



12th Annual General Meeting AmFIRST Real Estate Investment Trust

Presentation to Unitholders

Friday, August 23, 2024

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What's Inside

- 01** Financial Review
- 02** Business Review
- 03** Market Outlook
- 04** Moving Forward



01

Financial Review



Key Financial Highlight - FY2024

Key Challenges & Achievements in FY2024

Gross Revenue

RM98.4 million

(FY2023 : RM97.8 mil
exclude Menara AmFIRST)

Net Property Income

RM57.2 million

(FY2023 : RM57.1 mill exclude
Menara AmFIRST)

Realised Net Income

RM12.4 million

(FY2023 : RM17.5 mill)

Profit After Taxation

RM25.6 million

(FY2023 : RM14.2 mill)

Asset Under Management

RM1,557.8 mil

(31.3.2023 : RM1,543.4 mill)

Gearing

47.2%

(31.3.2023 : 47.5%)

Challenges

- Escalation of energy cost due to increase in ICPT rate from Jan'23.
- Higher interest cost with impact of total 1.25% hike in OPR since May'22.
- Low NPI Yield of some assets due to low occupancy.

Achievements

- Improved overall occupancy from 81.4% (Mar'23) to 84.7% (Mar'24), mainly attributable to higher occupancy of Summit Retail & Jaya 99.
- Upgraded carpark system & registered higher carpark revenue.
- Implemented various cost optimization & energy cost saving initiatives to contain operation and energy cost.
- Gearing lower slightly to 47.2%, with a competitive weighted average interest rate of below 4.38% and 20% interest rate exposure hedged.
- Asset valuation improved by RM12.6 million in tandem with improved occupancy particularly Summit Retail.

Summary of Comprehensive Income - FY2024

RM million	FY2024	FY2023	Chg	% Chg
Gross Revenue – Existing 8 properties	98.4	97.8	0.6	0.6%
– Menara AmFIRST	-	2.6	(2.6)	-100%
-- Unbilled lease rental receivable	3.0	3.0		
Property Expenses – Existing 8 properties	(44.2)	(42.8)	(1.4)	3.3%
– Menara AmFIRST	-	(1.7)	1.7	100%
Net Property Income	57.2	58.9	(1.7)	-2.9%
Interest Expense	(34.1)	(31.2)	(2.9)	-9.3%
Fair Value Gain of Investment Properties	9.6	(2.6)	12.2	468%
Capital Loss on Disposal of Menara AmFIRST	-	(4.6)	(4.6)	-100%
Profit After Taxation	25.6	14.2	11.4	80.3
Realised Net Income (available for distribution)	12.4	17.5	(5.1)	-29.2%
DPU (Sen)	2.00	2.70	(0.70)	-25.9%

Summary of Financial Position – FY2024

RM million	31.3.2024	31.3.2023	Chg	% Chg
Investment Properties	1,557.8	1,543.4	14.4	+0.9%
Total Asset Value	1,603.4	1,591.7	11.8	+0.7%
Borrowings	757.3	754.1	3.2	+0.4%
Net Asset Value (NAV)	814.2	804.9	9.3	+1.2%
Gearing	47.2%	47.4%	N/A	-0.2%
Units in Circulation (Unit) (million)	686.4	686.4	-	-
NAV per Unit (RM)	1.174	1.157	0.017	+1.5%

