



AmFIRST

Real Estate Investment Trust

SIXTH ANNUAL GENERAL MEETING

**WEDNESDAY,
25 JUL 2018, 10.00 A.M.**





CEO PRESENTATION

AGENDA



Market Review



**FY2018
Financial Highlights**



Operation Review



**FY2019
Moving Forward**



**AGM
Resolutions**





MARKET REVIEW

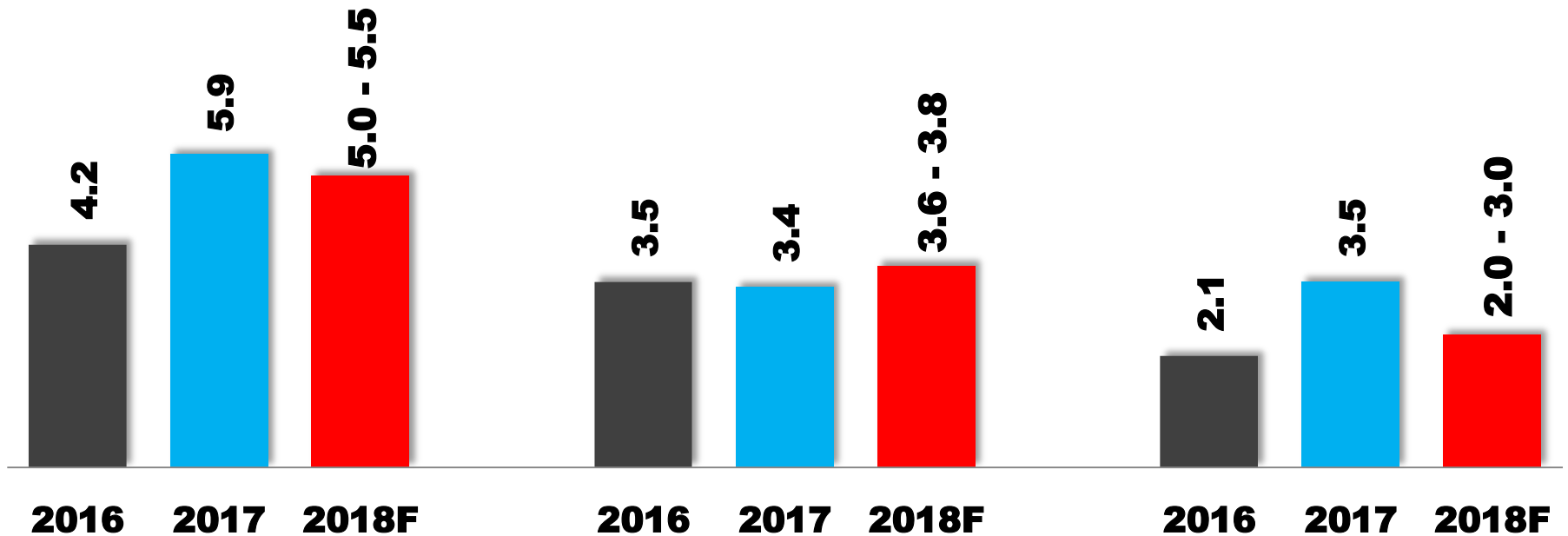
ECONOMIC INDICATORS

- GDP expanded 5.9% in 2017
- Forecast growth to remain at a sustainable level in 2018

GDP (%)

Unemployment Rate (%)

Inflation Rate (%)

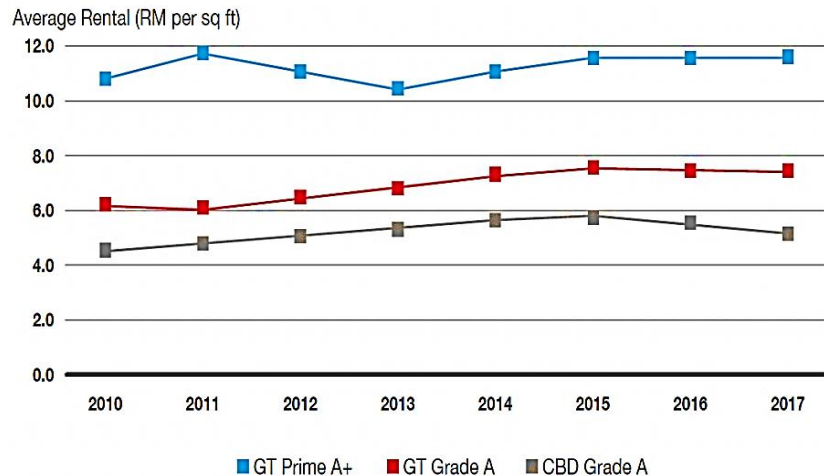


Source : Knight Frank Market Report / BNM Report

OFFICE SECTOR

- KUALA LUMPUR

- Overall occupancy declined to **80.0%** in 2017 (2016 : 82.8%).
- Average rental rates remain flat in 2017.



