) interfere with the rights, powers, authority or discretion of the Manager or the Trustee or restrict the exercise of any discretion conferred on the Manager or Trustee under the Deed;
 - (b) exercise any right or lodge any caveat or register any encumbrance in respect of the assets of AME REIT or any part thereof;
 - (c) demand or require that any assets of AME REIT or any part thereof be transferred to a Unitholder, its nominee or any other person;
 - (d) request or direct the Manager or Trustee to do or omit doing anything which may result in AME REIT contravening the Relevant Laws and Requirements or which may result in the Manager or Trustee to be in breach of their duties at law or under the Deed save for directions duly given pursuant to a resolution passed at a meeting of Unitholders; and
 - (e) have any right, solely by reasons of being a Unitholder, to enquire into the affairs of or attend any meetings of shareholders or directors of the Manager or the Trustee.

11. SALIENT TERMS OF THE DEED (Cont'd)

11.5 CREATION OF UNITS

The Manager shall ensure that all expenses of the issuance of new Units are borne by AME REIT. Applications for new Units to be issued for any listing of and quotation for the Units on the Main Market of Bursa Securities, including the Listing shall be made in accordance with the prospectus, unless the issue is of a nature that does not require a prospectus under the Relevant Laws and Requirements. The Manager shall have the absolute discretion as to whether to allot and issue any Units pursuant to an application without assigning any reasons for its decision.

Subject to the Relevant Laws and Requirements, the Manager shall determine the issue price, on market-based principles, taking into account the best interests of AME REIT and Unitholders. A Unit shall be deemed to have been issued to the person entitled to such Unit when the name of such person has been entered onto the Record of Depositors. No certificates for the Units shall be issued to any subscribers or purchasers of Units pursuant to this Prospectus.

The Manager may propose the issuance of new Units from time to time subsequent to the Listing by any method permitted under the Relevant Laws and Requirements, and such issuance of new Units shall be subject to the provisions of the Deed and the prior approval of the Trustee being obtained.

11.6 SUSPENSION OF, DEALING IN AND ISSUE OF UNITS

- (i) The Manager or the Trustee may, with the prior written approval of the other party and subject to the Listing Requirements, suspend the issuance or dealing of the Units during:
 - (a) any period when Bursa Securities is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
 - (b) the existence of any state of affairs which, in the opinion of the Manager or the Trustee (as the case may be) might seriously prejudice the interests of the Unitholders as a whole or of the assets of AME REIT;
 - (c) any breakdown in the means of communication normally employed in determining the NAV of AME REIT, or when for any reason the NAV of AME REIT cannot be promptly and accurately ascertained;
 - (d) any period when remittance of money which will or may be involved in the realisation of any assets of AME REIT or in the payment for such assets of AME REIT cannot, in the opinion of the Trustee, be carried out at normal rates of exchange;
 - (e) in relation to any meeting of Unitholders, the period of 48 hours before such meeting of Unitholders or any adjournment thereof;
 - (f) any period where the issuance of Units is suspended pursuant to any order or direction issued by Bursa Securities or any other authorised regulatory body; or
 - (g) when the business operations of the Manager or the Trustee in relation to AME REIT are substantially interrupted or closed as a result of, or arising from pandemic, epidemic, pestilence, acts of war, terrorism, insurrection revolution, civil unrest, riots, strikes or acts of God.

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11. SALIENT TERMS OF THE DEED (Cont'd)

- (ii) Such suspension will take effect forthwith upon the declaration in writing of the same by the Manager or the Trustee (provided the prior written approval of the other is obtained) and shall terminate on the day following the first business day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists. The Manager shall further ensure that immediate announcement of such suspension and its cessation is made to Bursa Securities pursuant to the Listing Requirements.
- (iii) The Trustee shall, in consultation with the Manager and where it deems appropriate and subject to the REIT Guidelines and the Listing Requirements, suspend dealing in the Units due to circumstances, where there is a good and sufficient reason to do so, considering the interests of the Unitholders or the potential investors. Upon such suspension, the Trustee shall notify the SC in writing stating the reasons for such suspension, the proposed resumption of dealings in Units and the expected date of the proposed resumption.

11.7 UNITS BUY-BACK

The Manager on behalf of AME REIT may, subject to the Relevant Laws and Requirements, undertake an acquisition of Units where the Manager is of the opinion that the buy-back of such Units is made in the interest of the Unitholders. Units so purchased shall be immediately cancelled.

11.8 VENDOR UNITS

Upon the recommendation of the Manager from time to time, new Units may be issued and allotted to vendors as consideration (in whole or in part) for Permissible Investments acquired or to be acquired by AME REIT which shall thereafter form part of the assets of AME REIT, whether in conjunction with the Listing or pursuant to any subsequent acquisition, at a price determined by the Manager and approved by the Trustee provided that the following conditions are met:

- (i) the terms and conditions of the acquisition are approved by the Unitholders by an ordinary resolution where required under the Relevant Laws and Requirements (in cases subsequent to the Listing);
- (ii) neither the Manager nor the person to whom the Units are to be issued nor any person connected to that person votes in relation to the above ordinary resolution; and
- (iii) the acquisition is, where required, approved by the SC and any other relevant regulatory authority.

11.9 DISTRIBUTABLE INCOME

The Distributable Income of AME REIT for each Distribution Period shall be the net income for the Distributable Period adjusted (in whole or in part) as deemed necessary by the Manager in the interest of AME REIT and the Unitholders for the following effects:

- (i) the portion of the Management Fees paid or payable in Units;
- (ii) amortisation and other non-cash expenses or gains;
- (iii) non-tax deductible expenses;
- (iv) valuation gains or losses on investment properties and financial instruments;
- (v) depreciation or impairment of the assets of AME REIT;
- (vi) any other entries, provisions, write-offs or adjustments required under the approved accounting standards and generally accepted accounting practices in Malaysia;

11. SALIENT TERMS OF THE DEED (Cont'd)

- (vii) expenses and/or losses charged to the income statement of AME REIT relating to the issuance of new Units or expenses that are capital in nature;

The amount of Distributable Income of AME REIT which the Manager may distribute in respect of any Distribution Period is subject to:

- (i) the total returns for the Distribution Period;
- (ii) the income for the Distribution Period;
- (iii) the cash flow for distribution;
- (iv) the stability and sustainability of the distribution of income; and
- (v) the investment objectives and distribution policy of AME REIT.

All (or such lower percentage as determined by the Manager in its absolute discretion) of the Distributable Income will be distributed among the persons who on the relevant Book Closing Date for a Distribution Period are Unitholders, in proportion to their Units. Each Unitholder's entitlement to the Distributable Income is to be determined in accordance with the following formula:

$$\text{Distribution Entitlement (\%)} = \% \text{ of DI} \times \text{UH} / \text{UI}$$

where:

- % of DI = Percentage of Distributable Income to be distributed, as determined by the Manager in its absolute discretion.
- UH = the number of Units held by the Unitholder at the close of business on the Book Closing Date for the relevant Distribution Period adjusted to the extent it is entitled to participate in the Distributable Income.
- UI = the total number of Units in issue in AME REIT at the close of business on the Book Closing Date for the relevant Distribution Period adjusted to the extent it is entitled to participate in the Distributable Income.

11.10 INVESTMENT POLICIES OF AME REIT

11.10.1 Permissible Investments

Subject to Section 11.10.2 "Investment Limits" of this Prospectus, AME REIT may invest in any Permissible Investments which shall comply with Shariah principles (if applicable) pursuant to the REIT Guidelines.

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11. SALIENT TERMS OF THE DEED (Cont'd)

11.10.2 Investment Limits

- (i) The Trustee and Manager shall ensure that at least 75.0% of the Total Asset Value of AME REIT must be invested in Real Estate that generates recurrent rental income at all times.
- (ii) Where AME REIT fails to comply with paragraph (i) above as a result of any disposal of Real Estate or any other reason whatsoever, the Trustee and the Manager shall promptly inform the SC (if so required) and take all necessary steps and actions to rectify such non-compliance as may be prescribed under the REIT Guidelines.
- (iii) The Trustee and the Manager must ensure that:
 - (a) the assets of AME REIT are Permissible Investments and such investments are made in accordance with the limits prescribed by the REIT Guidelines; and
 - (b) the Property Development Costs in relation to the aggregate investments in property development activities and Real Estate under construction shall not exceed 15.0% of the Total Asset Value of AME REIT.
- (iv) For the avoidance of doubt, any Real Estate which is under construction or which is subject to property development activities shall not be accounted towards meeting the requirement in paragraph (i) above.

11.10.3 Restriction on Investment/Activities

Save as otherwise permitted under the REIT Guidelines, the Trustee and the Manager shall ensure that AME REIT shall not at any time be engaged in the following activities:

- (i) the granting or extension of loans, financing facilities or any other credit facilities to any person;
- (ii) acquisition of vacant land, except for the purposes of undertaking property development activities subject to Section 11.10.2 (iii) above;
- (iii) investment in Real Estate where all of its tenants carry out fully Shariah non-compliant activities pursuant to the REIT Guidelines; or
- (iv) any other activity which does not comply with the REIT Guidelines and where no waiver from the SC is obtained to exempt compliance with the relevant guidelines.

11.10.4 Investment Policy

- (i) The principal investment policy of AME REIT is to invest, directly and indirectly, in a portfolio of income producing Real Estate used primarily for industrial and industrial-related purposes in Malaysia and overseas. AME REIT may also invest in other investments as permissible under the REIT Guidelines or as otherwise permitted by the SC.
- (ii) The Manager may, in consultation with the Trustee and subject to the Relevant Laws and Requirements, from time to time change the investment policy of AME REIT.
- (iii) The Trustee shall ensure that it is fully informed at all times by the Manager of the investment policy and of any changes made by the Manager to the investment policy of AME REIT.

11. SALIENT TERMS OF THE DEED (Cont'd)

- (iv) Unless otherwise provided by the Relevant Laws and Requirements, any modification to the Deed involving any material change to the investment policy set out for AME REIT, must be approved by the Unitholders by way of a resolution of not less than two-thirds of the votes given on a poll at a meeting of Unitholders duly convened and held in accordance with the Deed.

11.11 CONCERNING THE TRUSTEE

The Trustee shall be responsible for the safe custody of the assets of AME REIT and must ensure that the assets of AME REIT are clearly identified as the assets of AME REIT, held separately from any other assets held by or entrusted to the Trustee and registered in the name of the Trustee or where the custodian function is delegated, in the name of the custodian to the order of the Trustee.

Any of the assets of AME REIT, in any form whatsoever, shall be paid or transferred to or to the order of the Trustee upon receipt by the Manager or its delegate and is to be dealt with as the Trustee may think fit for the purpose of providing for the safe custody of the same.

The Trustee may act as custodian of the assets of AME REIT itself or the Trustee may delegate this role to another person as custodian or joint custodians (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the assets of AME REIT and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint with the prior consent in writing of the Trustee, sub-custodians. Any such delegation can only be carried out by the Trustee in compliance with the Relevant Laws and Requirements and the Trustee shall remain responsible for the actions and omissions of any delegate as though they were its own actions and omissions. Where this role is delegated, the Trustee shall ensure that:

- (i) it retains full control of the assets of AME REIT at all times and any custodian, joint custodian or sub-custodian must comply with the directions of the Trustee;
- (ii) there are adequate arrangements to prevent the delegate from releasing the custody or control of the assets of AME REIT without the Trustee's prior consent; and
- (iii) such delegated service will not affect the Trustee in carrying out its obligations as the trustee of AME REIT.

The Trustee shall be at liberty to institute, prosecute, compromise or defend any action, suit, proceedings or claim in respect of the provisions of the Deed or in respect of the assets of AME REIT or any part thereof or any corporate or Unitholders' action which in its opinion would or might involve it in expense or liability, provided that if required by the Trustee, the Manager has furnished it with an indemnity satisfactory to it against any such expense or liability.

Except if and so far as otherwise expressly provided in the Deed, the Trustee as regards all the trusts, powers, authorities and discretions vested in it has absolute and unfettered discretion as to the exercise of the same, whether in relation to the manner or as to the mode of and time for such exercise, and in the absence of fraud, negligence, wilful default, breach of the Deed or breach of trust, the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise of the same.

11.12 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

Please refer to Section 8.3 "Functions, Duties and Responsibilities of the Trustee" of this Prospectus for details of the functions, duties and responsibilities of the Trustee.

11.13 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

Please refer to Section 8.6 "Retirement, Removal and Replacement of the Trustee" of this Prospectus for details of the retirement, removal and replacement of the Trustee.

11. SALIENT TERMS OF THE DEED (Cont'd)

11.14 LIMITATION OF LIABILITY AND INDEMNITY OF THE TRUSTEE

Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of AME REIT over which the Trustee has recourse provided that the Trustee had acted without fraud, negligence, wilful default, breach of trust or breach of the Deed or the Relevant Laws and Requirements.

Subject to the duties and obligations of the Trustee under the Deed and in accordance with the Relevant Laws and Requirements, the Trustee shall at all times be entitled to rely on the recommendations, certifications and representations of the Manager in relation to AME REIT and shall not be liable for any act or omission of the Manager in relation to AME REIT save where the Trustee is complicit with the Manager, negligent or where the Trustee has such obligation, breaches its obligation to ensure that the Manager complies with the Deed or the Relevant Laws and Requirements.

In the absence of fraud, negligence, wilful default, breach of trust, breach of the Deed or the Relevant Laws and Requirements, the Trustee shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Deed.

11.15 CONCERNING THE MANAGER

The Manager shall, subject to the provisions of the Deed and Relevant Laws and Requirements and as advised by the Shariah Adviser, carry out all activities as it may deem necessary for the management of AME REIT. Without limiting the generality of the foregoing, the Manager shall, in managing the REIT, undertake the following activities:

- (i) develop a business plan and investment strategy for AME REIT with the objective of maximising the income of AME REIT and enhancing the value of the assets of AME REIT;
- (ii) acquire, transfer, lease, license, exchange, dispose, convey, surrender or otherwise deal with any assets of AME REIT and procure, negotiate and enter into such agreements with vendors, purchasers, lessees, tenants and other persons pursuant to the business plan and investment strategy for AME REIT;
- (iii) manage or supervise the management of the assets of AME REIT and where relevant, carry out property development activities in accordance with the provisions of the Deed;
- (iv) generally advise on and procure through property management companies, service providers or by itself (where permitted), the maintenance of any Real Estate, including but not limited to such repair, painting, alteration, rebuilding and/or improvement of any Real Estate which the Manager considers to be necessary or desirable in accordance with the Relevant Laws and Requirements;
- (v) prepare annual budgets and where relevant, any other budgets, plans, policies and proposals for the management and operation of AME REIT;
- (vi) make or cause to be made the announcements in relation to AME REIT as may be required by the Listing Requirements;
- (vii) ensure statutory returns are lodged;
- (viii) manage all tax affairs of AME REIT including the engagement of tax advisors;
- (ix) give directions to the Trustee to ensure the due and efficient performance of the Trustee's duties and obligations under the Deed and the Relevant Laws and Requirements;
- (x) determine if any taxes, expenses, outgoings, losses, debts or obligations are to be paid or borne out of the capital or income of AME REIT, in consultation with the Auditors;

11. SALIENT TERMS OF THE DEED (Cont'd)

- (xi) institute, defend, conduct, settle, discontinue or compromise any proceedings relating to AME REIT in any court, tribunal or arbitration as the Manager, or ensuring the same is undertaken by the Trustee, in which case the Manager shall render all such assistance as may reasonably be required by the Trustee;
- (xii) undertake all management activities in relation to AME REIT in accordance with the provisions of the Deed;
- (xiii) manage Real Estate through the procurement of service providers to carry out specified activities in accordance with the provisions of the Deed;
- (xiv) manage the finances of AME REIT;
- (xv) develop and maintain investor and tenant/lessee relations;
- (xvi) ensure legal and corporate compliance through the procurement of lawyers and other service providers in relation to the assets of AME REIT;
- (xvii) manage and supervise service providers appointed for the conduct and delivery of services;
- (xviii) prepare transaction reports as required by the Shariah Adviser or such other reports which the Manager considers to be relevant and appropriate;
- (xix) prepare, issue and, if necessary, lodge any prospectus or any circular, announcements, publicity material, sales literature or other documents in connection with AME REIT and its corporate proposals and where required, engaging the relevant advisors for such purposes; and
- (xx) carry out such other activities as the Manager may consider necessary from time to time and as advised by the Shariah Adviser (where applicable) at all times in discharging its obligations and duties as the manager of AME REIT.

Unless otherwise expressly provided in the Deed, the Manager shall as regards all the powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud, negligence, wilful default or breach of the Deed, the Manager shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

11.16 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

Please refer to Section 6.2 “Functions, Duties and Responsibilities of the Manager” of this Prospectus for further information of the functions, duties and responsibilities of the Manager as provided in the Deed.