Capital & Interest Rate Management - FY2024

47.2%

Gearing

0.2% reduction YoY

RM89 million

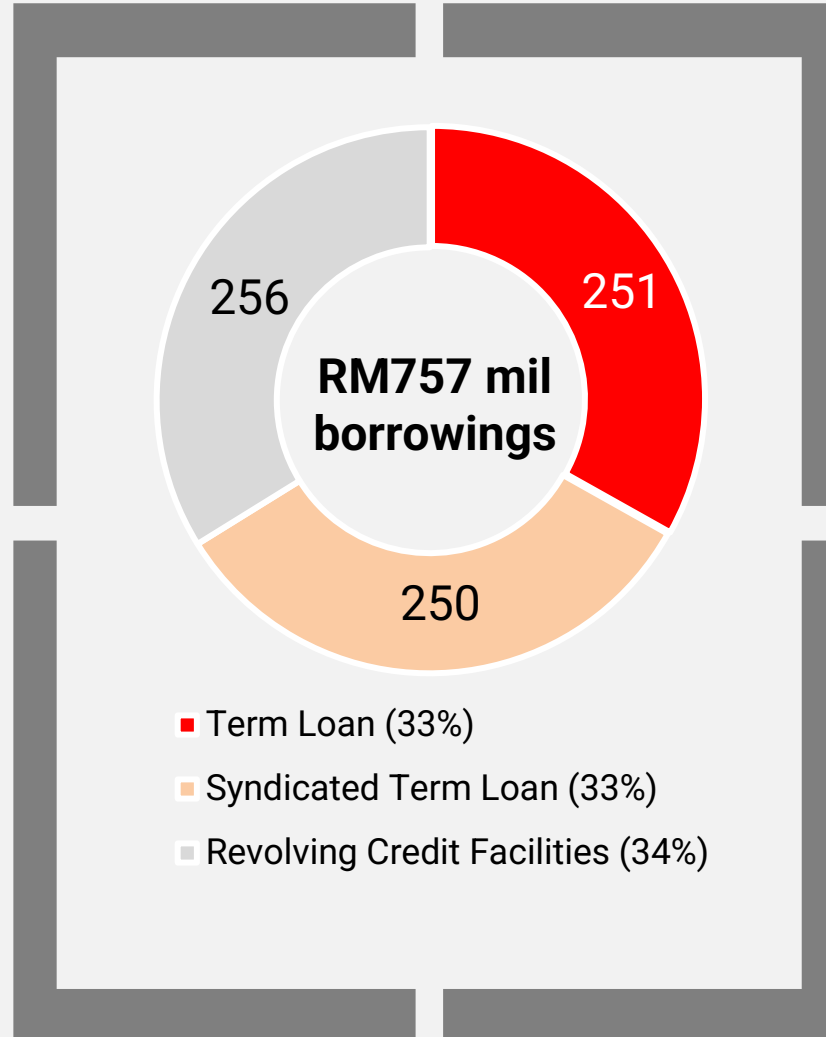
Debt Headroom

Based on 50% regulatory limit by Securities Commission Malaysia

3.3 Years

Weighted Average Debt Maturity

Increased by 1.9 years due to extension of tenure for term loan & revolving credit of RM391 million



4.38%

Weighted Average Interest Rate

Increased by 16bps from 4.22% in FY2023, due to 25bps hike in OPR in May'23

20% via IRS

Hedging Profile

RM150 mil of floating rate borrowings are hedged via 5-year Interest Rate Swap contracts, with remaining 3.6 years weighted average term of debt

02

Business Review



Property Portfolio Review - FY2024

8 Properties

Properties located in Kuala Lumpur, Petaling Jaya, Subang Jaya, Kelana Jaya, Melaka & Penang

3.06 million sq ft in net lettable area

Encompasses office, retails, hotel & hypermarket sub-sector

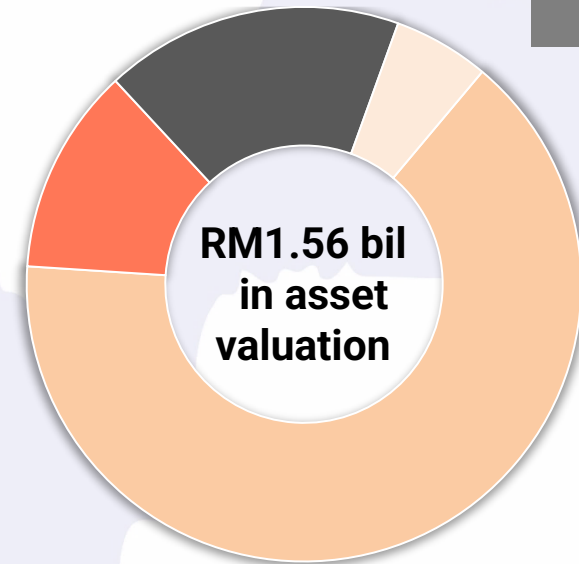
RM1.56 billion¹ property valuation

Asset value increased by 1.1% or RM12.6 million YoY.

¹Exclude accrued unbilled rental income of RM32.8 mil.