- Cumulative supply stood at **51.8 mil sq ft** in 2017.
- Expected incoming supply of **6.1 mil sq ft** in 2018 and 2019.
- Outlook for 2018
Subdued.

Source : Knight Frank Market Report

RETAIL SECTOR

- SELANGOR

- Retail industry expanded **2.2%** in 2017.
- Slight improvement in occupancy to **85.4%** (2016 : 84.9%).
- Rental rates for prime shopping centres remain steady but less established centres are under growing pressure.
- Cumulative supply stood at **29.8 mil sq ft @ Dec 2017**.
- Impending supply **2.7 mil sq ft (2018)** and **1.3 mil sq ft (2019)**.
- Outlook in 2018
Cautious optimism.

Source : Knight Frank Market Report



FY2018
FINANCIAL
HIGHLIGHTS

FY2018

KEY FINANCIAL HIGHLIGHTS

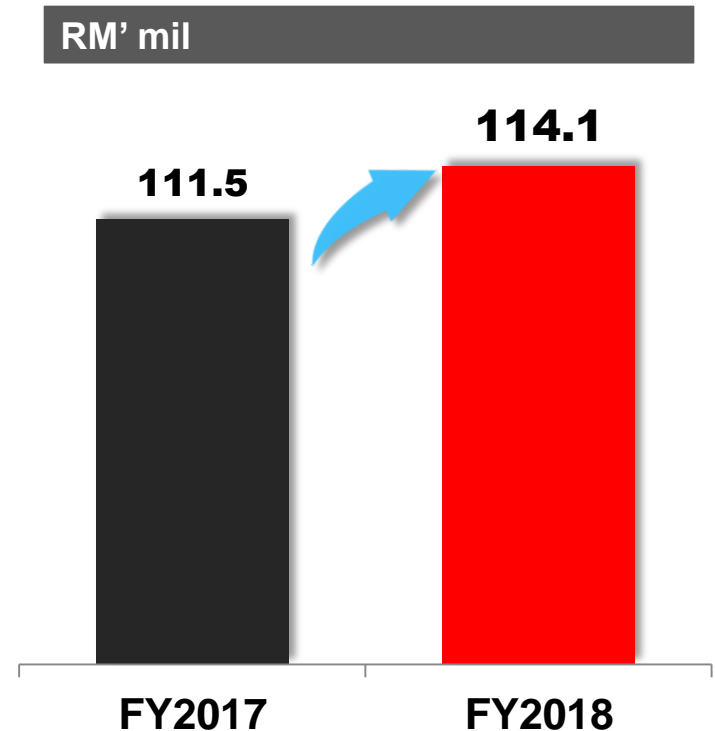
Statement of Comprehensive Income

RM' mil	FY2018	FY2017	Change (%)
Gross Revenue	114.1	111.5	+2.3
Net Property Income	76.0	72.8	+4.4
Interest Expense	37.3	36.1	+3.3
Realised Net Income	30.7	27.9	+10.0
Realised EPU (Sen)	4.47	4.06	+10.0
DPU (Sen)	4.20	4.06	+3.4