11.17 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER

Please refer to Section 6.11 “Retirement, Removal and Replacement of the Manager” of this Prospectus for details of the retirement, removal and replacement of the Manager.

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11. SALIENT TERMS OF THE DEED (Cont'd)

11.18 LIMITATION OF LIABILITY AND INDEMNITY OF THE MANAGER

The Manager shall not be under any liability except such liability as may be assumed by it under the Deed nor shall the Manager be liable for any act or omission of the Trustee.

Subject as expressly provided in the Deed and without prejudice to any right of indemnity at law given to the Manager, the Manager shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as the Manager to have recourse to the assets of AME REIT, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Deed by the Manager.

11.19 MANAGER'S FEES AND TRUSTEE'S FEE

The provisions on the Manager's fees and the Trustee's fee are as set out in the Deed. Please refer to Section 6.6 "Management Fees" and Section 8.5 "Trustee's Fee" of this Prospectus for details of the Manager's fees and the Trustee's fee respectively.

11.20 PERMITTED CHARGES OF AME REIT

The Trustee and the Manager shall in addition to their remuneration and rights to indemnification or reimbursement conferred under any other provision of the Deed or by law, respectively be indemnified and shall be reimbursed out of either the income of AME REIT or the capital of AME REIT (as determined from time to time by the Manager and where necessary upon consultation with the Auditor) for all fees, costs, charges, expenses and outgoings reasonably and properly incurred by or on behalf of the Trustee or the Manager as the case may be, that are directly related and necessary to the business of AME REIT.

11.21 MODIFICATION OF THE DEED

All modifications to the Deed must be made through a deed supplementary to the Deed and will take effect only upon registration of the supplementary deed with the SC. The Manager shall submit or cause to be submitted any such supplementary deed to the SC for such registration pursuant to the CMSA. Unless otherwise provided by the Relevant Laws and Requirements, any modification to the Deed involving any material change to the investment policy set out for AME REIT, must be approved by the Unitholders by way of a resolution of not less than two-thirds of the votes given on a poll at a meeting of Unitholders duly convened and held in accordance with the Deed.

11.22 TERMINATION AND WINDING-UP OF AME REIT

The Trustee shall terminate AME REIT upon the occurrence of any of the following:

- (i) if at a duly convened meeting of Unitholders, a special resolution (unless otherwise provided under the REIT Guidelines) is passed that AME REIT be terminated; or
- (ii) the Manager is in liquidation or where the Trustee is of the opinion that the Manager has ceased to carry on business or has, to the prejudice of the Unitholders, failed to comply with any provision or covenant of the Deed or contravened any provisions of any relevant laws, guidelines or regulatory requirements, and at a meeting of Unitholders duly summoned in accordance with Section 301 of the CMSA, a special resolution is passed that AME REIT be terminated; or

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11. SALIENT TERMS OF THE DEED (Cont'd)

- (iii) if at any time after the Listing, the Units are unconditionally suspended from trading and such suspension is not lifted within a continuous period of 90 business days (notwithstanding any rights, powers or duties of the Manager or the Trustee and directions given by or resolutions of the Unitholders), and where the suspension is for reasons capable of remedy, such remedy is not effected within a period of an additional 90 business days or such other reasonable period of time as agreed between the Manager and the Trustee. In this case, winding up of AME REIT in accordance with the Deed shall immediately commence upon the end of such 90 business days or, where capable of remedy, upon the end of the 180 business days; or
- (iv) if the Listing does not take place within 3 months from the date of this Prospectus and a special resolution (or otherwise in accordance with the requirements of the REIT Guidelines) is passed at a duly convened meeting of Unitholders (if any) to terminate AME REIT; or
- (v) if the SC's approval under the CMSA is revoked or if any law is passed which renders it illegal to continue the operations of AME REIT.

If a termination event in paragraph (ii) above occurs, the Trustee shall apply to the court for an order confirming the Unitholders' resolution. The court may confirm the resolution if the court is satisfied that it is in the interests of the Unitholders to do so and may make orders for the winding-up of AME REIT, which orders must be carried out by the Trustee.

Upon termination of AME REIT (other than due to the events in paragraph (ii) above) the following provisions shall have effect:

- (i) the Trustee shall as soon as practicable sell, call in and convert into money the assets of AME REIT, and divide the proceeds of such sale, calling in and conversion less all proper costs and disbursement, commissions, brokerage fees, fees payable to the Manager and the Trustee on termination of AME REIT and other outgoings including costs of final distribution of capital and income and all proper provisions for the liabilities of AME REIT, among the Unitholders in proportion to the number of Units which they hold respectively at the date of the decision to terminate AME REIT provided that the Trustee may at its discretion make a partial distribution of capital from time to time and the Trustee and Manager shall on termination of AME REIT be deemed as preferential creditors as provided in the Act.
- (ii) The Trustee shall as soon as practicable after the date of the notice stated in the Deed, give to each Unitholder notice of impending distribution.
- (iii) The Trustee may postpone the sale, calling in and conversion of any part of the investment and property comprised in AME REIT for such time as it thinks is desirable so to do in the interest of the Unitholders and shall not be responsible for any loss attributable to such postponement except to the extent that such loss may be attributable to the Trustee's own neglect or default.
- (iv) The Trustee may retain in its hands or under its control for as long as it thinks fit such part of AME REIT as in its opinion may be required to meet any expenses of AME REIT or any of the investments thereof provided that any investments or monies so retained to the extent that they are ultimately found not to be so required shall remain subject to AME REIT for conversion and distribution in accordance with (i) above.
- (v) The Trustee and the Manager are entitled to:
 - (a) be paid from the proceeds of realisation of AME REIT before any payment is made to the Unitholders, all costs incurred:
 - (aa) Firstly, by the Trustee and the Manager in connection with the winding up of AME REIT and the realisation of the assets of AME REIT;

11. SALIENT TERMS OF THE DEED (Cont'd)

- (bb) Secondly, on behalf of any accountants, agents, bankers, lawyers or other persons appointed by the Trustee or Manager in connection with the winding up of AME REIT; and
- (cc) Thirdly, by the Trustee and the Manager before the winding up of AME REIT which has not been recouped, and
- (b) following the termination of AME REIT and until after the winding up is completed, their remuneration as provided in the Deed.

The provisions of the Deed shall continue to apply (where applicable) pending the completion of the winding-up process unless provided otherwise in the Deed.

AME REIT shall nevertheless terminate at the expiration of a period of 999 years after the date of the registration of the Deed with the SC.

11.23 MEETINGS OF UNITHOLDERS

Either the Trustee or the Manager may convene a meeting of Unitholders at any time by giving notice in accordance with the Deed, which notice shall specify the place, date and time of meeting and the general nature of the business or matter to be transacted or deliberated. The Manager shall within 21 days after an application has been delivered to the Manager at its registered office, being an application by not fewer than 50, or $\frac{1}{10}$ in number, whichever is lesser, of all Unitholders, summon a meeting of Unitholders in accordance with the Deed for the purposes of laying before the meeting the most recent financial statements of AME REIT or for the purpose of giving to the Trustee such directions as the meeting thinks proper or to consider any other matter in relation to the Deed.

The Manager is entitled to receive notice of and to attend and speak at any meeting of Unitholders but there shall be no voting rights in respect of Units which it holds or is deemed to hold and it shall not be counted in the quorum for such meeting of Unitholders, regardless of the party who requested such meeting and the matter(s) that are laid before the meeting and accordingly, the Units held by the Manager and/or its nominee shall not be regarded as being in issue.

The related parties of the Manager is entitled to receive notice of and to attend and speak at any meeting of Unitholders but there shall be no voting rights in respect of Units which they hold or are deemed to hold and they shall not be counted in the quorum for such meeting of Unitholders if they have interest in the outcome of a transaction laid before the meeting of Unitholders for approval which is different from the interests of other Unitholders, and accordingly, the Units held by the related parties of the Manager shall not be regarded as being in issue.

Notwithstanding the above, the Manager and its related parties may exercise the voting rights for the Units which they hold and/or their nominees hold in a meeting of Unitholders held for the removal of the Manager.

Every meeting of Unitholders may be convened, held and conducted in such a way that persons who are not present together at the same place may by electronic means attend and speak and vote at it.

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12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

12.1 CORPORATE GOVERNANCE

The Manager has adopted a corporate governance framework that meets best practices of good governance on structures and internal processes by adopting the requirements and guidelines set out in the REIT Guidelines and Listing Requirements, in the performance of its obligations and duties as described in the Deed. The Manager is also committed to adhere to good corporate governance practices in accordance with the principles and practices of corporate governance as set out in MCCG. Please refer to Section 6.15.3 “Governance Sustainability” of this Prospectus for details.

12.2 EXISTING AND ON-GOING RELATED PARTY TRANSACTIONS

Pursuant to the REIT Guidelines, a related party transaction means any transaction between the REIT and its related parties. A “related party” includes:

- (i) the management company of the REIT,
- (ii) the trustee of the REIT;
- (iii) a major unitholder of the REIT;
- (iv) a director, chief executive officer or major shareholder of the management company; or
- (v) a person connected with any director, chief executive officer or major shareholder of the management company, or a person connected with the management company, the trustee or major unitholder of the REIT.

In relation to a director, chief executive officer or major shareholder of the management company, the management company, trustee or major unitholder of the REIT, a “person connected” is defined to include a body corporate in which the director, chief executive officer or major shareholder of the management company, the management company, the trustee or major unitholder of the REIT, and/or persons connected to him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to the voting shares in such body corporate.

12.2.1 Acquisitions of Subject Properties

The Acquisitions are deemed related party transactions under the REIT Guidelines in view of the following:

- (i) the Vendors are persons connected to the Sponsor as they are the subsidiaries of the Sponsor;
- (ii) the Manager is a wholly-owned subsidiary of the Sponsor;
- (iii) the wholly-owned subsidiary of the Sponsor, AME Development, will be a major Unitholder of AME REIT upon completion of the Listing; and
- (iv) the management of the Manager is primarily undertaken by the directors of the Sponsor or persons nominated by them.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST *(Cont'd)*

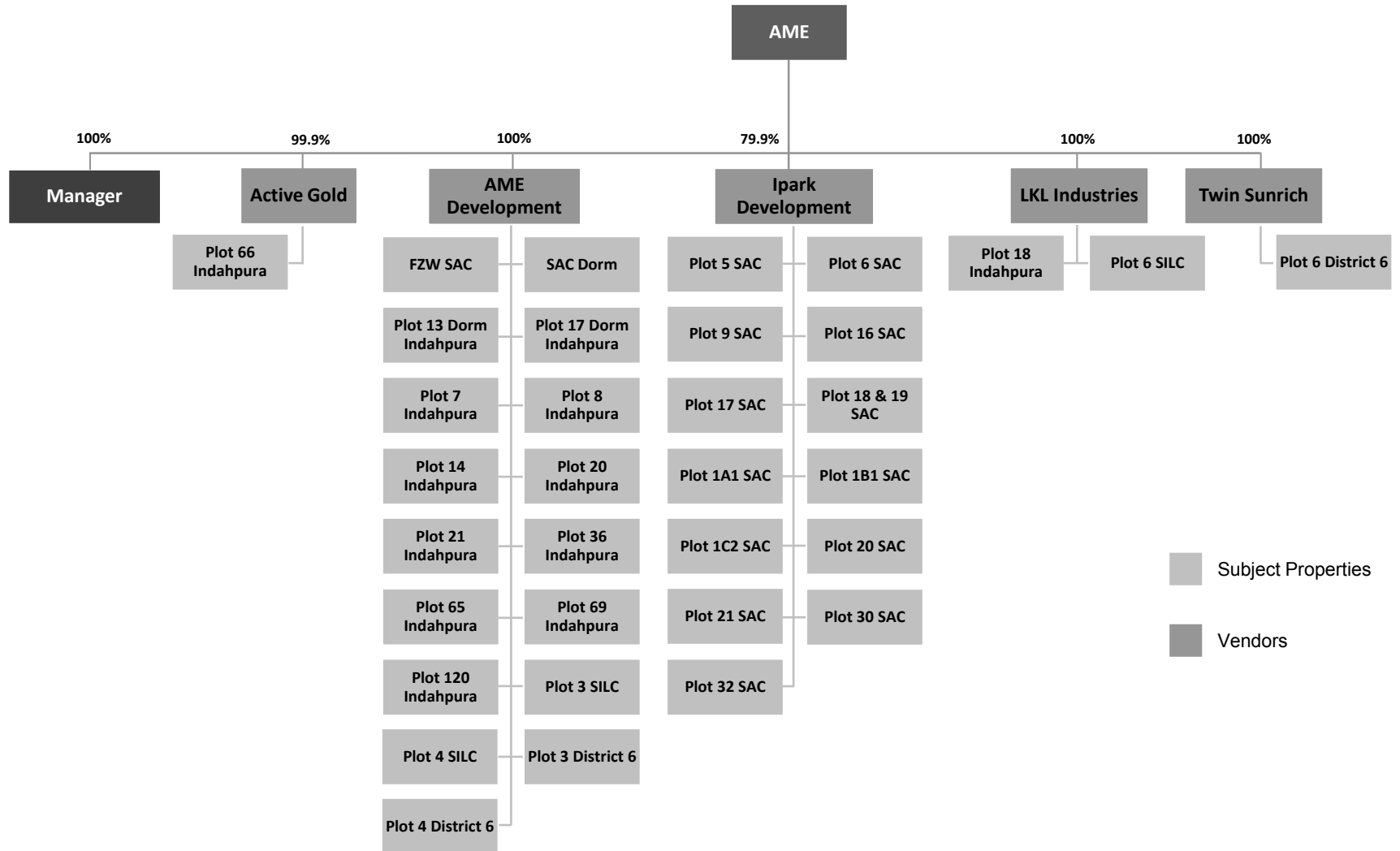
The table below sets out the following persons in the Sponsor and their respective designation in the Manager:

<u>Name</u>	<u>Designation in the Manager</u>	<u>Designation in AME</u>
Lee Sai Boon	Chairman / Executive Director	Executive Director
Lee Chai	Executive Director	Group Managing Director
Lim Yook Kim	Alternate Director to Lee Chai	Executive Director
Kang Ah Chee	Alternate Director to Lee Sai Boon	Executive Director
Lim Pei Shi	Alternate Director to Chan Wai Leo (Chief Executive Officer / Executive Director)	Alternate Director to Lim Yook Kim
Lee Ling Sien	Operations Manager	Alternate Director to Lee Chai

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12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

The organisational chart illustrating the relationship between the Vendors, the Manager and the Sponsor is as follows:



12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.2.2 Tenancies with I Stay

Pursuant to tenancy agreements to be novated to the Trustee (on behalf of AME REIT), AME REIT will be tenancing the following 3 Subject Properties to I Stay, a 70.0% owned subsidiary of the Sponsor:

- (i) SAC Dorm;
- (ii) Plot 13 Dorm Indahpura; and
- (iii) Plot 17 Dorm Indahpura.

I Stay is involved in the business of letting out the Dormitories to third parties. The arrangements are deemed related party transactions in view that I Stay is a subsidiary of the Sponsor.

The salient terms of the master lease agreements as at the LPD are as follows:

	<u>SAC Dorm</u>	<u>Plot 17 Dorm Indahpura</u>	<u>Plot 13 Dorm Indahpura</u>
Landlord	AME Development	AME Development	AME Development
Tenant	I Stay	I Stay	I Stay
Date of Agreement	28 May 2018	13 June 2020	23 July 2021
Commencement Date	1 April 2019	1 June 2020	15 July 2022
Tenancy Term	1 year, 9 months	2 years	3 years
Monthly Rental Rate as at the LPD	RM300,000	RM300,000	RM338,000
Renewal Term	(a) <u>First renewed period</u> 1 January 2021 to 31 December 2023	(a) <u>First renewed period</u> 1 June 2022 to 31 May 2025	(a) <u>First renewed period</u> 1 August 2025 to 31 July 2028
	(b) <u>Second renewed period</u> 1 January 2024 to 31 December 2026	(b) <u>Second renewed period</u> 1 June 2025 to 31 May 2028	(b) <u>Second renewed period</u> 1 August 2028 to 31 July 2031
	(c) <u>Third renewed period</u> 1 January 2027 to 31 December 2029	(c) <u>Third renewed period</u> 1 June 2028 to 31 May 2031	(c) <u>Third renewed period</u> 1 August 2031 to 31 July 2034

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

	<u>SAC Dorm</u>	<u>Plot 17 Dorm Indahpura</u>	<u>Plot 13 Dorm Indahpura</u>
Renewal Rate	(a) <u>First renewed period</u> RM300,000	(a) <u>First renewed period</u> RM315,000	(a) <u>First renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing
	(b) <u>Second renewed period</u> Prevailing market rate as may be agreed upon by both parties in writing	(b) <u>Second renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing	(b) <u>Second renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing
	(c) <u>Third renewed period</u> Prevailing market rate as may be agreed upon by both parties in writing	(c) <u>Third renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing	(c) <u>Third renewed period</u> Prevailing market rate for the agreed rental as may be mutually agreed in writing

12.2.3 Licence Granted by the Registered Trademark Owner to AME REIT to Use Certain Trademarks

Pursuant to a Trademark Licensing Agreement dated 23 June 2022, the Registered Trademark Owner (i.e. AME Integrated Sdn Bhd) has granted the Trustee (on behalf of AME REIT) and the Manager a non-exclusive licence to use among others, the registered trademarks “AME”, “IPARK” and “i-PARK”. Please refer to Section 1.9 “Intellectual Property” of this Prospectus.

