



## Media release

For immediate release

# IJM enters JV to develop leading edge logistics hub, expanding its industrial property portfolio to the Klang Valley

### Key highlights:

- **IJM forms partnership with FMM Elmina Sdn. Bhd. to develop two logistics hubs on a 22-acre site in City of Elmina, Shah Alam, marking its maiden industrial property development in the Klang Valley**
- **The state-of-the-art facility, with a capacity of 110,000 pallet positions, will employ automated storage and retrieval system (ASRS) technology alongside automated guided vehicles (AGVs) to effectively reduce carbon footprint through optimised operations.**
- **The logistics hubs are fully leased to and operated by Storio Sdn. Bhd.**
- **Sustainable features are incorporated in the design to meet environmental best practices and rising demand from customers**

PETALING JAYA, 17 July 2023 – IJM RE Sdn. Bhd., a wholly-owned subsidiary of IJM Corporation Berhad (“IJM”) has entered into a joint venture (JV) agreement with FMM Elmina Sdn. Bhd. (“FMM”). The JV will develop two state-of-the-art logistics hubs in The City of Elmina, Shah Alam.

In a signing ceremony today, both IJM and FMM entered into a subscription and shareholders agreement (SHA) to establish Exio Logistics Sdn. Bhd., a special purpose vehicle (SPV) responsible for the construction and development of the logistics hub. IJM will hold a 50% stake in the SPV, while the other 50% will be held by FMM, a company owned by Tan Sri Teo Chiang Hong, Mettiz Capital Sdn. Bhd. and Minlon Sdn. Bhd.

With a floor space of 500,000 square feet and a capacity of 110,000 pallet positions, the hubs will deliver efficient industrial and logistics solutions with world-class expertise and sustainable green features. Constructed on a 22-acre freehold land in the City of Elmina, a prime location with excellent connectivity and proximity to major transportation networks, the two hubs, Storio Hub 1 and Storio Hub 2, have already generated substantial interest.

The logistics hubs are fully leased to Storio Sdn. Bhd., who will be the operator and master tenant. Storio is owned by the shareholders of FMM.

**Mr Lee Chun Fai, Group CEO & Managing Director of IJM said:** "This partnership offers a strategic opportunity for the JV to capitalise on the strong market demands of the logistics sector, fuelled by the thriving e-commerce market and supply chain diversification. The development of these logistics hubs

will be transformative, meeting the growing needs of businesses and shaping the logistics sector. Our expansion into the industrial property sector further strengthens our commitment to providing comprehensive solutions across industries. Additionally, it provides IJM with the opportunity to invest in a prime asset class, securing premium logistics properties that generate recurring lease income.”

IJM will leverage its expertise in infrastructure development and construction to spearhead the construction of the logistics hubs. Demonstrating its commitment to sustainability, the facilities will be designed to meet high sustainability criteria, including achieving the local GreenRE Silver rating. The logistic hubs will showcase a strong commitment to sustainability with its energy-efficient design, incorporating features that promote energy conservation and environmental responsibility.

"We are excited to offer clients with valuable growth prospects through strategically located facilities that not only meet their requirements but also adhere to high sustainability standards. This alignment allows us and our customers to seize business opportunities in line with IJM's Sustainability Roadmap, which aims to foster sustainability across our value chain, including our real estate offerings." added Mr. Lee.

The Storio logistics hubs will provide fully-automated solutions for businesses seeking streamlined warehousing and logistics services. Targeting logistics and supply chain customer segments, as well as those in need of additional warehousing space, these hubs offer a range of benefits to enhance operational efficiency:

- **Enhanced sustainability and productivity:** By employing automated storage and retrieval system (ASRS) technology alongside automated guided vehicles (AGVs), the hubs create a technologically advanced warehouse environment while minimising carbon footprint through energy-efficient operations, optimised space utilisation and reduced material handling.
- **Scalability:** Designed for scalability, the logistics hubs allow businesses to expand without significant capital expenditure (CAPEX), enabling quick adaptation to changing market demands and flexible operational growth.
- **Lower overheads:** The fully automated nature of the logistics hubs reduces manpower requirements and the number of moving vehicles, resulting in lower overhead expenses for businesses.

"We are excited to embark into this JV with IJM and our capital partners to develop the Storio logistics hubs," said **Tan Sri Teo Chiang Hong**. "By combining the respective strengths and expertise of each partner, we are poised to create a new benchmark in the logistics industry, which will see us deliver a state-of-the-art logistics solution for the Malaysian market. Our shared goal is to deliver exceptional solutions and value to our customers, while driving operational efficiency, cost-effectiveness and sustainability. Together, we are excited to propel the industry forward."

This development is envisioned to be the first of a series of logistics hubs to meet the increasing demand for efficient supply chain management and logistics services. The partnership includes the potential for

Exio Logistics to explore the development of additional facilities across various locations, including IJM's property land bank portfolio and other suitable areas.

Design and development work for the logistics hub is currently underway and construction scheduled to commence in early 2024.

During today's signing ceremony, the JV partners also signed a sale and purchase agreement with Sime Darby Property (City of Elmina) Sdn. Bhd. for the acquisition of the 22-acre land in the City of Elmina.

Strategically located in the thriving growth corridor of Selangor, the Storio logistics hubs in the City of Elmina offers excellent connectivity to Port Klang, airports, and the Kuala Lumpur city center. It is easily accessible via major highways, including the Guthrie Corridor Expressway (GCE), North-South Expressway (NSE), New Klang Valley Expressway (NKVE), Kuala Lumpur–Kuala Selangor Expressway (LATAR), and Damansara-Shah Alam Elevated Expressway (DASH).

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#### **About IJM Corporation Berhad**

IJM Corporation Berhad ("IJM"), formed in 1983, today ranks as one of Malaysia's leading conglomerates with an international footprint forged by its four core businesses: construction, property development, industry (quarrying and the manufacture of building materials) and infrastructure concessions. IJM holds leading positions across all its business divisions. Its growth is the direct result of strong leadership, dedicated employees, financial prudence and commitment to good governance and quality.

The Group presently has a market capitalisation of around RM5.7 billion and as of March 2023, the Group employed around 3,000 employees and had total assets of RM20.7 billion.

For more information, visit [www.ijm.com](http://www.ijm.com)

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#### **About FMM Elmina Sdn. Bhd.**

FMM Elmina Sdn. Bhd. is a company formed by Tan Sri Teo Chiang Hong, Mettiz Capital Sdn. Bhd., Minlon Sdn. Bhd. and Elmina Holdings Sdn. Bhd. for the purpose of developing the logistics hubs at City of Elmina.

#### **About Storio Sdn. Bhd.**

Storio Sdn Bhd ("Storio") is a warehouse operator that combines AI and robotics to create automated warehouse environments. It empowers companies to significantly reduce their capital and operational costs while also increasing efficiency and productivity.

For more information, visit [www.storio.asia](http://www.storio.asia)