GROSS REVENUE

Increased by **2.3% y-o-y.**

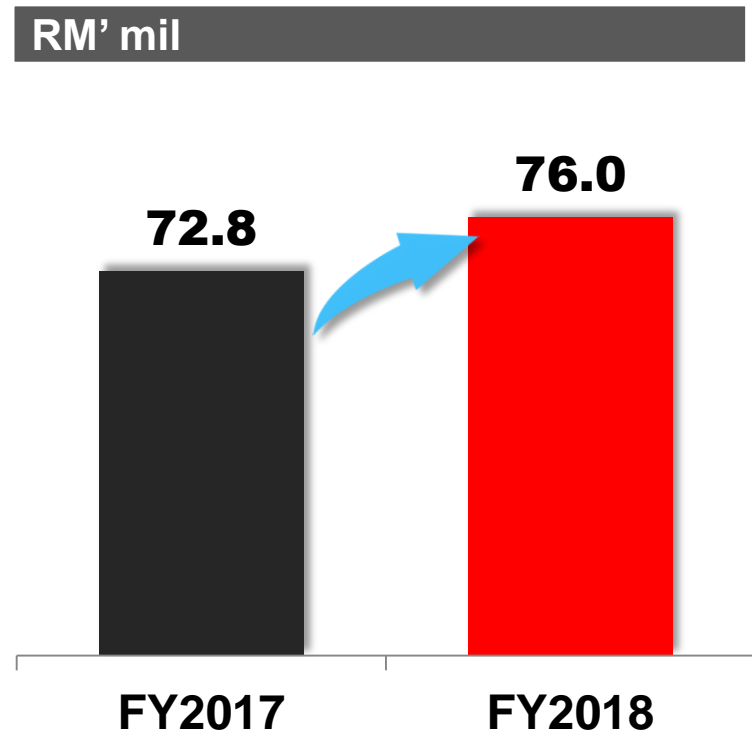
- Secured a tenant to occupy the entire Prima 9 with effect from 1 Oct 2017.
- Higher occupancy at The Summit – Office and Retail.
- Lower revenue from Wisma AmFIRST, Menara AmFIRST and Menara AmBank due to lower occupancy.
- Overall portfolio occupancy as at 31 Mar 2018 increased by **1.8% to 84.4%**.



NET PROPERTY INCOME

Increased by **4.4% y-o-y.**

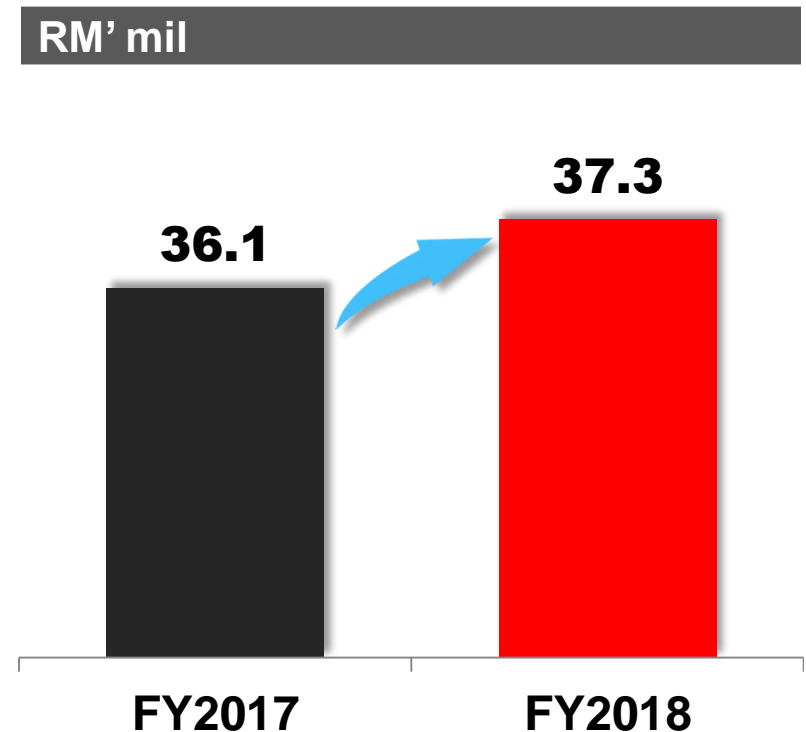
- Higher gross revenue mainly contributed by Prima 9 and The Summit.
- Lower property expenses by RM0.7 mil or 1.8% mainly due to lower electricity expenses.



INTEREST EXPENSES

Increased by **3.2% y-o-y.**

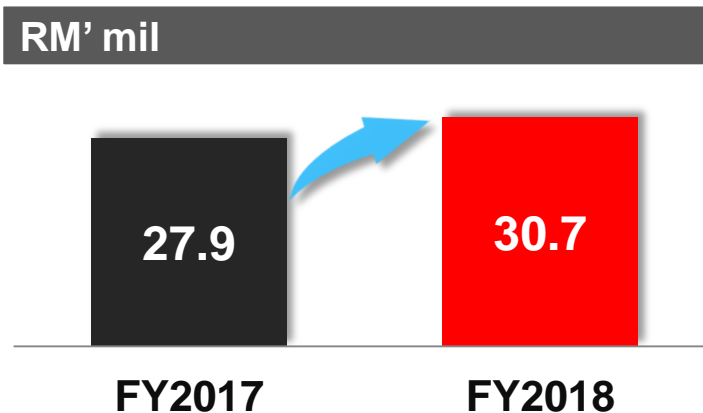
- Additional borrowings to finance the ongoing AELs.
- Higher cost of fund.
- Weighted average interest rate stood at 4.85% p.a. [FY2017 : 4.58% p.a.].
- 37% of borrowings are hedged.