The arrangement is deemed a related party transaction in view that the Registered Trademark Owner is a 99.9% subsidiary of the Sponsor, and the Manager is a wholly-owned subsidiary of the Sponsor.

12.2.4 Other Related Party Transactions

As at the LPD, 27 of the Subject Properties are situated in managed industrial parks which are currently managed by the Sponsor’s subsidiaries (i.e. Ipark Development and AME Development) and a jointly controlled entity of the Sponsor (i.e. AXIS AME IP Sdn Bhd). On 5 August 2022, the developer had handed over the management of i-Park @ SILC to the newly formed owners’ committee. The Trustee (on behalf of AME REIT) shall enter into the DMC with Ipark Development, AME Development and AXIS AME IP Sdn Bhd, representing the developers of the remaining 24 of these Subject Properties.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Pursuant to the DMC, Ipark Development, AME Development and AXIS AME IP Sdn Bhd are managing the industrial parks on behalf of the owners of the industrial properties situated in i-Park @ SAC and i-Park @ Indahpura, who in turn will pay gated development service charges (“GDSC”) to the developers or their representatives for the service. For 21 of these Subject Properties, the obligation for the payment of GDSC has been assumed by the respective tenants pursuant to the tenancy agreements entered with them.

Save as disclosed above, there is no existing and on-going transaction between the Vendors and the Sponsor and/or persons connected with the Sponsor and/or the Manager relating to the Subject Properties.

12.3 POTENTIAL RELATED PARTY TRANSACTIONS

12.3.1 Management Fees

The Manager is wholly owned by the Sponsor. Accordingly, the payment of the Management Fees by AME REIT to the Manager will be a related party transaction.

12.3.2 Potential Acquisitions

In the event of any acquisition pursuant to the exercise of the ROFR as set out in Section 15.4 “Salient Terms on the ROFRs” of this Prospectus, the sale and purchase agreement for such proposed acquisition will be a potential related party transaction. Potential conflict of interest may arise between AME REIT and the vendors of such assets during the negotiation on the terms of such sale and purchase agreements. Please refer to Section 12.4.2 on Manager’s operational procedures on related party transactions including acquisition of properties from AME Group.

12.3.3 Services to be Provided by AME Group to AME REIT

The Trustee (on behalf of AME REIT), the Manager and the Property Manager entered into the Property Management Agreement on 23 June 2022 for the appointment of the Property Manager to provide property management services to manage, operate and maintain the Subject Properties upon the terms and conditions of the agreement. Please refer to Section 10.6 “Salient Terms of the Property Management Agreement” of this Prospectus for further details.

In connection to this, the Property Manager had, on 23 June 2022 entered into a service provider agreement with AME Building Management Sdn Bhd (“**AME Building Management**”), a wholly-owned subsidiary of the Sponsor, where the Property Manager appoints AME Building Management to provide the personnel required to operate, maintain and manage all the Subject Properties on such terms and conditions as are commercially reasonable or appropriate having regard to the qualification, skill and experience of the persons employed for the relevant positions, responsibilities and duties. Pursuant to the Property Management Agreement, the Property Manager is entitled to reimbursement of all costs and expenses incurred in the maintenance and management of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to AME Building Management. Notwithstanding the above, the Trustee and/or the Manager can make payment directly to the AME Building Management subject to the recommendation from the Property Manager.

AME Group may also be involved in providing services such as repair, maintenance and related construction services in relation to the Subject Properties. Accordingly, such services will be related party transactions.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST *(Cont'd)*

12.4 POTENTIAL CONFLICT OF INTEREST

12.4.1 The Sponsor

The Sponsor and its subsidiaries are engaged in, and/or may engage in among others, investment in, and the development, management and operation of industrial properties which may compete with the Subject Properties. Further, the Sponsor and its subsidiaries may also sponsor, manage or invest in other REITs or other SPVs which may compete directly with AME REIT.

Certain directors of the Manager sit on the board of directors of the Sponsor. As a result, the strategies and activities of AME REIT may be influenced by the overall interests of the Sponsor. There can be no assurance that conflict of interest may not arise among AME REIT, the Manager and the Sponsor in the future.

As a listed company on the Main Market, the Sponsor has its separate procedures in relation to related party transactions which would also include transactions with AME REIT.

The Listing Requirements oblige the Sponsor to make prompt announcements and disclosures in its annual reports in relation to related party transactions.

In order to mitigate any potential conflict of interest, the Sponsor has instituted the following procedures:

- (i) the board of directors of the Sponsor has adopted the recommendations under the MCCG to have a board of directors comprising at least 50% of independent directors and the audit committee to comprise solely of independent directors;
- (ii) any transactions in which a conflict of interest will arise should be negotiated and executed at arm's length basis based on normal commercial terms and are not to the detriment of the minority shareholders of the Sponsor and favourable to the related party. The processes to identify, track, monitor and approve related party transactions in relation to, among others, transactions relating to acquisition or disposal of properties to and from AME REIT and relating to properties rented by AME Group from AME REIT, in a timely and orderly manner are set out below:
 - a) the Sponsor circulates a list of related parties to its subsidiaries notifying that all transactions undertaken by the Sponsor Group with any related parties (including AME REIT) included in this list must be undertaken on an arm's length basis, on normal commercial terms not more favourable to the related parties in comparison to terms available to independent parties and will not be detrimental to the minority shareholders of the Sponsor. Such procedures will include proper segregation of processes for preparation of documents, verifications and approvals;
 - b) the Sponsor maintains a register to properly record all related party transactions which are entered into by the Sponsor Group and the bases, including any quotations from unrelated parties and independent valuations to support such bases on which they are entered into, and to ensure that relevant approvals have been obtained and to review the Sponsor Group's procedures for such transactions ensuring they are adhered to;
 - c) all related party transactions (either individually or as part of a series of if aggregated with other transactions involving the same related party during the same financial year) with value equal to or exceeding RM500,000 are subject to approval by the group managing director, audit and risk management committee and board of directors of the Sponsor at regular intervals. Any interested party shall abstain from approving such transactions;

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (*Cont'd*)

- d) potential related party transactions expected to be entered into in the ordinary course of business and are below RM500,000 would be presented to the audit and risk management committee for prior approval as a general mandate, with specific procedures to be adhered to for implementation. Upon obtaining the general mandate from the audit and risk management committee, all transactions in the ordinary course of business which are below RM500,000 shall be subject to approval by the group managing director of the Sponsor. Any related party transactions which are not in the ordinary course of business and are below RM500,000 shall be authorised by the relevant authorised personnel, including the group managing director. Any interested party shall abstain from approving such transactions;
- e) rental of properties are undertaken by the sales and marketing team of the Sponsor Group which is distinct and separate from the leasing team of AME REIT and work independently of each other. Any proposal in respect of terms of tenancies are also provided independent of the AME REIT's team to the potential tenants. As a standard procedure, where the sales and marketing team is aware that the potential tenant is also considering standard factory units available in AME REIT's portfolio, such tenant will be informed by the sales and marketing team that notwithstanding the relationship between the Sponsor Group and AME REIT, the terms to be provided to the potential tenant are independently structured by the respective teams;
- f) except for transactions below RM500,000 set out in (d) above (which are not required to be presented to the board of directors of the Sponsor for approval), in respect of matters or transactions which a director of the Sponsor or a person connected to him or her has an interest (directly or indirectly), such relevant interested director shall not participate in any proceedings of the board of directors of the Sponsor and shall abstain from voting in respect of such matter or transaction. The interested director must inform the board of directors of the Sponsor, of the details of the nature and extent of his/her interest, including all matters in relation to the proposed related party transaction that he/she is aware or should reasonably be aware of, which is not in the best interest of the Sponsor;
- g) adherence to the Listing Requirements for related party transactions which may involve immediate announcement of related party transactions and/or requirement to seek shareholders' prior approval and provision of independent advice, depending on the materiality threshold;
- h) the persons who are empowered to negotiate, transact or enter into contracts with the relevant related parties are responsible in determining whether such transaction has been previously approved by shareholders of the Sponsor prior to the execution of the said transaction, and shall consult the group financial controller of the Sponsor whenever in doubt;
- i) the interested director and/or major shareholder and/or persons connected with them must not vote in respect of their direct and indirect interest at the general meeting on the resolution pertaining to any related party transaction. It is the duty of the interested director and/or interested major shareholder to ensure that persons connected with them abstain from voting in respect of their direct and indirect interest on the resolution pertaining to the related party transaction;
- j) the Sponsor's audit and risk management committee shall review the internal audit reports to ensure that all guidelines and procedures in place to monitor related party transactions are complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Sponsor's audit and risk management committee. The audit and risk management committee may request for additional procedures to be imposed, if necessary; and

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (*Cont'd*)

- k) the internal auditor shall periodically review the guidelines and procedures for all related party transactions to ensure that relevant approvals have been obtained, review procedures for such transactions are adhered to and ascertain that the guidelines established to monitor related party transactions have been complied with.
- (iii) all related party transactions are subject to regular periodic review by the Sponsor's audit and risk management committee on a quarterly basis. If a member of the audit and risk management committee has an interest in a transaction, he/she is to abstain from participating in the review and recommendation process in relation to that transaction.

12.4.2 Manager's Operational Procedures on Related Party Transactions and Dealing with Conflict of Interest Situations

Upon Listing, AME REIT will be subject to the REIT Guidelines and/or the Listing Requirements (where applicable) on related party transactions. Compliance of AME REIT with the Listing Requirements and the REIT Guidelines will ensure that related party transactions will not prejudice the interests of the Unitholders as a whole.

The Listing Requirements provide, among others, where the percentage ratio of a related party transaction is 5% or more and the value of the consideration of the transaction is RM500,000 or more, an independent adviser who is permitted to carry on the regulated activity of advising on corporate finance under the CMSA must be appointed before the terms of the transaction are agreed upon and approval of the Unitholders in a general meeting must be obtained for the transaction. In addition, the REIT Guidelines also provides that related parties of the Manager should not vote or be counted as quorum at a meeting if they have interest in the outcome of a transaction tabled for approval which is different from the interests of other Unitholders.

The Listing Requirements oblige the Manager to make prompt announcements and disclosures in AME REIT's annual reports in relation to any related party transactions. These transactions would include transactions between AME REIT, the Sponsor and its subsidiaries in which case the Sponsor would be an interested party and its nominee directors would be considered as interested directors. As at the LPD, the nominee directors are Lee Chai, Lee Sai Boon, Lim Yook Kim, Kang Ah Chee and Lim Pei Shi.

In order to mitigate any potential conflict of interest, the Manager has also instituted the following procedures:

- (i) the Manager will not manage any other REIT which invests principally in the same type of properties as AME REIT;
- (ii) the Board of Directors comprise 50% of Independent Directors and the Audit and Risk Management Committee also comprise solely of independent directors, in line with the recommendation of MCCG;
- (iii) the Directors of the Manager owe fiduciary duties to the Manager and as such will act in the best interest of Unitholders and in the event of conflict between Unitholders' interests and its own interests, to give priority to Unitholders' interests;
- (iv) any transactions in which a conflict of interest will arise should be negotiated and executed on terms which are the best available for AME REIT and which are no less favourable to AME REIT than arm's length transactions between independent parties and be adequately disclosed in the Prospectus and annual reports of AME REIT. The processes to identify, track, monitor and approve related party transactions in relation to, among others, transactions relating to acquisition or disposal of properties to and from the Sponsor Group and relating to properties rented by AME Group from AME REIT, in a timely and orderly manner are set out below:

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (*Cont'd*)

- a) the Manager will circulate a list of related parties to all operational departments notifying that all transactions undertaken by the Manager with any related parties included in this list must be undertaken on an arm's length basis, on normal commercial terms not more favourable to the related parties in comparison to terms available to independent parties and will not be detrimental to the minority unitholders of AME REIT. Such procedures will include proper segregation of processes for preparation of documents, verifications and approvals;
- b) the Manager will maintain a register to properly record all related party transactions which are entered into by AME REIT and the bases, including any quotations from unrelated parties and independent valuations to support such bases on which they are entered into, and to ensure that relevant approvals have been obtained and to review the group procedures for such transactions ensuring they are adhered to;
- c) all related party transactions (either individually or as part of a series of if aggregated with other transactions involving the same related party during the same financial year) with value equal to or exceeding RM500,000 are subject to approval by the Audit and Risk Management Committee and the Board at regular intervals. Any interested party shall abstain from approving such transactions;
- d) potential related party transactions expected to be entered into in the ordinary course of business and are below RM500,000 would be presented to the Audit and Risk Management Committee for prior approval as a general mandate, with specific procedures to be adhered to for implementation. Upon obtaining the general mandate from the Audit and Risk Management Committee, all transactions in the ordinary course of business which are below RM500,000 shall be subject to approval by the CEO. Any related party transactions which are not in the ordinary course of business and are below RM500,000 shall be authorised by the relevant authorised personnel, including the CEO. Any interested party shall abstain from approving such transactions;
- e) rental of properties are undertaken by the leasing team of AME REIT which is distinct and separate from the sales and marketing team of the Sponsor Group and work independently of each other. Any proposal in respect of terms of tenancies are also provided independent of the Sponsor Group's team to the potential tenants. As a standard procedure, where the leasing team is aware that the potential tenant is also considering standard factory units available in the Sponsor Group's development, such tenant will be informed by the leasing team that notwithstanding the relationship between the Sponsor Group and AME REIT, the terms to be provided to the potential tenant are independently structured by the respective teams;
- f) except for transactions below RM500,000 set out in (d) above (which are not required to be presented to the Board for approval), in respect of matters or transactions which a Director or a person connected to him or her has an interest (directly or indirectly), such relevant interested Director shall not participate in any proceedings of the Board and shall abstain from voting in respect of such matter or transaction. The interested Director must inform the Board, of the details of the nature and extent of his/her interest, including all matters in relation to the proposed related party transaction that he/she is aware or should reasonably be aware of, which is not in the best interest of AME REIT;
- g) rental of properties to related parties will be at prevailing market rate. To determine the market norm for rental of properties, AME REIT may consult with relevant third party independent consultants such as property valuers;

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- h) subject to the quantum of the asset enhancement projects, the Manager may invite tenders for all projects or directly negotiate with contractors provided that the internal project budget prepared by the Manager will be validated by a third party cost consultant/quantity surveyor to form the basis for comparison with tenders/quotations received when awarding construction contracts and related services. Tenders invited will be evaluated based on the tenderers pricing, technical and financial capabilities. Project budgeting, tendering, evaluation and selection of tenderer is reviewed and approved based on the standard operating procedures of AME REIT;
- i) an independent cost consultant/quantity surveyor will be appointed to review the cost to ensure that the contracts are undertaken on normal commercial terms when awarding contracts on a turnkey basis;
- j) when only 1 related party has tendered in an open tender exercise, the cost/pricing will be certified by an independent cost consultant/quantity surveyor to ensure that the cost/pricing is competitive. Alternatively, the pricing could be based on the rate secured from a previous tender within the preceding 12 months;
- k) to determine whether the price and terms offered to/by the related parties are fair, reasonable and comparable to price and terms offered by other third parties for similar types of products/services, 2 other contemporaneous transaction with third parties for similar types of products/ services will be used as a comparison. In scenarios which a comparison with 2 other contemporaneous transaction with third parties cannot be obtained; the price and terms will be in accordance with applicable industry norms, prevailing commercial rates, at rates not more favourable to the related parties than those generally available to the public and are not detrimental to the minority unitholders of AME REIT;
- l) where matters concerning AME REIT relating to transactions entered into or to be entered into by the Trustee (on behalf of AME REIT) with a related party, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AME REIT and the Unitholders. Where necessary, the Trustee will engage the services of independent expert(s);
- m) adherence to the Listing Requirements for related party transactions which may involve immediate announcement of related party transactions and/or requirement to seek Unitholders' prior approval and provision of independent advice, depending on the materiality threshold;
- n) the interested director and/or major unitholder and/or persons connected with them must not vote in respect of their direct and indirect interest at the general meeting on the resolution pertaining to any related party transaction. It is the duty of the interested director and/or interested major unitholder to ensure that persons connected with them abstain from voting in respect of their direct and indirect interest on the resolution pertaining to the related party transaction;
- o) the Manager will also incorporate into its internal audit plan a review of all related party transactions entered into by AME REIT. The Audit and Risk Management Committee shall review the internal audit reports to ensure that all guidelines and procedures in place to monitor related party transactions are complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Management Committee. The Audit and Risk Management Committee may request for additional procedures to be imposed, if necessary; and

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- p) the internal auditor shall periodically review the guidelines and procedures for all related party transactions to ensure that relevant approvals have been obtained, review procedures for such transactions are adhered to and ascertain that the guidelines established to monitor related party transactions have been complied with.
- (v) All related party transactions are subject to regular periodic review by the Audit and Risk Management Committee on a quarterly basis. If a member of the Audit and Risk Management Committee has an interest in a transaction, he/she is to abstain from participating in the review and recommendation process in relation to that transaction.