Asset Diversification (Based on Latest Revaluation)

**+1.1%
YoY**



Office	65%	RM956 mil
Hypermall	18%	RM277 mil
Retail Mall	11%	RM236 mil
Hotel	6%	RM89 mil

Leasing Management - FY2024

Overall Portfolio Occupancy

84.7%

2.1% higher yoy attributed by higher occupancy at Summit Retail & Jaya 99

New Tenants

+100,027 sq ft

Major new tenants include a supermarket, virtual golf operator & snooker academy

Tenant Retention

91.9%

Approximately 443,000 sq ft of leased space were renewed in FY2024

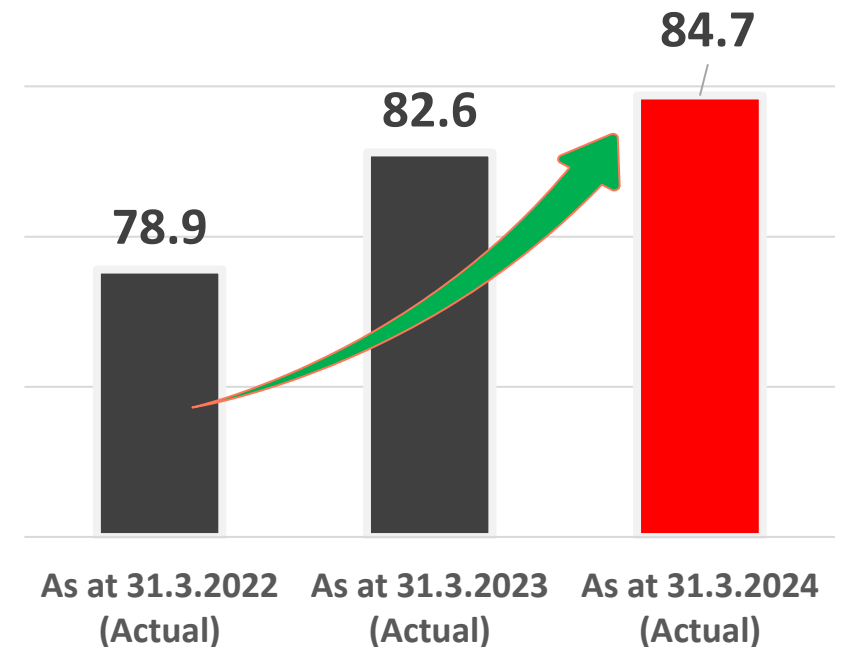
Rental Reversion

+5.2%

72% renewed tenancies recorded positive rental revision

Overall Portfolio Occupancy Rate (%)

+2.1% YoY



Portfolio Occupancy Rate

	As at 31 Mar 2022	As at 31 Mar 2023	As at 31 Mar 2024	As at 31 Jul 2024
Bangunan AmBank Group	98.3%	98.3%	93.4%	93.4%
Menara AmBank	73.9%	73.9%	70.2%	70.2%
Menara AmFIRST	66.4%	-	-	-
Wisma AmFIRST	87.8%	89.8%	79.9%	82.7%
The Summit Office	65.5%	73.4%	70.8%	63.7%
The Summit Retail	60.8%	72.0%	89.0%	88.5%
Prima 9	43.9%	46.7%	48.5%	48.5%
Prima 10	83.9%	83.8%	83.8%	83.8%
Jaya 99	74.8%	73.8%	85.1%	85.3%
Mydin Hypermall	100.0%	100.0%	100.0%	100.0%
TOTAL	78.9%	82.6%	84.7%	83.9%

Leasing Management - FY2024

Tenant Expiry Profile

37.1% of leased area will be expiring in FY2025.