REALISED NET INCOME & DISTRIBUTION PER UNIT

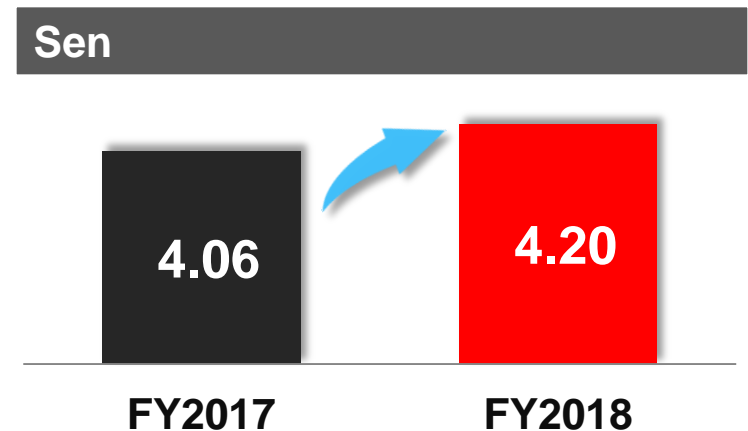
Realised Net Income increased by **10.0% y-o-y.**

- Prima 9 fully occupied from 1 Oct 2017.
- Higher occupancy at The Summit – Office and Retail.
- Lower property expenses.



DPU increased by **3.4% y-o-y.**

- Represents 94% of the realised distributable net profit.
- DPU Yield of 7.0%.



FY2018

KEY FINANCIAL HIGHLIGHTS

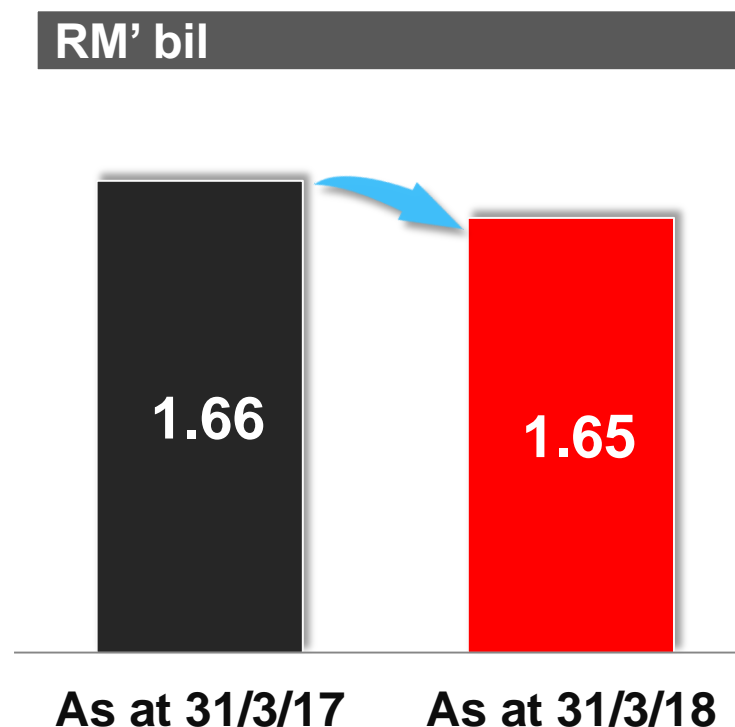
Statement of Financial Position

RM' mil	FY2018	FY2017	Change (%)
Investment Properties	1,650.1	1,662.8	-0.8
Borrowings	779.0	775.1	+0.5
Gearing (%)	46.8	46.2	+1.3
Closing Unit Price (RM)	0.60	0.81	-25.9
Net Asset Value (RM)	1.2166	1.2421	-2.1
Discount to NAV (%)	50.7	34.8	+45.7

INVESTMENT PROPERTIES

Asset value marginally decreased by **0.9%**.