The Manager has appointed Sterling Business Alignment Consulting Sdn Bhd, an independent professional services firm, to assist the Board and Audit and Risk Management Committee by providing an independent assessment of the adequacy and effectiveness of the Manager's systems of risk management and internal control. In order to mitigate any potential conflict of interest, the Audit and Risk Management Committee shall conduct, on an annual basis, an assessment of the suitability, objectivity and independence of its internal auditors, including a review on its performance and remuneration.

12.4.3 The Chairman and CEO

The executive role of the Chairman in AME REIT

Drawing from his experience as a director of the Sponsor, a listed issuer on the Main Market, Lee Sai Boon as the Chairman will be primarily responsible for the leadership of the Board, which in turn is responsible for setting AME REIT's strategic aims, ensuring that the necessary resources are in place to meet its objectives and that AME REIT's obligations to its Unitholders and other stakeholders are met. Lee Sai Boon's experience and understanding of the industrial property sector together with his intimate knowledge of the initial portfolio of AME REIT and its tenants make him ideal as both the Chairman who carries out a leadership role to facilitate the Board's discussions as well as having an executive role on the Board, the scope of which is set out in Section 6.4.3 "Role of the Board" of the Prospectus.

In addition to the roles and functions mentioned above, Lee Sai Boon as an Executive Director will also be carrying out the following functions:

- (i) liaising with potential and new tenants in respect of properties in the industrial parks developed by the Sponsor Group;
- (ii) relationship management of existing and new tenants in respect of properties in the industrial parks developed by the Sponsor Group; and
- (iii) liaising with, understanding and meeting the requirements in relation to the technical specifications requested by tenants (including renovations and refurbishments) for properties in the industrial parks developed by the Sponsor Group.

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12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Chairman's position as executive director in both AME REIT and AME Group

As the initial portfolio of AME REIT are all properties of AME Group, Lee Sai Boon was involved in the oversight of management of the Subject Properties and liaising with the respective tenants. As such, upon the divestment of the Subject Properties from AME Group and the acquisition of the same by AME REIT, Lee Sai Boon's role as Executive Director of AME REIT is merely a continuation of his earlier involvement in respect of the Subject Properties and will not detract time and commitment from his responsibilities as executive director of the Sponsor. In view of this, Lee Sai Boon will not receive any salary from the Manager in respect of his executive functions. Moreover, his involvement as an Executive Director in the Manager is crucial to give comfort and assurance to the existing tenants that there will be no significant change to their tenancy arrangements and their relationship with AME Group or any commitments made by AME Group. In addition, the CEO, whose position is held separately by Chan Wai Leo, is responsible for proposing and working with the Board to determine the overall business, investment and operational strategies or policies for AME REIT, overseeing the day to day operational management of AME REIT, and implementing business policies, strategies and decisions in accordance with the objectives of AME REIT.

The governance structure of the Manager, as both the CEO and Chairman are executive directors

There is a separation of powers, authority and accountability between the Chairman, Lee Sai Boon, and the CEO, Chan Wai Leo, with a clear division of responsibility between the running of the Board and the business respectively. In addition, Lee Sai Boon's executive roles are limited and incidental to his executive roles in the Sponsor Group.

Notwithstanding that both the Chairman and CEO are executive directors, the Board comprises 50% independent non-executive directors, who as members of the board committees will play important corporate governance functions in the Manager. Moreover, the interest of the Chairman, who has significant indirect interest in AME REIT, is aligned with that of the Unitholders as the Chairman is an executive director and substantial shareholder of the Sponsor, and the Sponsor is the major unitholder of AME REIT. The Chairman will also be entitled to subscribe to his entitlement pursuant to the ROFS, which would result in him having direct interest in AME REIT.

12.4.4 Dealing in Securities

Pursuant to the internal practice of the Manager, the Directors and employees of the Manager are prohibited from dealing in the Units, while in possession of unpublished material or non-public price sensitive information in relation to such securities.

The Directors and employees of the Manager are prohibited from directly or indirectly communicating any price-sensitive information to another person.

The Directors and employees of the Manager are required to declare on a quarterly basis, any related party transactions entered into.

12.5 INTERESTS OF DIRECTORS AND OTHER SUBSTANTIAL SHAREHOLDERS OF THE MANAGER IN OTHER CORPORATIONS CARRYING ON SIMILAR BUSINESS

As at the LPD, none of the Directors and substantial shareholders of the Manager hold any interests in other corporations carrying on similar businesses.

For the purpose of this Section 12.5, "similar business" means the management of a REIT with an investment policy of investing in Real Estate used primarily for industrial and industrial-related purposes in Malaysia and overseas.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (*Cont'd*)

12.6 OTHER PERTINENT INFORMATION

The Manager will comply with all requirements as laid out in the REIT Guidelines on related party transactions including provisions contained in the Deed.

The Manager has established procedures that will ensure that such transactions are undertaken in full compliance to the REIT Guidelines and are carried out at arm's length, based on normal commercial terms and in the best interests of the Unitholders.

The Manager would have to demonstrate to the Audit and Risk Management Committee that transactions (whether purchase of services or properties) would be taken on normal commercial terms, which may include in the case of the purchase of services, the obtaining of quotations from parties unrelated to the Manager, or in the case of purchase of properties, the obtaining of valuation from an independent valuer.

The Trustee shall ensure that related party transactions are at arm's length, based on normal commercial terms and not prejudicial to the interest of the Unitholders. Furthermore, the Trustee has the ultimate discretion under the Deed to decide whether or not to enter into a transaction involving a related party of the Manager. If the Trustee is to sign any contract with a related party of the Manager, the Trustee will review the contract documentation to ensure it complies with the requirements and provisions relating to related party transactions contained in the REIT Guidelines and the Deed.

12.7 DECLARATIONS BY ADVISERS

12.7.1 Declaration by HLIB

HLIB, its subsidiaries and associated companies as well as its penultimate holding company, namely Hong Leong Financial Group Berhad ("**Hong Leong Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, insurance, assets and funds management and credit transaction services businesses.

The Hong Leong Group has engaged, and may in the future, engage in transactions with and perform services for AME Group, AME REIT, the Manager and/or its affiliates. In addition, in the ordinary course of business, any member of the Hong Leong Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of AME Group, AME REIT, the Manager and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of AME Group, AME REIT, the Manager and/or its affiliates.

As at 22 July 2022, the Hong Leong Group has extended various credit facilities with a combined limit of up to an aggregate amount of approximately RM208.2 million to AME Group and/or its affiliates, of which approximately up to RM42.0 million may be used to part finance the Acquisitions and to fund expenses for the Listing. Some proceeds from the Offering may also be used to repay borrowings from the Hong Leong Group.

Notwithstanding the above, HLIB is of the view that the aforesaid relationship would not give rise to a conflict of interest situation in its capacity as (i) Principal Adviser to the Manager for the establishment of AME REIT, the Acquisitions, the Offering and the Listing ("**REIT Establishment and Listing**"); (ii) Joint Bookrunner for the Institutional Offering; (iii) Sole Underwriter for the Units under the Restricted Pink Form Offering and Public Offering; and (iv) Principal Adviser to the Sponsor for the establishment of AME REIT, disposals of the Subject Properties by the Vendors to the Trustee (on behalf of AME REIT) ("**Disposals**"), the Offering and the Listing as:

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- (i) HLIB is a licensed investment bank and its appointment as (i) Principal Adviser to the Manager for the REIT Establishment and Listing; (ii) Joint Bookrunner for the Institutional Offering; (iii) Sole Underwriter for the Restricted Pink Form Offering and Public Offering; and (iv) Principal Adviser to the Sponsor for the establishment of AME REIT, the Disposals, the Offering and the Listing, arose in the ordinary course of business of HLIB;
- (ii) the conduct of the Hong Leong Group in its banking business is strictly regulated and is subject to Financial Services Act 2013, Islamic Financial Services Act 2013 and, where applicable, the CMSA, as well as the Hong Leong Group's own internal controls and checks; and
- (iii) the aggregate exposure by the Hong Leong Group of approximately RM208.2 million is not material when compared to the latest audited consolidated net assets of the Hong Leong Group as at 30 June 2021 of approximately RM22,818 million.

Save as disclosed above, HLIB confirms that, as at the LPD, it is not aware of any other circumstances which would or is likely to give rise to a possible conflict of interest situation in HLIB's capacity as (i) the Principal Adviser to the Manager for the REIT Establishment and Listing; (ii) Joint Bookrunner for the Institutional Offering; (iii) Sole Underwriter for the Restricted Pink Form Offering and Public Offering; and (iv) Principal Adviser to the Sponsor for the establishment of AME REIT, the Disposals, the Offering and the Listing.

12.7.2 Declaration by Rosli Dahlan Saravana Partnership

Rosli Dahlan Saravana Partnership acted as (i) the Legal Advisers to the Manager in respect of the REIT Establishment and Listing and (ii) legal counsel and legal due diligence solicitors to the Sponsor in connection with the issuance of the circular and notice of the extraordinary general meeting to its shareholders, seeking their approval for the Disposals, establishment of AME REIT, the Offering and the Listing.

Rosli Dahlan Saravana Partnership confirms that as at the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as (i) the Legal Advisers to the Manager in respect of the REIT Establishment and Listing and (ii) legal counsel and legal due diligence solicitors to the Sponsor in connection with the issuance of the circular and notice of the extraordinary general meeting to its shareholders.

12.7.3 Declaration by KPMG PLT

KPMG PLT confirms that as at the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Reporting Accountants of AME REIT.

In its capacity as the Reporting Accountants, KPMG PLT has issued the Report on the Pro Forma Statement of Financial Position as at the date of establishment of AME REIT and the Letter on the Profit Forecast of AME REIT as set out in Appendix D "Reporting Accountants' Report on the Pro Forma Statement of Financial Position" and Appendix E "Reporting Accountants' Letter on the Profit Forecasts" of this Prospectus, respectively.

12.7.4 Declaration by KPMG Tax Services Sdn Bhd

KPMG Tax Services Sdn Bhd confirms that as at the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Tax Consultant of AME REIT.

In its capacity as the Tax Consultant, KPMG Tax Services Sdn Bhd is responsible for preparing the Tax Consultant's letter on taxation of AME REIT and Unitholders as set out in Appendix C "Tax Consultant's Letter on Taxation of AME REIT and Unitholders" of this Prospectus.

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.7.5 Declaration by Smith Zander International Sdn Bhd

Smith Zander International Sdn Bhd confirms that as at the LPD, it is not aware of any circumstances which exist or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Independent Market Researcher in relation to the Offering and Listing.

In its capacity as the Independent Market Researcher, Smith Zander International Sdn Bhd was responsible for preparing the Independent Market Research Report as set out in Appendix B "Independent Market Research Report" of this Prospectus.

12.7.6 Declaration by CBRE WTW Valuation & Advisory Sdn Bhd

CBRE WTW Valuation & Advisory Sdn Bhd (formerly known as C H Williams Talhar & Wong Sdn Bhd) acted as (i) the Independent Property Valuer to the Manager in respect of the valuations of the Subject Properties for the Acquisitions and (ii) the Independent Property Valuer to the Sponsor in respect of the valuations of the Subject Properties for the Disposals.

CBRE WTW Valuation & Advisory Sdn Bhd confirms that as at 8 July 2022, being the date of the update Valuation Certificate and the LPD, it is not aware of any circumstances which would or is likely to exist which would give rise to a possible conflict of interest in its capacity as (i) the Independent Property Valuer in relation to the Acquisitions; and (ii) the Independent Property Valuer in relation to the Disposals.

In its capacity as the Independent Property Valuer to the Manager, CBRE WTW Valuation & Advisory Sdn Bhd was responsible for preparing the Valuation Certificate dated 2 August 2021 and update Valuation Certificate dated 8 July 2022 as set out in Appendix A "Valuation Certificates" of this Prospectus, valuation reports and valuation report checklists for the respective Subject Properties which were submitted to the SC as part of the submission of the valuation reports in 3 batches on 26 October 2021, 10 November 2021 and 26 November 2021 respectively, and the update valuation letters on 5 May 2022 and 12 July 2022.

12.7.7 Declaration by RHB Investment Bank Berhad

RHB Investment Bank Berhad, its subsidiaries and associated companies ("**RHB Banking Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses.

The RHB Banking Group has engaged, and may in the future, engage in transactions with and perform services for AME Group, AME REIT, the Manager and/or its affiliates. In addition, in the ordinary course of business, any member of the RHB Banking Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of AME Group, AME REIT, the Manager and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of AME Group, AME REIT, the Manager and/or its affiliates.

As at the LPD, RHB Banking Group has extended various credit facilities with a combined limit of up to an aggregate amount of approximately RM229.9 million to AME Group and/or its affiliates. Some proceeds from the Offering may also be used to repay borrowings from RHB Banking Group. In addition, RHB Trustees Berhad also acts as the trustee of AME REIT.

Notwithstanding the above, RHB IB is of the view that the aforesaid relationship would not give rise to a conflict of interest situation in its capacity as the Joint Bookrunner for the Institutional Offering as:

- (i) RHB IB is a licensed investment bank and its appointment as the Joint Bookrunner for the Institutional Offering arose in the ordinary course of business of RHB IB;

12. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

- (ii) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and, where applicable, the Capital Markets and Services Act 2007, as well as the RHB Banking Group's own internal controls and checks; and
- (iii) the aggregate exposure by the RHB Banking Group of approximately RM229.9 million is not material when compared to the latest audited consolidated net assets of the RHB Banking Group as at 31 December 2021 of approximately RM289.5 billion.

Save as disclosed above, RHB IB confirms that, as at the LPD, it is not aware of any other circumstances which would or is likely to give rise to a possible conflict of interest situation in its capacity as the Joint Bookrunner for the Institutional Offering.

12.7.8 Declaration by BIMB Securities Sdn Bhd

BIMB Securities Sdn Bhd confirms that as at the LPD, it is not aware of any circumstances which exist or is likely to exist which would give rise to a possible conflict of interest in its capacity as the Shariah Adviser of AME REIT.

In its capacity as the Shariah Adviser, BIMB Securities Sdn Bhd was responsible for preparing the Shariah Pronouncement as set out in Appendix F "Shariah Pronouncement" of this Prospectus.

13. APPROVALS, CONDITIONS, WAIVERS AND VARIATIONS

13.1 APPROVALS AND CONDITIONS

13.1.1 The SC has, via its letter dated 24 March 2022, approved, among others, the following:

- (a) establishment and listing of AME REIT, an Islamic REIT, on the Main Market under Section 214(1) of the CMSA, subject to the terms and conditions as contained in Section 13.1.1.1 “Terms” and Section 13.1.1.2 “Conditions” of this Prospectus;
- (b) appointment of the Manager as the management company of AME REIT under Section 289(2) of the CMSA, subject to the conditions as contained in Section 13.1.1.2 “Conditions” of this Prospectus; and
- (c) resultant unitholding structure of AME REIT under the Bumiputera equity requirement for public listed companies pursuant to the establishment of AME REIT and Listing. The effects of the Listing on the unitholding structure of AME REIT are as contained in Section 13.1.1.3 “Effects of the Listing on the unitholding structure of AME REIT” of this Prospectus.

13.1.1.1 Terms

- (i) establishment of AME REIT with an initial fund size of 520,000,000 Units;
- (ii) acquisition of the Subject Properties by AME REIT at the purchase consideration and the mode of satisfaction of the purchase consideration as set out in Section 2.4 “Acquisition of the Subject Properties” of this Prospectus;
- (iii) the Offering, subject to the Clawback and Reallocation, comprising the following:
 - (I) Retail Offering of up to 174,808,820 Offer Units, to be allocated as follows:
 - (aa) ROFS of up to 156,608,820 ROFS Units to the Entitled AME Shareholders on the basis of 1 ROFS Unit for every 5 AME Shares held on the Entitlement Date;
 - (bb) up to 7,800,000 Offer Units to the Eligible Directors and Employees; and
 - (cc) 10,400,000 Offer Units for application by the Malaysian public of which 5,200,000 Units are reserved for application by the Bumiputera public investors via balloting.