Single-Tenanted

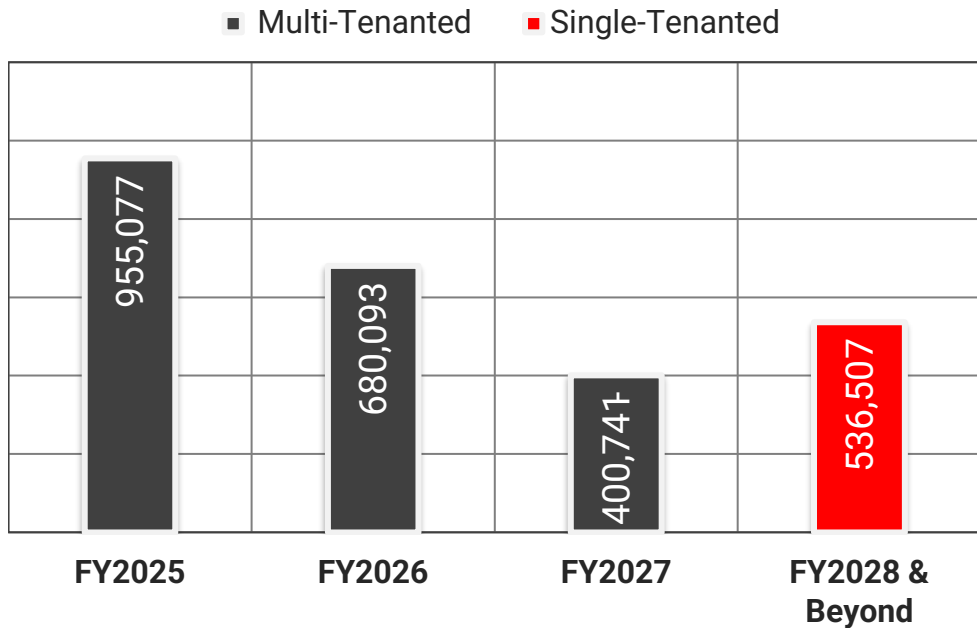
20.9% of leased area is single-tenanted.

(Mydin - expire in Jan 2046)

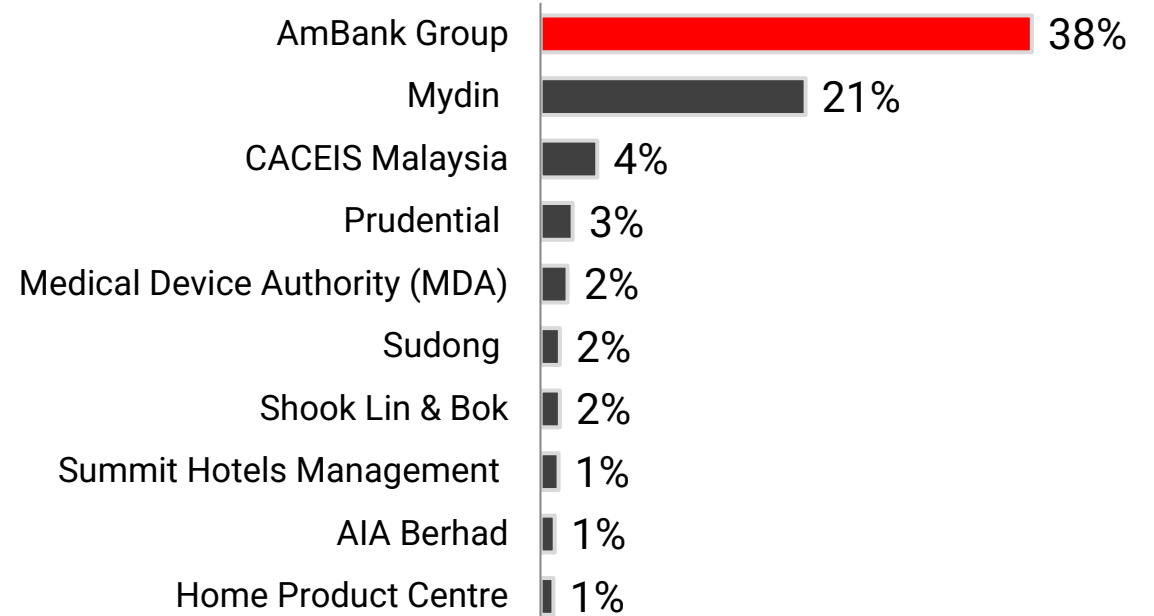
Top 10 Tenants

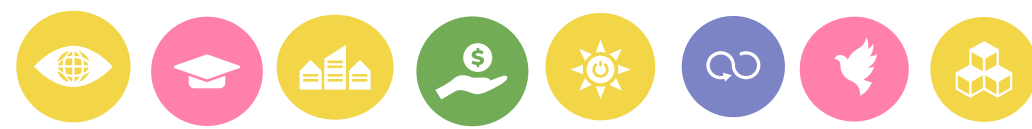
74.3% of rental income contributed by top 10 tenants.