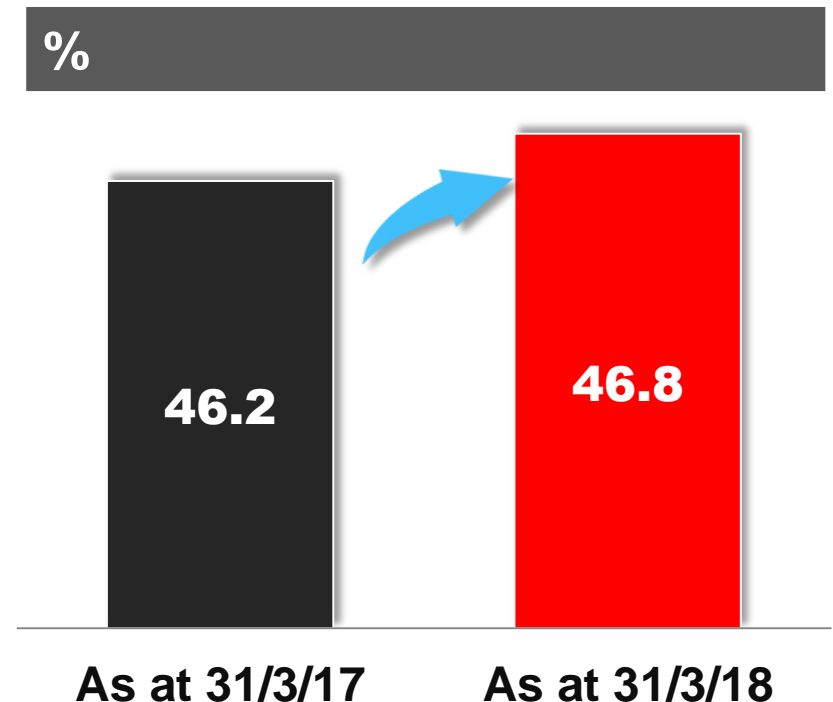
- No new acquisition / disposal.
- Capitalised AEIs of RM7.8 mil.
- Net deficit in revaluation of RM20.5 mil.



GEARING RATIO (%)

Increased marginally to **46.8%**.

- Increased in borrowing to finance AEs and reduction in asset value due to revaluation deficit.
- Debt headroom of RM126.5 mil before reaching 50% threshold.
- Medium to long term target gearing level of 35% - 40%.



A photograph of a HomePro store entrance. The store's name is displayed in large, colorful letters (blue and yellow) above the entrance. The interior is visible, showing a well-lit space with various home improvement products and promotional signs. The floor is made of large, light-colored tiles with a dark blue pattern. The ceiling is white with recessed lighting.