The ROFS is non-renounceable and non-tradeable. Entitled AME Shareholders may also partially subscribe or not subscribe to the ROFS.
 - (II) Institutional Offering of at least 79,991,180 Offer Units to institutional investors and selected investors comprising the following:
 - (aa) 65,000,000 Units to Bumiputera investors to be approved by the MITI; and
 - (bb) at least 14,991,180 Units to Malaysian institutional investors and selected investors.
- (iv) listing of and quotation for 520,000,000 Units on the Main Market.

13. APPROVALS, CONDITIONS, WAIVERS AND VARIATIONS (Cont'd)

13.1.1.2 Conditions

- (i) the Manager to get an approval from the SC for it to be licensed for fund management in relation to asset management, restricted to REITs; and
- (ii) the Manager or HLIB to submit an operational audit report on AME REIT's operations to the SC within six months after AME REIT is listed. The appointment of the external auditor and scope of work shall be subject to SC's clearance.

13.1.1.3 Effects of the Listing on the unitholding structure of AME REIT

The unitholding structure of AME REIT upon completion of the Listing is as follows:

Category of unitholders	After the Listing			
	Minimum Scenario ⁽¹⁾		Maximum Scenario ⁽²⁾	
	No of units	%	No of units	%
Bumiputera				
- Bumiputera investors to be approved by MITI	65,000,000 ⁽³⁾	12.5	65,000,000 ⁽³⁾	12.5
- Bumiputera public investors via balloting	5,200,000 ⁽³⁾	1.0	5,200,000 ⁽³⁾	1.0
Total Bumiputera	70,200,000	13.5	70,200,000	13.5
Non-Bumiputera	446,545,641	85.9	445,822,450	85.7
Total Malaysian	516,745,641	99.4	516,022,450	99.2
Foreigners	3,254,359	0.6	3,977,550	0.8
Total	520,000,000	100.0	520,000,000	100.0

Notes:

- (1) Based on the number of issued AME Shares of 640,672,649, assuming no exercise of outstanding 142,371,453 Warrants 2021/2026.
- (2) Based on the number of issued AME Shares of 783,044,102, assuming full exercise of outstanding 142,371,453 Warrants 2021/2026.
- (3) Assuming all Units allocated to Bumiputera investors to be approved by MITI and Bumiputera public investors via balloting are fully subscribed.

13.1.2 The Authorisation and Licensing Department of the SC has, via its letter dated 7 April 2022, conditionally approved the Manager's application for a Capital Markets Services Licence for the regulated activity of fund management in relation to asset management restricted to REIT ("CMSL") and the application by Chan Wai Leo, Lee Chai, Lee Sai Boon and Lee Ling Sien for the Capital Markets Services Representative's Licence for the regulated activity of fund management in relation to asset management restricted to REITs ("CMSRL").

Upon fulfilling the conditions stipulated by SC, the SC has further, via its letter dated 20 May 2022, granted the CMSL to the Manager, and the CMSRL to Chan Wai Leo, Lee Chai, Lee Sai Boon and Lee Ling Sien.

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13. APPROVALS, CONDITIONS, WAIVERS AND VARIATIONS (Cont'd)

13.1.3 Bursa Securities has, via its letter dated 2 June 2022, approved the admission of AME REIT to the Official List of the Main Market and for the listing of and quotation for the 520,000,000 Units to be issued pursuant to the Listing. In addition, Bursa Securities has via the same letter approved the issuance of up to 30.0 million Units as payment of Management Fee to the Manager on a staggered basis in accordance with the terms and formula set out in the Deed together with the listing of and quotation for such 30.0 million Units. The conditions imposed by Bursa Securities and the status of compliance are as follows:

<u>Details of conditions imposed</u>	<u>Status of Compliance</u>
(i) With regard to the 30.0 million Units reserved as part payment of the management fees, I REIT Managers is to provide adequate disclosure in the prospectus on the following: (a) Details and type of management fees involved together with the computation thereof; and (b) Basis of determining the issue price of the management units and mode of payment.	Complied. Please refer to Section 6.6 “Management Fees” of this Prospectus for the said disclosure.
(ii) Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, AME REIT is advised to include the Stock Code, Stock Short Name and ISIN code upon making the announcement on timetable for the Offering.	To be complied.
(iii) To furnish Bursa Securities a copy of the schedule of distribution showing compliance to the unit spread requirements based on the entire units of AME REIT on the first day of Listing.	To be complied.

13.1.4 The MITI has, via its letter dated 21 March 2022, approved the Manager's application for the issue of units to fulfil the Bumiputera equity requirement. The conditions imposed by MITI as the status of compliance are as follows:

<u>Details of conditions imposed</u>	<u>Status of Compliance</u>
65,000,000 Units are reserved units that are subjected to the approval of MITI and the distribution shall be made upon the approval from the SC and Bursa Securities. MITI noted that 70,200,000 Units representing 13.5% of total Units are Bumiputera Units. Therefore, AME REIT is in compliance with the 12.5% Bumiputera equity requirement.	Complied. The approval of the SC and Bursa Securities for the Offering was obtained on 24 March 2022 and 2 June 2022, respectively.

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13. APPROVALS, CONDITIONS, WAIVERS AND VARIATIONS (Cont'd)

13.2 WAIVERS AND VARIATIONS

Waivers and variations from the Asset Valuation Guidelines and CIS Prospectus Guidelines issued by the SC

The SC has, via its letter dated 5 October 2021, granted the following waivers and variations in respect of compliance with the Asset Valuation Guideline and the CIS Prospectus Guidelines (collectively, "Guidelines"):

<u>Relevant section of the Guidelines</u>	<u>Details of the waiver or variation granted</u>	<u>Details of conditions imposed</u>	<u>Status of compliance</u>
Paragraph 4.12(e)(i), 5.14(h) and 6.08(b)(i) of the Asset Valuation Guidelines	<p>(a) For the Subject Properties, to allow the issuance of valuation reports and certificates without detailing rental rates;</p> <p>(b) For the Subject Properties, to allow the disclosure of the range of rental rate per sq ft for each industrial park in the valuation certificate; and</p> <p>(c) In relation to Plot 32 SAC, to allow the redaction of name of the tenant in the valuation report and certificate and to be replaced with an appropriate description to describe the tenant, i.e. "<i>Malaysian subsidiary of a foreign multinational electronics manufacturing services company</i>".</p>	Nil	Not applicable
Paragraph 12.06(b), Part III of the CIS Prospectus Guidelines	<p>(a) For the Subject Properties, to allow disclosure of the major tenants' percentage contribution to total gross rental income on an aggregate basis together with their individual percentage of Occupied NLA; and</p> <p>(b) In relation to Plot 32 SAC, to allow the redaction of the name of the tenant in this Prospectus and to be replaced with an appropriate description to describe the tenant, i.e. "<i>Malaysian subsidiary of a foreign multinational electronics manufacturing services company</i>".</p>	Nil	Not applicable
Paragraphs 3.03(h) and (j), Part VI of the CIS Prospectus Guidelines	To allow the financing documents in relation to the Financing Facilities and underwriting agreement not to be submitted as part of the Listing application but to be submitted to the SC in compliance with paragraphs 3.06 and 3.09(b) of Part VI of the CIS Prospectus Guidelines after obtaining the SC's approval for the establishment of AME REIT and the Listing, at least 14 business days prior to the intended date of registration of this Prospectus.	Nil	Not applicable

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA

14.1 OVERVIEW OF REGULATION OF REITS IN MALAYSIA

In Malaysia, REITs are governed and regulated by the SC and in addition, a listed REIT would also be subject to the purview of Bursa Securities. The SC is empowered to ensure compliance with the CMSA, the REIT Guidelines, the Guidelines on the Registration and Conduct of Capital Market Services Providers (“**Capital Market Services Providers Guidelines**”), the Guidelines on Conduct for Capital Market Intermediaries (“**Conduct Guidelines**”), the Guidelines on Corporate Governance for Capital Market Intermediaries (“**Corporate Governance Guidelines**”) and the Rules on Take-Overs while Bursa Securities is empowered to ensure the compliance of the listed REITs with the relevant sections of the Listing Requirements. The appointments of the management company and the trustee are subject to the approval of the SC. The CMSA, the REIT Guidelines and the Listing Requirements serve to govern the operation and administration of REITs, the Capital Market Services Provider Guidelines serve to set out the requirements for the registration and conduct of the trustee, the Conduct Guidelines and the Corporate Governance Guidelines serve to set out the business conduct and corporate governance of a management company, and together with the Rules on Take-Overs serve to protect the interest of unitholders and to facilitate an orderly development of REITs. The trustee and the management company, including their officers and directors, must comply with the following laws, guidelines and requirements, whichever applicable:

- (i) CMSA;
- (ii) REIT Guidelines;
- (iii) Listing Requirements;
- (iv) Capital Market Services Providers Guidelines;
- (v) Conduct Guidelines;
- (vi) Corporate Governance Guidelines;
- (vii) Rules on Take-Overs; and
- (viii) all other Relevant Laws and Requirements.

14.1.1 Under the CMSA and/or the REIT Guidelines:

- (i) **Management company** – A management company must, among others, be an entity incorporated in Malaysia and hold a Capital Markets Services Licence (“**CMSL**”) for the regulated activity of fund management in relation to asset management restricted to REITs and be approved by the SC. The REIT Guidelines contain provisions on foreign investments, composition of the board of directors (including independent members), appointment of key personnel which consists of a designated person responsible for the real estate portfolio management of the REITs and compliance officer, property manager as well as roles and responsibilities of a management company.
- (ii) **Trustee** – A trustee is also obliged by the CMSA to notify the SC as soon as practicable of any irregularity, any breach of the provisions or covenants of the trust deed and/or any contravention of CMSA or any inconsistency between the disclosures in the prospectus and the provisions or covenants of the trust deed, which in the trustee’s opinion, may indicate that the interests of unitholders are not being served.
- (iii) **Investment of the REIT** – The REIT Guidelines set out the investment perimeters of REITs in Malaysia including among other things, permissible investments by the REITs, the requirements and restrictions on investments and activities and the level of borrowings or financing facilities (which must not exceed 50.0% of the total asset value of the REITs at the time of the borrowings or financing facilities, or deferred payment arrangements incurred).

Investment perimeters of Islamic REITs are set out in Section 1.10 of this Prospectus entitled “Shariah Investment Guidelines”.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (Cont'd)

- (iv) **Valuation** – Valuations of real estate are required to be undertaken at least once a financial year and on all real estate to be acquired or disposed by the REITs. The REIT Guidelines governs the valuation of the Real Estate (including the appointment of valuer and the preparation of the valuation report), valuation of Non-Real Estate Assets, and incorrect valuation.
- (v) **Fees** – The REIT Guidelines contain provisions for the remuneration of the management company, remuneration of the trustee and other expenses of the REITs. The management company and the trustee may only be remunerated by way of an annual fee charged to REITs, and the management company may charge a fee for the acquisition or disposal of real estate by the REITs (provided that it has clear justification for each type of fees payable to the management company), which must be permitted by the trust deed and clearly disclosed in the prospectus and only expenses (or part thereof) directly related and necessary in operating and administering the REITs may be paid out of the REITs including, but not limited to, the maintenance of real estate belonging to the REITs, taxes and other duties charged on the REITs by the government and other authorities, fees for the valuation of any investment of the REITs and listing expenses for listing on the stock exchange.
- (vi) **Operational matters** – The chapter on operational matters in the REIT Guidelines is in relation to the issues such as the distribution of income, rebates and soft commission, creation and cancellation of units, termination of REITs, unitholders' meetings, notice of meetings, voting rights at meetings, chairperson of meetings, quorum at meetings, corporate governance principles and best industry standards for all activities conducted in relation to the REITs.

14.1.2 Under the Listing Requirements:

In addition to prescribing the admission procedures and requirements for the admission and listing of a REIT on the Main Market, the Listing Requirements also prescribe the following:

- (i) **Board of directors of the management company** – The board of directors of the management company must have at least 2 independent directors or maintaining a minimum ratio of at least 1/3 independent directors, whichever is higher at all times;
- (ii) **General meetings** – The trust deed of a listed REIT is required to be in compliance with the Listing Requirements in relation to notice, proxies and voting rights of the unitholders;
- (iii) **Continuing listing obligation** – The chapter on continuing listing obligations cover the unitholding spread requirement of a listed REIT of at least 25.0% of the total number of listed units to be held by a minimum number of 1,000 public unitholders holding not less than 100 units each;
- (iv) **Continuing disclosure** – The chapter on continuing disclosure requirements sets out the disclosure policy of Bursa Securities which a listed REIT is required to adhere to, immediate disclosure of any material information, preparation of announcements, financial statements and reports, and consequences for failure to comply;
- (v) **Issue of securities by a REIT** – Any issuance of new units by a REIT is subject to approval by the unitholders and approval of Bursa Securities; and
- (vi) **Transactions** – A REIT undertaking an acquisition or disposal of real estate from non-related parties and related parties are subject to the requirements set out in the Listing Requirements.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (*Cont'd*)

14.1.3 Under the Capital Market Services Providers Guidelines:

- (i) **The trustee** – The requirements of a trustee include, among other things, that it must be a trust company registered under the Trust Companies Act 1949 or incorporated under the Public Trust Corporation Act 1995, be registered with the SC, have a minimum issued and paid-up capital of not less than RM500,000, have adequate human resources with the necessary qualification, expertise, and experience and have adequate and appropriate systems, procedures and processes, to carry out its duties and responsibilities.
- (ii) **Delegation and outsourcing** – A trustee may delegate and outsource its functions to third parties. Nonetheless, this does not relieve a trustee from its responsibilities. When delegation takes place, it is the duty of the trustee to ensure that adequate procedures are in place and that the trust deed, prospectus, guidelines and securities laws are complied with. Note also that the delegation of a management company's function requires notification to the SC in writing.

14.1.4 Under the Conduct Guidelines and/or Corporate Governance Guidelines:

- (i) **Minimum standards of conduct** – A management company and its representatives must act with honesty and fairness, exercise reasonable care, skill and diligence when carrying on its capital market related services, use their best endeavours to identify and avoid any actual or potential conflict of interest, have proper safeguards in place to protect its clients' assets and information and at all times promote open and effective communication with its clients and regulators. The board of directors and senior management of a management company must, where applicable, establish, implement and maintain effective controls, policies and procedures for ensuring compliance with the minimum standards of conduct.
- (ii) **Board of directors** – The appointment of the director of a management company shall have due regard to any actual or potential conflicts of interest arising from the appointment and his standing with any relevant regulator. The board of a management company must comprise individuals with appropriate mix of skills, knowledge, experience and independence that fit the objectives and strategic goals of the management company. The board of a management company must meet regularly to, among others, review the business operation and management of the management company, monitor the financial and non-financial performance of the management company and deliberate on strategic issues. The board of a management company must ensure that it has policies and processes to mitigate, manage and address actual and potential conflicts of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of management integrity.
- (iii) **Senior management** – The senior management of a management company must, among others, understand the nature of the business of the management company, establish a management structure that promotes accountability and transparency across the operations of a management company and preserves the effectiveness and independence of control functions and promote a corporate culture which reinforces, among others, ethical, prudent and professional behaviour, honesty, fairness, trust and high performance.
- (iv) **Risk management, compliance and internal audit** – The board of a management company must determine its risk appetite and tolerance, including the nature and extent of the material risks, which the board of a management company is willing to take in achieving its strategic objectives. The board of a management company must ensure that the management company's risk governance framework, supported by appropriate policies, control procedures and processes commensurate with the management company's size, complexity and risk profile. The board of a CMSL holder must review and approve the internal audit charter that defines the remit for the internal audit function, including its purpose, authority and responsibility.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (Cont'd)

14.1.5 Under the Rules on Take-Overs:

The Rules on Take-Overs applies to REITs that are listed on Bursa Securities. Under the Rules on Take-Overs, any person acquiring an interest, either individually or with parties in concert, in more than 33.0% of the Units (being voting units in AME REIT) is required to extend a mandatory offer for the remaining Units in accordance with the Rules on Take-Overs, unless otherwise exempted. A take-over offer is also required to be made if a person holding more than 33.0% but not more than 50.0% of the Units, either individually or with parties acting in concert, acquires more than 2.0% of the Units in any 6-month period under the Rules on Take-Overs, unless otherwise exempted.

As a result, acquisitions of Units which may result in a change in control of AME REIT will be subject to the provisions of the Rules on Take-Overs, such as a requirement to make a mandatory offer for Units.

14.2 OVERVIEW OF LAND LAW

14.2.1 The Land System

In Malaysia, land law is based on the Torrens system of South Australia which operates on the principle of "title by registration". Notwithstanding the adoption of Torrens system in Malaysia, some lands in the state of Penang and Malacca are still governed by the deed system. The National Land Code (Penang and Malacca Titles) Act 1963 ("**NLCPM**") was thus enacted to govern such lands and to convert the deed system in Penang and Malacca to the Torrens system used under the National Land Code 1965 ("**NLC**").