Tenancy Expiry Profile (sq ft)



Top 10 Tenants (by rental income)





ENERGY MANAGEMENT CERTIFICATION

Obtained 2-Star EMGS Rating for Menara AmBank & 4-Star BEL Rating for Bangunan AmBank Group & Wisma AmFIRST for its energy management practices

- 4.3% & -4.4%

Reduction in total GHG Emission & total energy consumption

ZERO CASES

Bribery & corruption, privacy breach & data loss, human rights violation and non-compliance to regulations

CARBON REDUCTION INITIATIVES

Commenced disclosure of Scope 1 & Scope 3 GHG Emission.

Upgraded to cashless parking system.

Installed EV charging stations.

Replaced perimeter lighting with solar LED.

Installed timer unit to control compressor running hours & rescheduled chiller operation hours.

Replaced fluorescent light with LED lights in common area.

Installed photo-motion sensors at carparks & toilets.

03

Market Review



Economic Outlook 2024

3.7%

GDP

GDP normalized at 3.7% in 2023, supported by resilient domestic demand, recovery in tourism & improved labor market conditions.

Outlook

GDP is anticipated to expand between 4.0% & 5.0% in 2024 underpinned by continued expansion in domestic expenditure & improvement in external demand.

3.4%

Unemployment Rate

Unemployment rate declined from 3.8% to 3.4%, due to higher domestic demand amid economic expansion.

Outlook

Unemployment rate is forecasted to moderate to 3.3% in 2024.

1.8%

Inflation Rate

Headline inflation averaged 1.8% in 2023, primarily driven by stable commodity prices &

Outlook

Inflation is expected to trend higher between 2.0% to 3.5% in 2024 considering factors like fuel subsidies & moderating food prices.

3.0%

Overnight Policy Rate

In May'23, BNM increased the OPR by 25bps, from 2.75% to 3.00%, further normalising the degree of monetary accommodation.

Outlook

OPR is expected to remain unchanged at 3.00%.

Market Review & Outlook (KL Office)



Overall Occupancy

Occupancy decline slightly following influx in new completions in 2023.



Average Rental Rate

Overall average rentals remain stable



Cumulative Supply

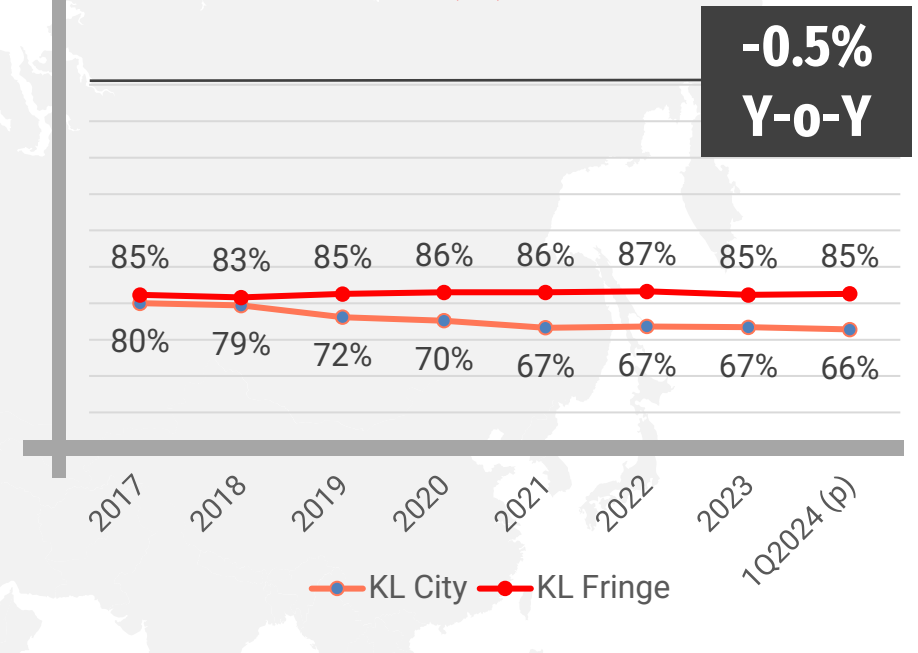
Cumulative supply increased by 3.5 mil sf to 91.8 mil sf in 2023, with 66% comes from KL City



Impending New Supply

Impending new supply of 1.3 mil sf expected to be added in 2024

Occupancy Rate (%)



Outlook

Klang Valley office market will remain tenant-led due to persistent imbalance between supply & demand.