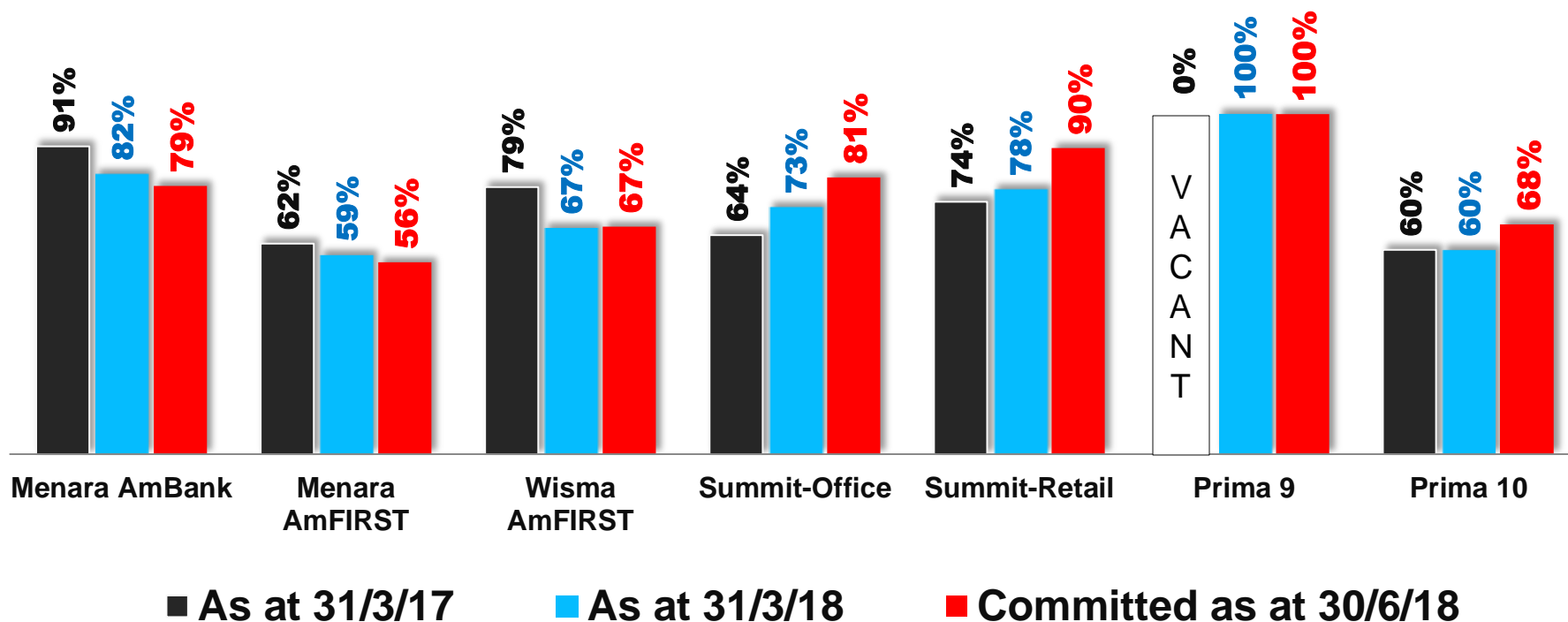
HomePro

OPERATION REVIEW

OCCUPANCY RATE (%)

- Overall portfolio occupancy @ 31 Mar 2018 increased by **1.8%** to **84.4%**.
- Committed overall portfolio occupancy @ 30 Jun 2018 improved to **86.6%**.

Properties with significant movement in occupancy y-o-y



OCCUPANCY (%)

- PROGRESS UPDATE

Prima 9

- Occupancy stood at **100.0%** @ 31/3/18 [31/3/17:nil].
- Secured a tenant to occupy the entire building from 1 Oct 2017 with an option to purchase.

The Summit - Retail

- Occupancy stood at **77.9%** @ 31/3/18 [31/3/17:74.3%]
- Secured 3 major tenants [84,000 sq ft].
- This will improve the occupancy to **90.8%**.

The Summit - Office

- Occupancy of **72.7%** @ 31/3/18 [31/3/17 : 64.4%]
- Secured shared office operator [12,000 sq ft] commencement expected in 3Q 2018.
- This will improve the occupancy to **81.4%**.

Menara AmFIRST

- Occupancy stood at **58.7%** @ 31/3/18 [31/3/17:62.0%].
- Retained 13 tenants out of 16 tenants.