Pursuant to the Federal Constitution of Malaysia ("**Constitution**"), land matters generally lie within the jurisdiction of the state governments. However, the Constitution specifically provides for federal legislation in such matters for the purposes of ensuring uniformity of law and policy in various aspects of land matters which are not exercisable with regard to the states of Sabah and Sarawak.

The following are the primary pieces of legislation governing land law in Malaysia, the operation of which is supplemented by various subsidiary legislations such as the various state land enactments and ordinances which are in force in the respective states in Malaysia:

- (i) the NLC;
- (ii) the NLCPM;
- (iii) Strata Titles Act 1985;
- (iv) Sarawak Land Code (Cap 81) ("**Sarawak Land Code**"); and
- (v) Sabah Land Ordinance (Cap 68) ("**Sabah Land Ordinance**"),

The NLC is an act which amends and consolidates the laws relating to land and land tenure, the registration of title to land and dealings therewith and the collection of revenue therefrom within the states of Johor, Kedah, Kelantan, Malacca, Negeri Sembilan, Pahang, Penang, Perak, Perlis, Selangor, Terengganu, the Federal Territory of Kuala Lumpur, the Federal Territory of Putrajaya and the Federal Territory of Labuan, and for purposes connected therewith while in the states of Sabah and Sarawak, the respective Sabah Land Ordinance and Sarawak Land Code apply.

The rest of the Section 14.2 of this Prospectus will cover land law applicable to the states in Peninsular Malaysia and the Federal Territories of Malaysia.

The NLCPM was enacted to provide for the conversion of the system of registration of deeds practiced prior to 1966 to the Torrens system.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (Cont'd)

The NLC expressly provides that it shall not (unless expressly provided to the contrary) affect the provisions of:

- (i) any law relating to customary tenure;
- (ii) any law relating to Malay reservations or Malay holdings;
- (iii) any law relating to mining;
- (iv) any law relating to sultanate lands;
- (v) any law relating to wakaf (relating to the endowment of property for religious and/or public purposes in accordance with Islamic teachings) or baitulmal (an Islamic non-profit financial organisation providing benefits to community members and organisations);
- (vi) the Terengganu Settlement Enactment 1356;
- (vii) the Padi Cultivators (Control of Rent and Security of Tenure) Act 1967;
- (viii) the Kelantan Land Settlement Act 1955;
- (ix) the Land (Group Settlement Areas) Act 1960;
- (x) the Perlis Land Settlement Enactment 1966; and
- (xi) any law for the time being in force relating to exemptions from the payment of land revenue.

14.2.2 Indefeasibility of Title

Pursuant to the NLC, a person will obtain an indefeasible title to or interest in the land after his/her proprietorship to or interest in land is being registered on the document of title. However, the indefeasibility of title can be defeated under those circumstances as provided in Section 340(2) of the NLC, which include fraud, misrepresentation or forgery, or where the registration of title or interest is obtained by the use of an insufficient or void instrument or where the title or interest is unlawfully acquired.

14.2.3 Powers of the State Authority

The State Authority is vested with the entire property in all state lands under the NLC. Pursuant to the NLC, "State Authority" refers to the Ruler or Governor of the state, as the case may be, and "state land" refers to all land in the state (including so much of the bed of any river, and of the foreshore and the bed of the sea, as is within the territories of the state or the limits of territorial waters) other than land that has already been alienated or reserved (whether as forest of otherwise) or mining land.

Under the NLC, the State Authority has power to alienate land for either:

- (i) a term not exceeding 99 years (commonly referred to as leasehold); or
- (ii) in perpetuity (commonly referred to as freehold).

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14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (Cont'd)

The power to alienate land by the State Authority is the most common method of disposal of land. The alienation of land by the State Authority is subject to certain conditions such as:

- (i) payment of annual rent;
- (ii) payment of premium (which is subject to exemption by the State Authority);
- (iii) category of land use; and
- (iv) such conditions and restrictions in interest which may be imposed by the State Authority.

Unless an application is made to the State Authority for the extension of the term and such application is approved by the State Authority usually upon the payment of a premium, land alienated for a term not exceeding 99 years shall upon the expiry of such term revert to the State Authority.

In addition to the power to alienate land, the State Authority also has the power to:

- (i) reserve land and grant leases of reserve land for a specific purpose not exceeding 21 years;
- (ii) permit temporary occupation of land;
- (iii) permit the extraction and removal of rock material from land;
- (iv) permit the use of air space on or above land; and
- (v) dispose of underground land.

14.2.4 Categories of Land Use

Land in Malaysia is divided into 3 general categories of land use, namely agricultural, industrial and building. The category of land use is endorsed on the documents of title issued in respect of those land alienated by the State Authority pursuant to the NLC.

An application may be made to the State Authority by the proprietor of any alienated land for the alteration of any category of land use to which the land is for the time being subject, or where it is not so subject, for the imposition of any category.

Each category of land use is subject to implied conditions as more particularly set out in the NLC. Additionally, specific uses may be specified in the documents of title to land. Failure to comply with express or implied conditions of land use may result in the forfeiture of land by the State Authority.

14.2.5 Dealings in Land

The NLC governs dealings in land and interest in land (which in the context of the NLC includes a registered lease, charge or easement as well as a statutory lien or a tenancy exempt from registration created in respect thereof). Dealings under the NLC may be divided into:

- (i) dealings capable of registration which are transfers, charges, leases and easements; and
- (ii) dealings not capable of registration which are tenancies exempt from registration and statutory liens which are protected by way of an endorsement and the entry of a lienholder's caveat.

In Malaysia, no instrument effecting any dealing with respect to alienated lands and/or interests therein shall be effective until such instrument has been duly registered.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (Cont'd)

14.2.6 Restrictions in Interest

Restrictions in interest are restrictions expressly endorsed on the document of title to the land which limits the powers of the registered proprietor to deal with the land. An example of such a restriction is the restriction to transfer, charge or lease the land unless the prior consent of the State Authority has been obtained. It is common to find such restrictions in interest endorsed on the documents of title to lands alienated by the State Authority for the terms not exceeding 99 years as opposed to lands alienated by the State Authority in perpetuity. As restrictions in interest imposed on the document of title to the land binds the land, the restrictions therefore bind the owner(s) (whether present or future) of the land.

In the case of a property held or to be held under a strata title, where there is a restriction in interest endorsed on the document of title to the master land, such restriction will also apply to such property, whether or not the separate strata title to such property has been issued.

14.2.7 Restraints on Dealings

Restraints on dealings include the following:

(i) Private caveats

Private caveat is one of the restraints on dealings under the NLC. A person claiming title to or any registrable interest in any alienated land or any right to such title or interest may lodge a private caveat to protect this title or interest in such alienated land. Under the NLC, a non-citizen or foreign company is required to obtain the prior approval of the State Authority before lodging a private caveat.

Once a private caveat is lodged, the registered proprietor may not register or endorse any dealing on the document of title to his land without first removing such private caveat or first obtaining the consent in writing of the person who lodged such private caveat. However, the private caveat will not prevent any dealing made by the registered proprietor, the application for the registration or endorsement of which is made by the registered proprietor before the lodgement of such private caveat.

An application may be made to the Registrar of Titles/Land Administrator or the court by a registered proprietor (or any aggrieved person or body) for the removal of the private caveat. A private caveat will expire 6 years from the time of the lodgement of the same, unless earlier withdrawn or removed by the person who lodged such private caveat, the Registrar of Titles/Land Administrator or the court.

(ii) Trust caveats

A trust caveat is another type of restraint of dealing under the NLC and has the same legal effect as a private caveat. However, a trust caveat may only be lodged by a trustee, a beneficiary or any person or body by whom any land or interest is first transferred to trustees.

A trust caveat will continue in force until it is cancelled by the Registrar of Titles/Land Administrator on an application made by the trustees for the time being and all person and bodies beneficially entitled under the trust.

(iii) Prohibitory orders

Pursuant to the NLC, "prohibitory order" means where land or an interest in land held by a judgment-debtor is to be sold in execution proceedings, an order made pursuant to rules of court by a court of competent jurisdiction prohibiting the judgment-debtor from effecting any dealing therewith or from effecting such dealing therewith as may be specified in the order.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (*Cont'd*)

A prohibitory order will take effect once it has been entered by the land registrar and endorsed on the document of title. The order will prohibit the following endorsement or entry:

- (a) any instrument of dealing executed by or on behalf of the proprietor save and except for any certificate of sale relating thereto;
- (b) any claim to the benefit of any tenancy exempt from registration granted by the proprietor; and
- (c) any lien-holder's caveat.

However, a prohibitory order will not prohibit the registration, endorsement or entry of any instrument, claim or lien-holder's caveat where the instrument was presented, or the application for endorsement or entry received, prior to the time from which the order takes effect.

14.2.8 Malay reserve land and customary land

The Malay Reservation Enactments of the respective states in Malaysia were enacted to secure and protect the Malays' interest in lands reserved for Malays by prohibiting the disposition of such lands by the state and the dealings by the registered proprietors in favour of non-Malays. Any disposal, dealing or attempt to dispose of or deal in Malay reserve land in contravention of the respective Malay Reservation Enactments will be rendered null and void and no action for breach of contract shall be maintained in respect of such disposal or dealing.

The present Malay Reservation Enactments have adopted the policy of providing for exceptions to the prohibition by permitting disposals by the State Authority and dealings by the registered proprietors in favour of certain specified persons and bodies with the approval of the ruler of the state in council of the respective states.

In the same manner, customary land such as those in the state of Malacca, shall only be transferred, charged, leased or transmitted to a Malay pursuant to NLCPM.

14.2.9 Charges

It is common for a financier to require an obligor to create a charge over the land or a lease of land of the obligor in favour of the financier as a security for the financing provided.

A registered proprietor's or registered lessee's power to charge the land or the lease, as the case may be, is subject to any prohibition or limitation imposed by the NLC or any other written law for the time being in force, any restrictions in interest to which the land in question is for the time being subject and in relation to leases, the provision thereof, express or implied.

Every charge created under the NLC shall take effect upon registration so as to render the land or lease in question liable as security in accordance with the provisions thereof, express or implied.

A chargee is required to comply with the NLC when enforcing the charge to obtain a sale of the land or lease to which the charge relates in the event of a breach by the obligor. The chargee is required, among other things, to serve a default notice in the form as prescribed by the NLC and apply to the court or the land office administrator, as the case may be, for an order for sale. Upon the registration of any certificate of sale given to a purchaser in respect of a charged land or lease, the title or interest of the registered proprietor/charger shall pass to and vest in the purchaser, free and discharged from all liabilities under the charge in question and any charge subsequent thereto.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (Cont'd)

14.2.10 Leases and Tenancies

Under the NLC, tenancies may be granted for terms not exceeding 3 years. There is no registration requirement for tenancies under the NLC but the interest of a tenant under a tenancy exempt from registration can be protected by way of an endorsement on the document of title to the land.

The proprietor of any alienated land may grant leases of the whole or any part of the land. A lease granted under the NLC must be more than 3 years and maximum term for which any lease may be so granted shall be:

- (i) 99 years if it relates to the whole of the land; or
- (ii) 30 years if it relates to a part only thereof.

The lease granted is required to be registered with the relevant land registry or land office in order to vest in the lessee the interest in respect of the said lease.

14.2.11 Sale and Purchase of Real Property

The sale and purchase of real property in Malaysia may be completed by way of transfer or legal assignment. Any transfer of a property with a separate document of title is effected by registration of an instrument of transfer in a format prescribed under the NLC at the relevant land registry or land office. For a property without a separate document of title having been issued, transfer of beneficial ownership of the property is made by way of a legal assignment in favour of a new purchaser of all the rights, interests and title in respect of the property under the principal sale and purchase agreement (made between the original proprietor of the land and/or the developer (as the seller) and the first purchaser).

14.2.12 Acquisition of Property by a Non-Citizen or Foreign Company

Pursuant to Section 433B of the NLC, a non-citizen or foreign company is not allowed to, among others, acquire any land in Malaysia unless the prior approval of the State Authority has been obtained.

Under the NLC, a foreign company means:

- (i) a company, corporation, society, association or other body incorporated outside Malaysia;
- (ii) an unincorporated society, association or other body which under the law of its place of origin may sue or be sued, or hold property in the name of the secretary or other officer of the body or association duly appointed for that purpose and which does not have its head office or principal place of business in Malaysia;
- (iii) a company incorporated under the Act with 50.0% or more of its voting shares being held by a non-citizen, or by a foreign company referred to in Sections 14.2.12(i) or (ii) above, or by both, at the time of the proposed acquisition of any land or any interest in land or at the time of the execution of the instrument or deed in respect of any alienated land or any interest therein, as the case may be; or
- (iv) a company incorporated under the Act with 50.0% or more of its voting shares being held by a company referred to in Section 14.2.12(iii) above, or by a company referred to in Section 14.2.12(iii) above together with a non-citizen or a foreign company referred to in Sections 14.2.12(i) or (ii) above, at the time of the proposed acquisition of any land or interest in land or at the time of the execution of the instrument or deed in respect of any alienated land or any interest therein, as the case may be.

Under the NLC, a non-citizen means a natural person who is not a citizen of Malaysia.

14. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA (Cont'd)

14.2.13 Guideline on the Acquisition of Properties

Pursuant to the Guideline on the Acquisition of Properties (with effect from 1 March 2014) (“**Guideline**”) issued by the Economic Planning Unit within the Prime Minister’s Department (“**EPU**”) or any other equivalent ministry, department or unit in charge of granting the approval pursuant to the Guideline, except for residential units, the following transactions shall require the approval of EPU:

- (i) direct acquisition of property valued at RM20.0 million and above, resulting in the dilution in the ownership of property held by Bumiputra interest and/or government agency; and
- (ii) indirect acquisition of property by interests other than Bumiputera interest through acquisition of shares, resulting in a change of control of the company owned by Bumiputera interest and/or government agency, having property more than 50.0% of its total assets in value, and the said property is valued more than RM20.0 million.

In addition to the requirement that the said property must be registered in the name of a locally incorporated company, the following equity and paid-up capital conditions will be imposed on the acquiring company for the acquisitions of properties requiring prior EPU approval as set out above:

- (i) the acquiring company must have at least 30.0% Bumiputera interest shareholding; and
- (ii) the acquiring company must have:
 - (a) a paid-up capital of at least RM100,000.00 if the acquiring company is owned by local interests; and
 - (b) a paid-up capital of at least RM250,000.00 if the acquiring company is owned by foreign interests.

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15. ADDITIONAL INFORMATION

15.1 GENERAL

- (i) No Units will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus, save for the Units to be received by the Manager as payment for its Management Fees.
- (ii) The Units will rank *pari passu* in all respects and will be entitled to all distributions that may be declared subsequent to the date of this Prospectus.
- (iii) In accordance with the Deed and REIT Guidelines, the Manager is required, on a quarterly basis, to announce the NAV per Unit to Bursa Securities. Unitholders are able to keep track of the market price per Unit and the NAV per Unit as announced by the Manager through Bursa Securities' website at www.bursamalaysia.com.
- (iv) AME REIT will also be providing Unitholders with an annual report on its performance which will also include information on the NAV per Unit. The Manager must also give SC the annual report no later than 2 months after the end of the financial period to which the report relates.

Unitholders can obtain information on the current developments and annual reports of AME REIT from the Bursa Securities' website at www.bursamalaysia.com and AME REIT's website, details of which are set out below, after the Listing.

- (v) If you require further information on AME REIT, the Manager may be contacted at:

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

Telephone No.: (07) 5959 999
Email: corporate@ireit.com.my
Website: www.amereit.com.my

- (vi) Save as disclosed in this Prospectus, as at the LPD, the Directors confirm that AME REIT's financial conditions and operations are not affected by any of the following factors:
 - (a) known trends, demands, commitments, events or uncertainties that have, had or that the Manager reasonably expect to have, a material favourable or unfavourable impact on AME REIT's financial performance, liquidity, position and operations;
 - (b) material commitments for capital expenditure; and
 - (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected AME REIT's financial conditions and operations.

