

AME Elite shareholders and AME REIT unitholders approve RM119.5 million industrial properties transaction in Iskandar Malaysia

- *AME REIT's pro forma total asset value to reach RM828.8 million post-acquisitions of four fully-leased industrial properties in sponsor's industrial parks*
- *Divestment of leasing assets unlocks capital for AME Elite's future developments*

Johor Bahru, Malaysia, 7 November 2024 - Non-interested shareholders of AME Elite Consortium Berhad (AME Elite, 腾宇集团, Bloomberg: AME MK) and non-interested unitholders of AME Real Estate Investment Trust (AME REIT, AME 产托, Bloomberg: AMEREIT MK) today approved the transaction of four fully-leased industrial properties in Iskandar Malaysia worth RM119.5 million.

AME REIT will acquire the four properties from its sponsor, AME Elite, for cash considerations. The properties, two located in i-TechValley at SILC and two in i-Park@Senai Airport City, have a combined agreed lettable area (ALA) of 391,872 square feet (sq. ft.). The properties are currently leased to reputable tenants under long-term agreements ranging from 5 to 10 years, with renewal options.

“The strategic divestment of these properties to AME REIT enables AME Elite to optimize our balance sheet by monetizing lease assets and recycling capital into expansion of our industrial parks. AME Elite continues to indirectly enjoy recurring income from the lease properties through AME REIT via future income distributions.

Our proactive approach positions us to capitalize on the significant influx of foreign and domestic direct investment into Malaysia, as well as the growing demand for high-quality industrial spaces.”

*Mr. Dylan Tan Teck Eng (陈帝荣),
Executive Director and Group Chief Executive Officer, AME Elite Consortium Berhad*

“These accretive acquisitions of prime industrial properties in Iskandar Malaysia from our sponsor strengthen AME REIT's portfolio, and will enhance the distribution to our unitholders. We continue to deliver sustainable income growth through acquisitions of high-quality assets.

The rising demand for industrial properties in Malaysia will provide AME REIT a reliable pipeline of suitable properties for portfolio expansion. With over RM380 million in financing headroom, we are well-positioned to explore acquisition opportunities, whether from AME Elite or third-party sources, in Johor, Greater Klang Valley, and the Northern region.”

*Mr. Chan Wai Leo (陈威来),
Chief Executive Officer and Executive Director, I REIT Managers Sdn Bhd*



The acquisitions will increase AME REIT's pro forma total asset value by 16.7% to RM828.8 million. Additionally, AME REIT's ALA will expand by 20.9% from 1.9 million sq. ft to 2.3 million sq. ft. The acquisitions will be fully financed via Islamic financing, AME REIT's pro forma gearing is projected to rise to 27.0%.

The properties, comprising single-story detached factories with mezzanine offices and ancillary buildings, are fully leased to reputable tenants, namely Ametalin Sdn Bhd, AAC Technologies (Malaysia) Sdn Bhd, Resmed Malaysia Operations Sdn Bhd, and Titanium Systems Sdn Bhd. The diverse tenant mix of the acquired properties enhances the stability of AME REIT's portfolio, ensuring a steady income flow and potential for increased distributions to unitholders.

The proceeds from AME Elite's divestment will partially fund the ongoing development of its i-TechValley project at SILC, a 169.8-acre industrial park with an estimated gross development value (GDV) of RM1.5 billion. Remaining proceeds will be allocated toward future industrial property development and investment projects, including land acquisitions and joint ventures.

The transaction is expected to generate a pro forma gain on disposal for AME Elite of approximately RM22.9 million, net of tax and minority interest, resulting in an illustrative 24.1% increase in earnings per share from 14.57 sen to 18.08 sen for the financial year ended 31 March 2024 (FY2024).

The transaction is structured as a sale and purchase agreement between RHB Trustees Berhad, the trustee of AME REIT, and subsidiaries of AME Elite, with the purchase consideration settled entirely in cash. Completion is anticipated in phases between the first and third quarters of 2025, contributing positively to the earnings of both AME REIT and AME Elite in the financial year ending 31 March 2025 (FY2025) and onwards.

The acquisitions mark AME REIT's second post-listing transaction with AME Elite, following a previous purchase of three industrial properties in Iskandar Malaysia for RM69.3 million in 2023.



About AME Elite Consortium Berhad

Established since 1995, AME Elite is an integrated and comprehensive industrial space solutions provider: encompassing the development of well-managed industrial parks, the design and construction of large manufacturing plants, the sale and lease of industrial factory units, as well as rental and management of workers' dormitories.

AME Elite possesses in-house construction and engineering expertise, including mechanical and electrical (M&E) engineering, steel structure, and renewable energy solutions.

AME Elite has completed i-Park@SILC, i-Park@Indahpura, District 6 and SME City in Johor and is currently constructing i-Park@Senai Airport City and i-TechValley at SILC in Johor and Northern TechValley @ BKE in Penang.

AME Elite received multiple awards including Best Developer (Malaysia), Best Industrial Developer, and Best Sustainable Developer at the 2024 PropertyGuru Asia Awards Malaysia; World Gold Winner in Industrial Category (i-Park@Senai Airport City - Phase 1 & 2) at the FIABCI World Prix d'Excellence Awards 2023; Iskandar Malaysia Green Accord Initiative Award (GAIA) 2024; Malaysia Property Award™ 2022 - Industrial Category (i-Park@Senai Airport City) by FIABCI-Malaysia; World Silver Winner in Industrial Category (i-Park@Indahpura) at the FIABCI World Prix d'Excellence Awards 2019, Malaysia Property Award™ 2018 (Industrial Category) by FIABCI-Malaysia; Malaysia's Responsible Developer: Building Sustainable Development Award 2018 by Edge Property.

About AME REIT

AME REIT is an industrial REIT with the principal investment policy of investing, directly and indirectly, in a Shariah-compliant portfolio of income producing real estate used primarily for industrial and industrial-related purposes in Malaysia and overseas. The objective of AME REIT is to provide unitholders with a stable and growing distribution of income and to achieve long-term growth in its net asset value. AME REIT's portfolio currently consists of 37 industrial and industrial-related assets across Iskandar Malaysia.

I REIT Managers Sdn Bhd is the management company. RHB Trustees Berhad is the trustee of AME REIT.

Issued for and on behalf of AME Elite and AME REIT by Aquilas Advisory (Malaysia) Sdn Bhd.

For media enquiries, please contact:

Mr. Tay Tze Yi

E: tayty@aquilas.com.my

T: 03-2711 1391 / 016-338 0555