TENANCY RENEWAL & RENTAL REVERSION

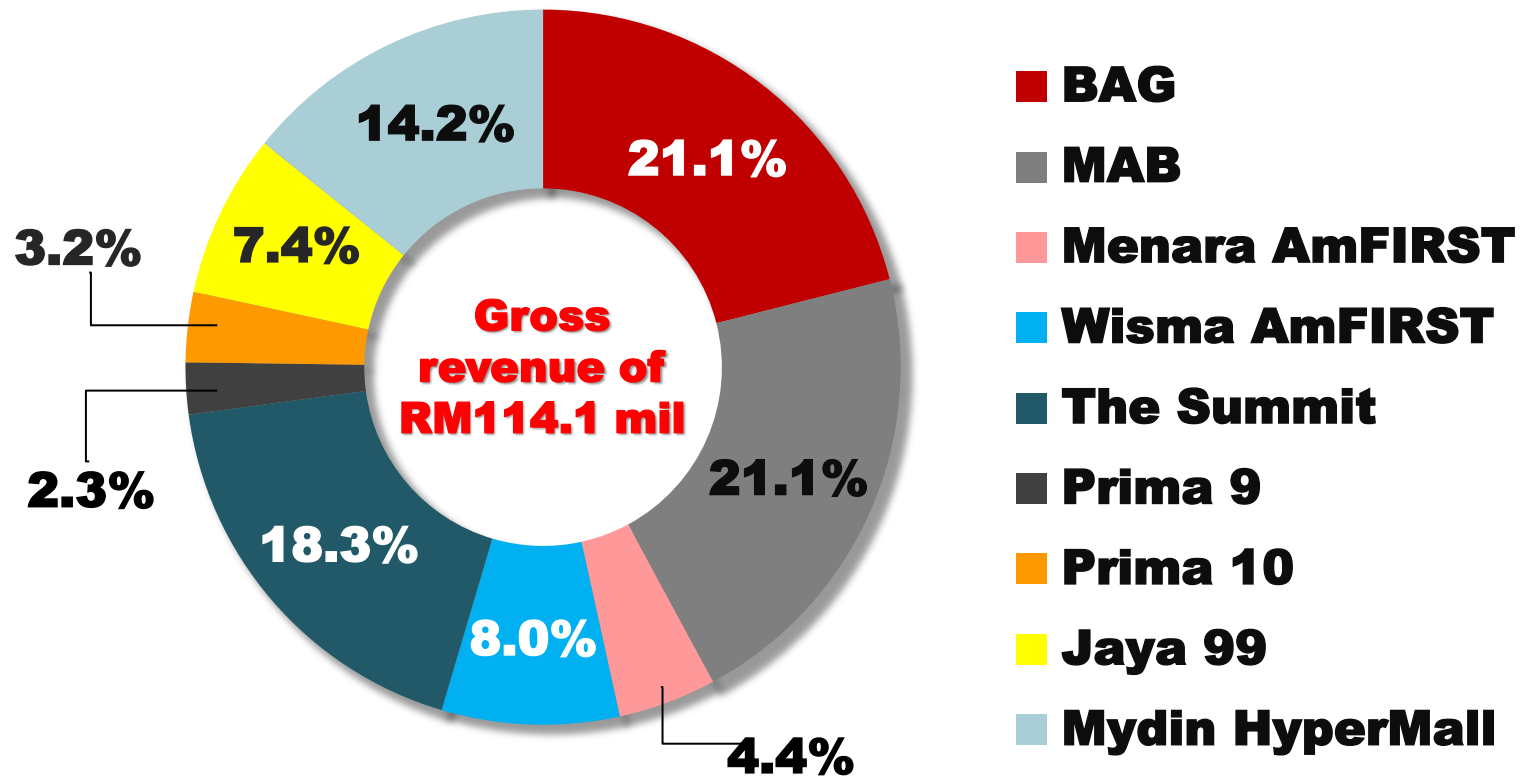
Achieved **87.9%** renewal out of 805,818 sq ft with **+1.4%** rental reversion.

Properties	Leases due for renewal (sq ft)	Total renewed (sq ft)	Rental Reversion (%)
Bangunan AmBank Group	226,845	226,845	-
Menara AmBank	4,036	401	-
Menara AmFIRST	55,056	49,950	+0.4
Wisma AmFIRST	153,519	112,759	+1.5
The Summit – Retail	123,334	95,744	+3.4
The Summit – Office	59,239	55,298	+7.0
Prima 9	-	-	-
Prima 10	-	-	-
Jaya 99	183,789	167,502	+3.9
Mydin HyperMall	-	-	-
Total	805,818	708,499	+1.4