15.2 MATERIAL CONTRACTS

Since AME REIT's establishment up to the date of this Prospectus, the details of the material contracts entered into by AME REIT (via the Trustee), not being contracts entered into in the ordinary course of the business of AME REIT are as follows:

- (i) the Trust Deed dated 23 May 2022 constituting AME REIT and registered with the SC on 23 May 2022, entered into between the Manager and the Trustee (on behalf of AME REIT) for the benefit of the Unitholders;

15. ADDITIONAL INFORMATION (Cont'd)

- (ii) the SPA dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and Active Gold for the purchase of Plot 66 Indahpura at a purchase consideration of RM17,000,000, to be satisfied by way of cash;
- (iii) the SPAs dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and AME Development for the purchase of (a) FZW SAC, (b) SAC Dorm, (c) Plot 13 Dorm Indahpura, (d) Plot 17 Dorm Indahpura, (e) Plot 7 Indahpura, (f) Plot 8 Indahpura, (g) Plot 14 Indahpura, (h) Plot 20 Indahpura, (i) Plot 21 Indahpura, (j) Plot 36 Indahpura, (k) Plot 65 Indahpura, (l) Plot 69 Indahpura, (m) Plot 120 Indahpura, (n) Plot 3 & 4 SILC, (o) Plot 3 District 6⁽¹⁾ and (p) Plot 4 District 6⁽²⁾, at a purchase consideration of RM304,500,000, to be satisfied by way of the issuance of 304,500,000 Consideration Units;
- (iv) the SPAs dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and Ipark Development for the purchase of (a) Plot 5 SAC, (b) Plot 6 SAC, (c) Plot 9 SAC, (d) Plot 16 SAC, (e) Plot 17 SAC, (f) Plot 18 & 19 SAC, (g) Plot 1A1 SAC, (h) Plot 1B1 SAC, (i) Plot 1C2 SAC, (j) Plot 20 SAC, (k) Plot 21 SAC, (l) Plot 30 SAC, and (m) Plot 32 SAC, at a purchase consideration of RM212,000,000, to be satisfied by way of the issuance of 212,000,000 Consideration Units;
- (v) the SPAs dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and LKL Industries for the purchase of Plot 18 Indahpura and Plot 6 SILC at a purchase consideration of RM10,500,000, to be satisfied by way of cash of the sum RM7,000,000 and by way of the issuance of 3,500,000 Consideration Units;
- (vi) the SPA dated 19 July 2022 entered into between the Trustee (on behalf of AME REIT) and Twin Sunrich for the purchase of Plot 6 District 6 at a purchase consideration of RM13,000,000, to be satisfied by way of cash;
- (vii) the Property Management Agreement dated 23 June 2022 entered into between the Manager, the Trustee (on behalf of AME REIT) and the Property Manager for the provision of certain property management services for the Subject Properties in consideration of a property management fee of RM20,000 per month;
- (viii) the Trademark Licensing Agreement dated 23 June 2022 entered into between AME Integrated Sdn Bhd ("**Registered Trademark Owner**"), the Trustee (on behalf of AME REIT) and the Manager whereby the Registered Trademark Owner agrees to grant the Trustee and the Manager a non-exclusive licence to use the trademarks set out in Section 1.9 "Intellectual Property" of this Prospectus during the term of the agreement; and
- (ix) the Underwriting Agreement dated 27 July 2022 and the supplementary agreement dated 12 August 2022 entered into between the Manager, AME, Selling Subsidiaries, the Trustee (on behalf of AME REIT) and the Sole Underwriter in respect of the underwriting of 18,200,000 Offer Units under the Restricted Pink Form Offering and Public Offering.

Notes:

- (1) *AME Development is the beneficial owner of this Subject Property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 30 March 2015 between Symphony Square and AME Development.*
- (2) *AME Development is the beneficial owner of this Subject Property by way of a joint venture agreement and power of attorney both dated 28 March 2014 and a supplementary agreement dated 31 May 2016 between Twin Sunrich and AME Development.*

15. ADDITIONAL INFORMATION (Cont'd)

15.3 SALIENT TERMS OF THE SPAs

15.3.1 Overview of the SPAs

Pursuant to the SPAs, the Trustee will acquire the Subject Properties from the Vendors together with the fixtures and fittings thereon and in the condition of the Subject Properties as at the date of the SPAs on an "as is where is" basis, subject to, among others, the following:

- (i) the existing restrictions-in-interest, conditions (whether express or implied) and the category of land use endorsed on the documents of title to the Subject Properties, and such encumbrances which shall continue to subsist after completion of the SPAs;
- (ii) in respect of the Subject Properties with existing tenants, without vacant possession on the basis that the Subject Properties will continue to be occupied by such tenants with all their rights, benefits and obligations pursuant to the existing tenancy remaining intact;
- (iii) save for the District 6 SILC Subject Properties, FZW SAC, SAC Dorm, Plot 13 Dorm Indahpura and Plot 17 Dorm Indahpura, the DMC to be entered into by the Trustee (on behalf of AME REIT) in relation to the provision of gated development services by the developer of the Subject Properties including but not limited to boundary fencing, provision of security personnel, installation of closed-circuit television monitoring system, erection of boom gate as well as the maintenance, upkeep and repair of the guardhouse in accordance with the terms and conditions of the DMC;
- (iv) in respect of Plot 1A1 SAC, Plot 1B1 SAC, Plot 1C2 SAC, FZW SAC and Plot 32 SAC only, the covenants imposed by the master developer whereby the Trustee (on behalf of AME REIT) undertakes that:
 - (a) any area of the land on which the Subject Properties is situated ("**Affected Area**") will not be sold, disposed, leased or rented to persons who intend to use the land for any non-complementary purposes that generate either excessive dusts or noxious or strong odours or smoke which may cause any material or adverse effects to or in respect of the use of the manufacturing plant and facility for manufacturing and production of "Hershey" brands confectionery and other food products for the business activities of Hershey Malaysia Sdn Bhd; and
 - (b) it will ensure and procure that the lessees, tenants, licensees or any other occupants using the Subject Properties in the Affected Area comply with the covenant in Section 15.3.1(iv)(a) above and impose such similar covenants and undertaking from such person in its agreement with them;
- (v) in respect of the SILC Subject Properties only, the covenants imposed by the master developer whereby the Trustee (on behalf of AME REIT) shall observe and comply with any conditions and covenants binding upon the Subject Properties and indemnify the master developer against any claims whatsoever brought against the master developer for any contravention with any of the provisions incumbent upon the Trustee to comply with and observed, as well as to ensure that all subsequent purchasers, tenants and occupiers of the Subject Properties shall be subject to and shall comply with the same. In addition, the Trustee shall authorise the master developer to, among others, erect security checkpoints at key entry points, install and maintain security systems, charge security administrative charges, and shall also pay to the master developer or any management company appointed by the master developer monthly contribution for the maintenance services provided to the Subject Properties; and

15. ADDITIONAL INFORMATION (Cont'd)

- (vi) the wayleave agreement and any other documents in relation thereto to be entered into with Tenaga Nasional Berhad (“**TNB**”) upon the request of TNB, to grant TNB a right of way over and to lease any part of the Subject Properties to TNB for a substation to be constructed on the Subject Property.

The SPAs are interdependent and the Trustee is not obliged to complete the acquisition of any Subject Property unless the Acquisitions are completed concurrently under the respective SPAs. However, if for any reason any 1 or more of the SPAs are rescinded or terminated or cannot be completed for any reasons whatsoever, the Trustee shall have the sole and absolute discretion to terminate the SPAs pursuant to the terms therein.

15.3.2 Conditions Precedent

The sale, purchase and transfer of the Subject Properties are conditional upon, among others:

- (i) the receipt of the written confirmation from the Manager confirming that:
 - (a) the relevant conditions, variations or revisions imposed by the SC and Bursa Securities in respect of the acquisition of the Subject Property have been satisfied; and
 - (b) the book building exercise is completed;
- (ii) the approval of Bursa Securities for the Listing having been obtained;
- (iii) this Prospectus in relation to the Offering and Listing having been issued;
- (iv) in respect of, Plot 13 Dorm Indahpura, the Subject Property having been constructed in accordance with the approved building plans and specifications and the CCC having been obtained from the relevant authorities; and
- (v) the special conditions to be complied with for certain Subject Properties as stated in Section 15.3.1(iii), Section 15.3.1(iv), Section 15.3.1(v) and Section 15.3.1(vi) of this Prospectus.

15.3.3 Completion

Subject to the fulfilment of the conditions precedent set out in Section 15.3.2 of this Prospectus, the following shall occur on the Completion Date of the SPAs (unless otherwise indicated):

- (i) the rights, benefits, title, interests, in and to the Subject Properties shall pass from the Vendors to the Trustee whereupon the Vendors shall be deemed to hold on trust the Subject Properties for the Trustee until the Trustee is registered as the proprietor at the relevant land registry and the legal possession of the Subject Properties shall be deemed delivered to the Trustee;
- (ii) the rights, benefits, interests, obligations and liabilities in the tenancy in respect of the Subject Properties which are subsisting on the Completion Date of the SPAs shall be deemed to have passed to the Trustee and shall be novated by the Vendors to the Trustee immediately or as soon as practicable;

15. ADDITIONAL INFORMATION (Cont'd)

- (iii) all existing contracts pertaining to the Subject Properties shall be novated to the Trustee (and to the extent there are no obligations to be transferred to the Trustee under an existing contract, then on the basis that all remaining benefits, rights, titles, entitlements and interests of the Vendors under such existing contracts are assigned to the Trustee and due notice that is given to the applicable third party) immediately or as soon as practicable;
- (iv) the insurances taken up in respect of the Subject Properties which are subsisting on the Completion Date of the SPAs shall be endorsed in favour of the Trustee, on or before the expiry of one month from the Completion Date of the SPAs and the Trustee shall be entitled to purchase such other insurances which the Trustee deem necessary;
- (v) all outgoings in respect of the Subject Properties shall be apportioned on the Completion Date of the SPAs and the Vendors shall bear and settle the outgoings due and payable up to the date immediately preceding the Completion Date of the SPAs and the Trustee shall bear and settle the outgoings due and payable on and from the Completion Date of the SPAs;
- (vi) all income in respect of the Subject Properties including rental income shall be apportioned on the Completion Date of the SPAs and the Vendors shall be entitled to all income received up to the date immediately preceding the Completion Date of the SPAs and the Trustee shall in addition to Section 15.3.3(ii) and Section 15.3.3(iii) above be entitled to all income received on and from the Completion Date of the SPAs; and
- (vii) all security and utility deposits, rental and other payments paid by the tenant which are retained or in the custody of the Vendors as well as the outgoings under Section 15.3.3(v) above and the income under Section 15.3.3(vi) above which are to be paid to the Trustee (if any) shall be held on trust for the Trustee from the Completion Date of the SPAs and the Vendors shall pay the same to the Trustee immediately or as soon as practicable.

15.3.4 Representations and Warranties

The Vendors have given specific representations and warranties relating to, among others, their capacities, the Subject Properties, the leases, tenancies and licences. If any event or circumstance, which arises or becomes known to the Trustee after the date of the SPAs and prior to the Completion Date of the SPAs, which is inconsistent with any of the representations and warranties by the Vendors, the Trustee may give a written notice to the Vendor to remedy the same within 30 days from the date of the notice. If the Vendor fails to remedy the same, the Trustee shall be entitled to terminate the SPAs.

15.4 SALIENT TERMS ON THE ROFRs

On 19 July 2022, the Sponsor and Ipark Development have granted a ROFR to the Trustee (on behalf of AME REIT) to acquire any of the industrial property or dormitory with leasing or tenancy arrangement ("**Relevant Asset**") to be disposed by AME, Ipark Development or AME Entity (as defined below), where applicable, at the similar or equal price and terms offered to third party and/or purchase any Relevant Asset which may in future be identified and targeted for acquisition by the Sponsor, Ipark Development or an AME Entity, where applicable.

The ROFR shall be given in writing to the Trustee with a copy to the Manager, and upon receipt of the written notice of the Sponsor, Ipark Development or an AME Entity's intention to dispose or purchase the Relevant Asset ("**Notice**"), the Trustee shall respond within 14 days from the date of the Notice failing which it shall be automatically deemed that the Trustee is not interested in exercising its ROFR in relation to the Relevant Asset.

15. ADDITIONAL INFORMATION (Cont'd)

The grant of ROFR shall not apply to the following:

- (i) transactions involving the disposal of the Relevant Asset to the existing tenant or its related corporation; and
- (ii) intra-group transfers of the Relevant Asset, or amalgamations, restructurings, mergers and analogous events involving AME or an AME Entity.

For the purposes of this Section 15.4, "AME Entity" means (i) any of AME's existing or future wholly-owned subsidiaries or (ii) where such subsidiaries are not wholly-owned by AME, and whose other shareholder(s) is/are third parties, such subsidiaries will be subject to the ROFR only upon obtaining the consent of such third parties.

The grant of the ROFR is effective and binding on the Sponsor and Ipark Development from the date of the Listing for an initial term of five years ("**Initial Term**") and may be renewed for another five years subject to mutual agreement, and for so long as:

- (i) the Manager remains as the management company of AME REIT;
- (ii) the Sponsor holds direct and/or indirect interest of 50% or more in the Manager;
- (iii) the Sponsor holds direct and/or indirect interest of 20% or more in AME REIT; and
- (iv) AME REIT remains listed on Bursa Securities.

Syarikat Asia Mechanical Engineering Sdn Bhd ("**SAME**"), a property investment company that is owned collectively by Tan Mui Heong⁽¹⁾ (33.3%), Kang Koh Wei⁽¹⁾ (33.3%) and Lee Ah Eng⁽¹⁾ (33.3%) owns a factory unit (similar to the Industrial Properties) which is currently leased to a third party situated in i-Park @ Indahpura.

On 19 July 2022, SAME has granted the ROFR to the Trustee (on behalf of AME REIT) with the similar terms as the ROFR mentioned above.

Note:

- (1) *Tan Mui Heong is the spouse of Lee Chai (the Executive Director of the Manager), Kang Koh Wei is the son of Kang Ah Chee (Alternate Director to Lee Sai Boon of the Manager) and Lee Ah Eng is the spouse of Lim Yook Kim (Alternate Director to Lee Chai of the Manager) and the sister of Lee Chai and Lee Sai Boon (Executive Director and Chairman of the Manager respectively).*

15.5 CONSENTS

- (i) The written consents of the Trustee, the Principal Adviser, Sole Underwriter, Joint Bookrunners, the Shariah Adviser, the Issuing House, the Legal Advisers, the Property Manager, the company secretary of the Manager, the Registrar and the Internal Auditor to the inclusion of their names in this Prospectus in the manner and form in which such names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Reporting Accountants to the inclusion of their name in this Prospectus, their letter on the Profit Forecast as well as the letter on the Pro Forma Statement of Financial Position of AME REIT in the manner, form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15. ADDITIONAL INFORMATION (Cont'd)

- (iii) The written consent of the Tax Consultants to the inclusion in this Prospectus of their letter on taxation of AME REIT and Unitholders and their names in the manner, form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of the Independent Property Valuer to the inclusion in this Prospectus of their Valuation Certificates and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (v) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of their Independent Market Research Report and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (vi) The written consent of the Shariah Adviser to the inclusion in this Prospectus of their Pronouncement and their names in the manner, form and context in which it appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15.6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Manager, for a period of 12 months from the date of this Prospectus:

- (i) this Prospectus;
- (ii) the Deed;
- (iii) the material contracts referred to in Section 15.2 “Material Contracts” of this Prospectus;
- (iv) the Valuation Certificates dated 16 August 2021 and update valuation certificate dated 8 July 2022 as set out in Appendix A of this Prospectus as well as the full valuation reports as at 2 August 2021 and updated valuation letters dated 3 March 2022 (for Subject Properties except Plot 13 Dorm Indahpura and SAC Dorm) and 8 July 2022 (for Plot 13 Dorm Indahpura and SAC Dorm);
- (v) the Independent Market Research Report as set out in Appendix B of this Prospectus;
- (vi) the Tax Consultant’s Letter on Taxation of AME REIT and Unitholders as set out in Appendix C of this Prospectus;
- (vii) the Reporting Accountants’ Report on the Pro Forma Statement of Financial Position as at its date of establishment as set out in Appendix D of this Prospectus;
- (viii) the Reporting Accountants’ Letter on the Profit Forecast as set out in Appendix E of this Prospectus;
- (ix) the Shariah Pronouncement as set out in Appendix F of this Prospectus;
- (x) audited financial statements of the Manager for the period from 19 April 2021 (being the date of incorporation) to 31 March 2022; and
- (xi) the letters of consent referred to in Section 15.5 “Consents” of this Prospectus.

15. ADDITIONAL INFORMATION (Cont'd)

15.7 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been reviewed and approved by the Directors, the directors of the Sponsor and the directors of the Selling Subsidiaries and they collectively and individually accept full responsibility for the accuracy of the information contained herein. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false and misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading. The Directors and the directors of the Sponsor accept full responsibility for the Profit Forecast included in this Prospectus and confirm that the Profit Forecast has been prepared based on the assumptions made.
- (ii) The information pertaining to the Trustee, Shariah Adviser and the Property Manager were provided by the management and/or directors of the Trustee, Shariah Adviser and the Property Manager, respectively. The responsibility of the Directors, the directors of the Sponsor and the directors of the Selling Subsidiaries are therefore restricted to the accurate reproduction of such relevant information as included in this Prospectus.
- (iii) In respect of such information extracted from publicly available sources, the responsibility of the Directors, the directors of the Sponsor and the directors of the Selling Subsidiaries are restricted to the accurate reproduction of such relevant information as included in this Prospectus.