Market Review & Outlook (Selangor Retail)



Overall Occupancy

Occupancy improved from 77.5% (2022) to 79.3% (2023).



Average Rental Rate

Average Rental for neighbourhood shopping mall remained firm.



Cumulative Supply

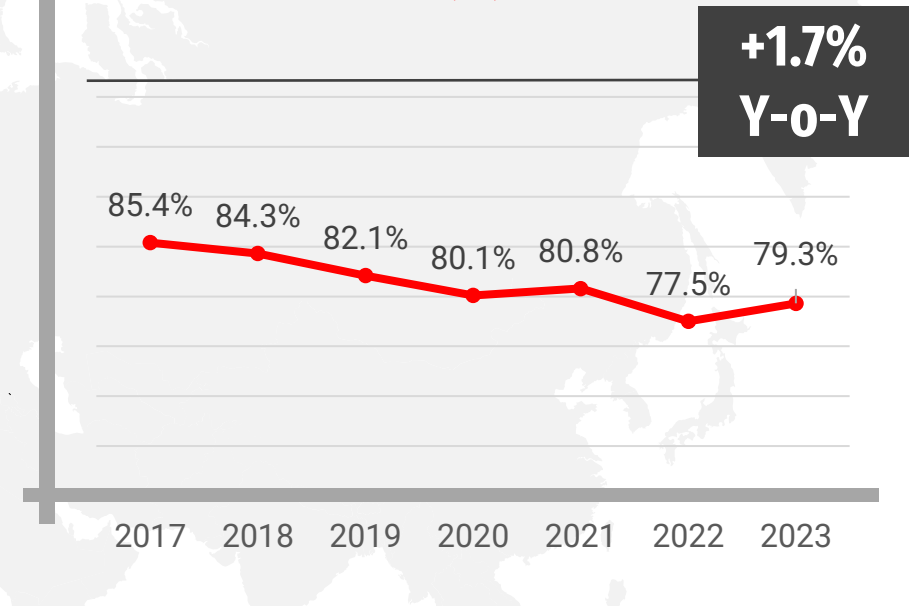
Cumulative supply increased by 2.7 mil sf to 38.7 mil sf in 2023.



Impending New Supply

Impending new supply of 0.5 mil sq ft expected to be added in 2024

Occupancy Rate (%)



Outlook

Retail sector is expected to sustain on the back of steady domestic demand & rising tourism activities.

04

Moving Forward



Moving Forward : Key Focus Areas & Action Plan

Key Focus Area

Organic Growth

➤ **Improve Income Distribution through enhancing the yield of the asset portfolio**

- Aggressive leasing effort & proactive leasing management.
- Cost optimisation exercise.
- Implement selective accretive asset enhancement initiatives.
- Active interest rate management

Inorganic Growth

➤ **Grow via asset portfolio rationalization & diversification**

- Seek opportunity to dispose low-yielding asset to create debt headroom for yield accretive acquisition
- Diversification to other asset class with high-yielding property (logistic, industrial, warehouse, healthcare etc.)
- Optimize gearing with prudent capital management

Key Action Plan & Initiatives

- ✓ Improve portfolio occupancy > 90% through active agent & tenant engagements and leasing incentives.
- ✓ Complete the setting up of co-working space at Menara AmBank & Prima 9, partnership with IWG.
- ✓ Stepping-up ESG initiatives & accreditation.
- ✓ Refurbish & rebrand Summit Hotel, if no disposal.
- ✓ Retrofit the WCPU to chilled system in Menara AmBank.
- ✓ Installation of solar panels at Wisma AmFIRST, Prima 9, Prima 10 & The Summit.
- ✓ Refurbishment of Menara Summit's main lobby.
- ✓ Pursue opportunistic divestment of low-yielding assets (Summit, Prima 9 & 10).
- ✓ No new acquisition of asset before any divestment.
- ✓ No issuance of new unit due to dilutive effect of issuance price at large discount to NAV.



Thank You

For enquiries, please reach us at
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