GROSS REVENUE

- CONTRIBUTION BY PROPERTIES

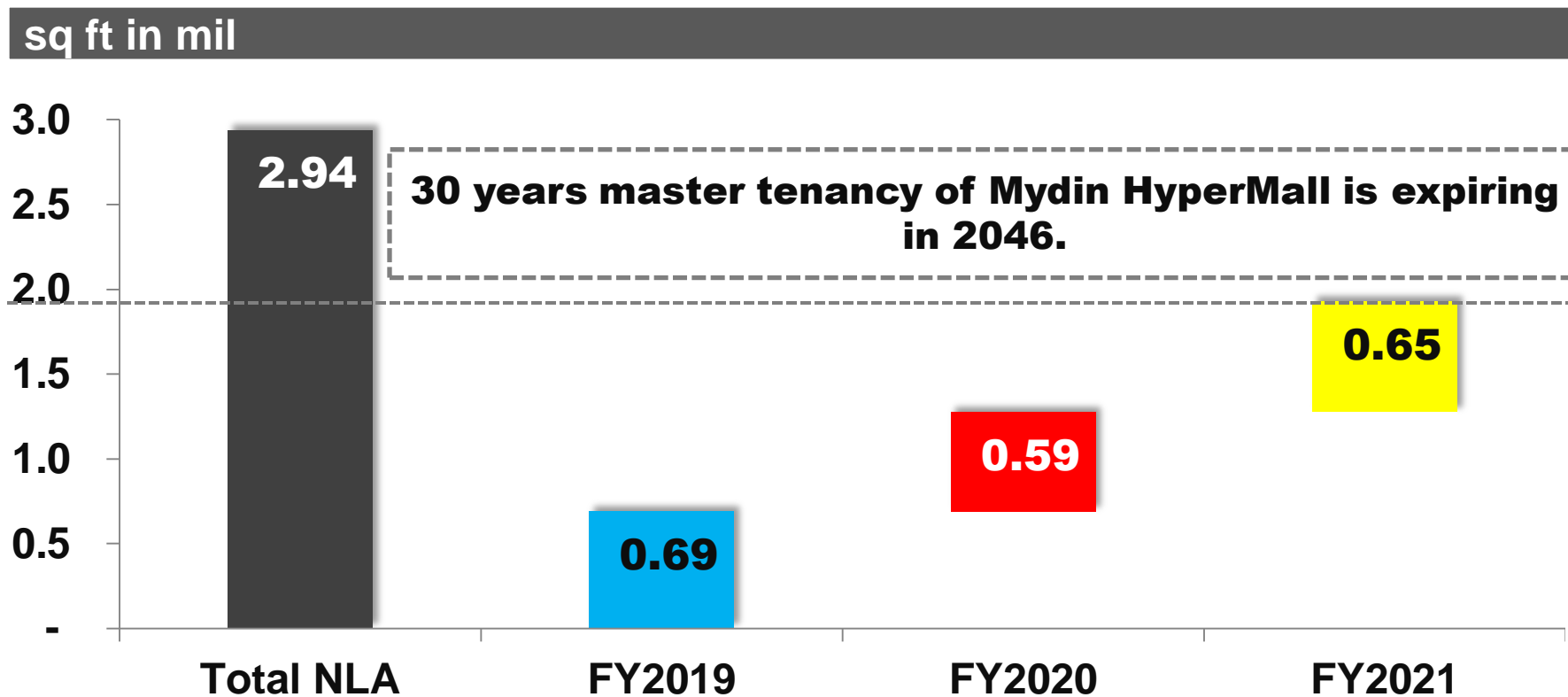
Top 10 largest tenants contributed **67.3%** of the total rental income.



TENANCY EXPIRY

PROFILE

66% or 1.93 mil sq ft out of total NLA are due for renewal in the next 3 years.



AWARD & ACCOLADE

“BEST IN TRANSPARENCY AWARD”

GROUP B RM500 MIL TO RM950 MIL MARKET CAPITALISATION
BY FOCUS MALAYSIA (BUSINESS AND INVESTMENT WEEKLY PUBLICATION)



Received high scores in all 6 of the following listed award criteria:-

1. Transparency Pledge.
2. Time taken to file Audited Financial Results.
3. Precise remuneration of Directors.
4. AGM Minutes, video recording or podcast.
5. Dividend Policy Statement.
6. Whistleblower Policy

FY2019 **MOVING** **FORWARD**



FY2019

MOVING FORWARD

Focus	Key Action Plans
Low yielding properties	<ul style="list-style-type: none">✓ Step up leasing efforts to improve occupancy.✓ Enhance property management to improve service level and lower expenses.✓ Divestment.
High gearing and interest cost	<ul style="list-style-type: none">✓ De-gear by divesting properties.✓ Review the requirement of planned CAPEX in order not to strain the gearing level.✓ Retain distributable net income to conserve cash for CAPEX or lower down gearing.



AGM **RESOLUTIONS**

RESOLUTIONS

Items	Agenda	Approval Required	Purpose
Resolution 1	Proposed Authority to Allot & Issue New Units pursuant to Paragraph 6.59 of Main Market Listing Requirements of Bursa Securities – ‘General Mandate’ ≤ 20% of existing Fund Size.	Ordinary Resolution	To enable the Manager to raise fresh equity to meet future acquisitions and asset enhancement expenditure without breaching the 50% gearing threshold.
Resolution 2	Proposed Increase in Existing Total Number of Units Issued to a Maximum of 823,681,920 Units pursuant to the passing of Resolution 1 .	Ordinary Resolution	To increase the fund size pursuant to the passing of Resolution 1 .

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A nighttime photograph of a modern building with a prominent 'MYDIN' sign in blue neon. In the foreground, there is a fountain with several jets of water, some of which are illuminated with colorful lights (yellow, red, green). To the right, a decorative wall with a complex geometric pattern is illuminated from below. The sky is dark blue, and the overall scene is lit with warm, ambient lighting.

MYDIN

THANK YOU
For Your Attention