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VALUATION CERTIFICATES



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 Unit 15B Level 15 Menara Ansar
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Report and Valuation

16 August 2021

PRIVATE & CONFIDENTIAL

I REIT MANAGERS SDN BHD
 No. 5, Jalan i-Park SAC 2
 Taman Perindustrian i-Park SAC
 81400 Senai
 Johor

Dear Sirs

CERTIFICATE OF VALUATION OF THIRTY-FOUR (34) PROPERTIES FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS IN CONJUNCTION WITH THE INITIAL PUBLIC OFFERING AND LISTING OF AME REAL ESTATE INVESTMENT TRUST ("AME REIT") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

In accordance with the instructions of I REIT Managers Sdn Bhd, we, C H Williams Talhar & Wong Sdn Bhd, have carried out a valuation on the above captioned properties as at 2 August 2021 for the purpose of submission to Securities Commission Malaysia in relation to the initial public offering and listing of AME Real Estate Investment Trust ("AME REIT") on the Main Market of Bursa Malaysia Securities Berhad.

This Valuation Certificate is prepared for inclusion in the prospectus in connection with the initial public offering and listing of AME REIT on the Main Market of Bursa Malaysia Securities Berhad.

We have prepared and provided this Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

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

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

This Valuation Certificate should be read in conjunction with the full Report and Valuation.

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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METHOD OF VALUATION

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

Income Approach (Investment Method)

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

The Income Approach (Investment Method) entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value.

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

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

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

i) i-Park @ Indahpura & i-Park @ Senai Airport City

Details	Comparable 1	Comparable 2	Comparable 3
Source	Lease Agreement		
Location	Kawasan Perindustrian i-Park, Bandar Indahpura, Kulai, Johor	Taman Perindustrian i-Park SAC, Senai, Johor	Taman Perindustrian i-Park SAC, Senai, Johor
Type	Single storey detached factory		
Tenure	Freehold / Term in perpetuity		
Lettable Floor Area	59,956 sq ft	74,619 sq ft	72,177 sq ft
Date of Agreement	13/01/2020	16/06/2020	20/01/2020
Concluded Rental	RM89,934/-	RM111,928/-	RM101,048/-
Analysis Rental (RM psf)	RM1.50 psf	RM1.50 psf	RM1.40 psf (excluding additional works @ RM0.439psf)

ii) District 6 @ SiLC

Details	Comparable 1	Comparable 2	Comparable 3
Source	Lease Agreement		
Location	Taman Teknologi Nusajaya, Iskandar Puteri, Johor	Pelabuhan Tanjung Pelepas, Gelang Patah, Johor	Taman Teknologi Nusajaya, Iskandar Puteri, Johor
Type	Detached factory		
Tenure	Freehold / Term in perpetuity	35 years lease tenure	Freehold / Term in perpetuity
Lettable Floor Area	104,694 sq ft	222,723 sq ft	42,068 sq ft
Date of Agreement	28/06/2018	01/05/2018	08/05/2017
Concluded Rental	RM238,703/-	RM400,902/-	RM83,295/-
Analysis Rental (RM psf)	RM2.28 psf	RM1.80 psf	RM1.98 psf

iii) i-Park @ SiLC

Details	Comparable 1	Comparable 2	Comparable 3
Source	Lease / Tenancy Agreement		
Location	Taman Perindustrian i-Park SAC, Senai, Johor	Taman Teknologi Nusajaya, Iskandar Puteri, Johor	Taman Teknologi Nusajaya, Iskandar Puteri, Johor
Type	Semi-detached factory	Detached factory	
Tenure	Freehold / Term in perpetuity		
Lettable Floor Area	12,391 sq ft	104,694 sq ft	42,068 sq ft
Date of Agreement	11/12/2020	28/06/2018	08/05/2017
Concluded Rental	RM17,888/-	RM238,703/-	RM83,295/-
Analysis Rental (RM psf)	RM1.44 psf	RM2.28 psf	RM1.98 psf

VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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Income Approach (Investment Method) (Cont'd)iv) Dormitories

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Tenancy Agreement		Initial Public Offering (IPO) Prospectus	
Project	Frontier Park @ Desa Cemerlang, Ulu Tiram, Johor	Harum Eco Dormitory, Bandar Baru Permas Jaya, Masai, Johor	Westlite Johor Technology Park Accommodation, Senai, Johor	Westlite Senai II Accommodation, Senai, Johor
Lot No., Town, District and State	PTD 221802, Mukim of Plentong, District of Johor Bahru, Johor	PTD 75283, Mukim of Plentong, District of Johor Bahru, Johor	PTD 87632, Mukim of Kulai, District of Kulai, Johor	Lot 6214, Mukim of Senai, District of Kulai, Johor
Type	Workers' dormitory			
Total No. of Bed	2,212 beds	2,400 beds	5,800 beds	5,900 beds
Date of Agreement	25/11/2019	28/08/2017	2017	2017
Concluded Rental	RM214,400/- (master lease)	RM300,000/- (master lease)	RM593,884/- (sublease)	RM684,148/- (sublease)
Analysis Rental (RM per bed)	RM97 p.bed	RM125 p.bed	RM102 p.bed	RM116 p.bed

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

Locality	Term Rental	Reversionary Rental
i-Park @ Indahpura	RM1.40 - RM1.82 psf/month	RM1.50 - RM1.65 psf/month
i-Park & Freezone @ Senai Airport City	RM1.30 - RM2.51 psf/month	RM1.50 - RM2.00 psf/month
District 6 @ SiLC	RM1.08 - RM1.75 psf/month	RM1.70 psf/month
i-Park @ SiLC	RM1.60 - RM1.70 psf/month	RM1.65 psf/month
Dormitories	RM131 - RM150 p.bed/month	RM130 - RM 145 p.bed/month

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

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

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

Comparable	1	2	3	4
Location	PLO 823 & PLO 828, Kaw. Perindustrian Pasir Gudang, Pasir Gudang	No. 92, Jalan i-Park 1/10, Kaw. Perindustrian i-Park, Bandar Indahpura, Kulai	No. 21, Jalan Bioteknologi 3, Kaw. Perindustrian SiLC, Iskandar Puteri	No. 93, Jalan i-Park 1/10, Kaw. Perindustrian i-Park, Bandar Indahpura, Kulai
Date	15/03/2021	19/11/2020	31/07/2019	07/06/2018
Consideration	RM75,000,000/-	RM12,984,000/-	RM14,300,000/-	RM31,500,000/-
Lettable Area	464,613 sq ft	57,545 sq ft	45,984 sq ft	132,706 sq. ft.
Tenure	60-year leasehold with unexpired term of about 55 yrs and 53 yrs	Freehold	Freehold	Freehold
Estimated Net Yield Rate	6.2%	6.7%	5.2%	6.8%

(Source: CBRE|WTW Research)

The above analysis revealed yields ranging from 5.2% to 6.8%. Our research on the yield trend revealed that yields of industrial premise are under further compression due to the moderate Malaysian economy, slower capital market activity and scarcity of quality investment which allows for long term rental income along with capital appreciation.

Having considered the above and other relevant factors including current market condition, location and accessibility, tenure, building characteristics, age, size and quality of the building, we have adopted the reversionary yield of 6.25% whilst the adopted term yield is 5.75% to reflect the security of the existing lease/tenancy, certain and fixed rental income. For dormitories, we have adopted the term and reversionary yields at 6.00% and 6.50% respectively.

VALUATION CERTIFICATES (Cont'd)



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Comparison Approach

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

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

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

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

The transactions data adopted in our valuation are either from Valuation and Property Services Department (JPPH), Bursa Malaysia, Company Announcement or concluded sales (SPA) which can be relied upon with significant level of certainty.

Cost Approach

We have also considered the Cost Approach in our valuation for the dormitories as they are purpose-built workers' dormitory that are rarely if ever sold in the market as well as the non-availability of similar workers' dormitory sale comparables.

Cost Approach was adopted for the properties which are specialised in nature and those are rarely traded in the market, e.g. a purpose-built workers' dormitory, a parcel of industrial land with uncompleted building structures as well as a parcel of land presently undergoing the construction of workers' dormitory and supporting buildings.

In essence, Cost Approach entails the summation of the market value of land and Depreciated Replacement Cost of the building. The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics. The building component is arrived at by the Depreciated Replacement Cost method, which is defined as the current cost of replacing an asset with a modern equivalent asset less deductions for the accrued depreciation comprising physical deterioration and all relevant obsolescence and optimisation.

Cost Approach is the common method as it can be applied to wide range of assets. It is based on the economic theory of substitution - that a buyer will pay no more for the subject property than the cost of acquiring an asset of equal utility, whether by purchase or by construction. It is also based on the principle of substitution, i.e. that unless undue time, inconvenience, risk or other factors are involved, the price that a buyer in the market would pay for the asset being valued would not be more than the cost to construct an equivalent asset.

In arriving at the replacement cost of the buildings and other site improvements, we have taken into account and adopted the industry average costs as derived from analysis of contracts awarded for the construction of similar type of development components, current cost estimates by quantity surveyors according to Juru Ukur Bahan Malaysia (JUBM) construction cost handbook and counter-checked against the actual cost incurred for the subject property itself. Upon determination of the construction cost new, a depreciation factor of between 2% per annum has been adopted and deducted from the construction cost new to arrive at the Depreciated Replacement Cost of the buildings and other site improvements. The depreciation rate is tied to the industry norm life span of buildings of 60 years.

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OPINION OF VALUE

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

No.	Property Details	Market Value
1	<p>Lot 98840 (Formerly PTD 106944), Mukim of Kulai, District of Kulai, Johor [No. 21, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265H/21/JTZ)</p>	RM7,000,000/-
2	<p>Lot 98842 (Formerly PTD 106946), Mukim of Kulai, District of Kulai, Johor [No. 19, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265J/21/KZX)</p>	RM7,000,000/-
3	<p>Lot 98843 (Formerly PTD 106947), Mukim of Kulai, District of Kulai, Johor [No. 18, Jalan i-Park 1/2, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265K/21/KZX)</p>	RM7,000,000/-
4	<p>Lot 98856 (Formerly PTD 106960), Mukim of Kulai, District of Kulai, Johor [No. 27, Jalan i-Park 1/3, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265L/21/KZX)</p>	RM7,000,000/-
5	<p>Lot No. PTD 107695, Mukim of Kulai, District of Kulai, Johor [No. 62, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265M/21/MNH)</p>	RM7,000,000/-
6	<p>Lot No. PTD 107694, Mukim of Kulai, District of Kulai, Johor [No. 60, Jalan i-Park 1/5, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265N/21/MNH)</p>	RM17,000,000/-
7	<p>PTD 107697, Mukim of Kulai, District of Kulai, Johor [No. 64, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265O/21/JTZ)</p>	RM17,000,000/-
8	<p>Lot 98828 (Formerly PTD 106932), Mukim of Kulai, District of Kulai, Johor [No. 5, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265P/21/KZX)</p>	RM14,000,000/-
9	<p>Lot 98827 (Formerly PTD 106931), Mukim of Kulai, District of Kulai, Johor [No. 6, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor]</p> <p>A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265Q/21/KZX)</p>	RM14,000,000/-

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OPINION OF VALUE (Cont'd)

No.	Property Details	Market Value
10	Lot No. PTD 107908, Mukim of Kulai, District of Kulai, Johor [No. 65, Jalan i-Park 1/6, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory (Our Ref : WTW/04/V/009265R/21/KZX)	RM7,000,000/-
11	PTD 112746, Mukim of Senai, District of Kulai, Johor [No. 20, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265S/21/ABL)	RM14,000,000/-
12	PTD 112747, Mukim of Senai, District of Kulai, Johor [No. 21, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265T/21/ABL)	RM14,000,000/-
13	PTD 112829, Mukim of Senai, District of Kulai, Johor [No. 22, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265U/21/ABL)	RM47,000,000/-
14	PTD 203569, Mukim of Tebrau, District of Johor Bahru, Johor [No. 68, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265V/21/ABL)	RM17,000,000/-
15	PTD 204026, Mukim of Tebrau, District of Johor Bahru, Johor [No. 69, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265W/21/ABL)	RM17,000,000/-
16	PTD 198653, Mukim of Tebrau, District of Johor Bahru, Johor [No. 66, Jalan i-Park SAC 8, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265X/21/ABL)	RM23,000,000/-
17	PTD 112754, Mukim of Senai, District of Kulai, Johor [No. 34, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265Y/21/ABL)	RM14,000,000/-
18	PTD 112753, Mukim of Senai, District of Kulai, Johor [No. 33, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265Z/21/ABL)	RM14,000,000/-

VALUATION CERTIFICATES (Cont'd)



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OPINION OF VALUE (Cont'd)

No.	Property Details	Market Value
19	PTD 196174, Mukim of Tebrau, District of Johor Bahru, Johor [No. 7, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AA/21/ABL)	RM8,000,000/-
20	PTD 196173, Mukim of Tebrau, District of Johor Bahru, Johor [No. 6, Jalan i-Park SAC 2, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AB/21/ABL)	RM7,000,000/-
21	PTD 196180, Mukim of Tebrau, District of Johor Bahru, Johor [No. 13, Jalan i-Park SAC 3, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AC/21/ABL)	RM8,000,000/-
22	PTD 112760, Mukim of Senai, District of Kulai, Johor [No. 40, Jalan i-Park SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AD/21/ABL)	RM8,000,000/-
23	Lot Nos. PTD 7669 and PTD 7670, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 23 & 25, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] Two (2) contiguous units of single storey detached factory with 3-storey office and other ancillary buildings (Our Ref : WTW/04/V/009265B/21/GKN)	RM24,000,000/-
24	Lot 98834 (Formerly PTD 106938), Mukim of Kulai, District of Kulai, Johor [No. 12, Jalan i-Park 1/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265C/21/JTZ)	RM21,000,000/-
25	Lot No. PTD 7672, Mukim of Jelutong, District of Johor Bahru, Johor [No. 29, Jalan Bioteknologi 3, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] A single storey detached factory with 3-storey office and other ancillary buildings (Our Ref : WTW/04/V/009265D/21/GKN)	RM13,000,000/-
26	PTD 195470, Mukim of Tebrau, District of Johor Bahru, Johor [No. 18, Jalan Kargo 2, Senai Airport City, 81400 Senai, Johor] A single storey detached factory together with an office annex and other ancillary buildings (Our Ref : WTW/04/V/009265E/21/MNH)	RM38,000,000/-
27	Lot 98833 (Formerly PTD 106937), Mukim of Kulai, District of Kulai, Johor [Along Jalan Seroja 28/1, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A parcel of building land built upon with two (2) blocks of 5-storey walk-up workers' dormitory, a 2-storey facilities block and other ancillary buildings (Our Ref : WTW/04/V/009265F/21/JTZ)	RM45,000,000/-

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OPINION OF VALUE (Cont'd)

No.	Property Details	Market Value
28	Lot 98837 (Formerly PTD 106941), Mukim of Kulai, District of Kulai, Johor [PTD 106941, Jalan Seroja 28, Kawasan Perindustrian i-Park, Bandar Indahpura, 81000 Kulai, Johor] A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory and other ancillary buildings (Our Ref : WTW/04/V/009265G/21/JTZ)	RM45,000,000/-
29	PTD 112778, Mukim of Senai, District of Kulai, Johor [No. 91, Jalan SAC 4, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A parcel of building land built upon with five (5) blocks of 5-storey walk-up workers' dormitory, a 2-storey shop and other ancillary buildings (Our Ref : WTW/04/V/009265AE/21/JTZ)	RM45,000,000/-
30	PTD 112781, Mukim of Senai, District of Kulai, Johor [No. 48, Jalan i-Park SAC 7, Taman Perindustrian i-Park SAC, 81400 Senai, Johor] A single storey detached factory with mezzanine office and other ancillary buildings (Our Ref : WTW/04/V/009265AF/21/ABL)	RM21,000,000/-
31	Lot Nos. PTD 7376 and PTD 7377, Mukim of Jelutong, District of Johor Bahru, Johor [Nos. 6 & 8, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] Two (2) adjoining units of 1½ storey semi-detached factory (Our Ref : WTW/04/V/009265AG/21/GKN)	RM6,500,000/-
32	Lot No. PTD 7379, Mukim of Jelutong, District of Johor Bahru, Johor [No. 12, Jalan SiLC 1/6, Kawasan Perindustrian SiLC, 79200 Iskandar Puteri, Johor] A 1½ storey semi-detached factory (Our Ref : WTW/04/V/009265AI/21/GKN)	RM3,500,000/-
Grand Total		RM557,000,000/-

Yours faithfully
for and on behalf of
C H Williams Talhar & Wong Sdn Bhd

Sr LO KIN WENG
B. (Hons) Estate Mgt. MRICS, MRISM, MPEPS
RICS Registered Valuer
Registered Valuer (V-917)