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AmFIRST REIT registers good growth in Income and Distribution Yield

Highlights for FYE 2013/14

- **Higher Realized Net Income Growth by 7% Y on Y**
- **Higher Distribution Per Unit by 8%.**
- **Revaluation Surplus on Investment Properties of RM12.3 million.**
- **Healthy Gearing at 32.7%.**

Am ARA REIT Managers Sdn Bhd ("Am ARA"), the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST REIT" or the "Trust") is pleased to announce that for the financial year ended 31 March 2014, AmFIRST REIT recorded gross revenue and net property income of RM112.8 million and RM76.5 million respectively, up by 3% as compared to preceding corresponding year. Net realizable income available for distribution came in higher by 7% at RM50.3 million compared with the RM46.9 in FY 2013, which translates into a realized EPU of 7.32 sen per unit. These improved results were attributed to a full year contribution from Jaya 99 Melaka and lower property expenses from the existing eight (8) properties (excluding Jaya 99) coupled with lower interest expenses and reversal of impairment loss on trade receivables.

According to Am ARA's Acting Chief Executive Officer, En. Zuhairy bin Md Isa, despite the difficult and challenging market condition which includes rising operational costs and oversupply in office market, the Trust continued to record better performance led by the contribution from Jaya 99 Melaka, interest savings from lower borrowing and improved operational efficiency. At the same time, the Trust managed to reduce the impairment loss on trade receivables via its continuous sound credit control.




For the six-month period ended 31 March 2014, the Board has declared a final income distribution of 3.70 sen per unit. Taking into the interim distribution per unit of 3.65 sen paid on 5 December 2013, the total distribution per unit declared for the current financial year is 7.35 sen per unit, an increase by 8% compared to 6.81 sen per unit paid a year earlier. This represents a full year income distribution of almost 100% of the Trust's realized net income for the financial year. Based on the closing price of 0.975 sen per unit as at 31 March 2014, this represented a dividend yield of 7.54%.


The Trust has currently nine (9) properties in its investment portfolio which was revalued to RM 1.3 billion for the financial year ended 31 March 2014, registering a net fair value gain of RM 12.3 million principally attributed by higher reversionary rents for some of the properties.

The Manager has been progressively undertaking asset enhancement initiatives ("AEIs") and repositioning works on its property investment to upgrade the quality of its assets. "For the financial year ended 31 March 2014, we have undertaken asset enhancements totaling to RM12.3 million of which bulk of this amount was spent on Bangunan AmBank Group, AmBank Group Leadership Centre and Wisma AmFIRST," added En. Zuhairy.

"Our core AEIs projects in 2104/2015 will be the refurbishment of Menara AmBank of which has been progressing this year and the rebranding of The Summit Subang USJ." Both represent the significant AEIs undertaken by the Trust and we are optimistic that for The Summit Subang USJ, we will see improvements in rents upon its completion scheduled by July 2015."

The Trust's gearing stood at 32.7% as at 31 March 2014. This provides the Trust with sufficient headroom to gear up in the future for potential yield accretive and strategic acquisitions. The Manager is currently reviewing prospective properties and will endeavor to further grow the Trust with yield accretive and strategic acquisitions.





Acknowledging that 2014/2015 will be more challenging, En. Zuhairy said that the focus now will be on cost control, capital management, improving occupancy, negotiating better rent reversions, AEIs and to continue to pursue new acquisitions upon the market prices returned to normality. The year has seen that the REITs have not been active on the acquisition front due to escalation in asking prices by owners which leads to yield compression.

About AmFIRST REIT

Listed on 21 December 2006, AmFIRST REIT is currently one of the larger commercial space REITs in Malaysia with nine (9) properties worth RM1.3 billion under its portfolio, namely Bangunan AmBank Group, AmBank Group Leadership Centre, Menara AmFIRST REIT, Menara AmBank, Wisma AmFIRST, The Summit Subang USJ, Prima 9, Prima 10 and Jaya 99. It aims to invest in income-producing real estate which primarily is used for commercial, retail and/or office purposes. AmFIRST REIT is managed by Am ARA.

About Am ARA

Am ARA was incorporated in Malaysia on 20 April 2006 and is wholly-owned by Am ARA REIT Holdings Sdn Bhd. Am ARA REIT Holdings Sdn Bhd is 70% owned by AmInvestment Group Berhad (AIGB) and 30% owned by ARA Asset Management (Malaysia) Limited (ARA).

AIGB is a wholly-owned subsidiary of AMMB Holdings Berhad while ARA is a wholly owned subsidiary of Singapore-based ARA AmFIRST (Singapore) Pte Ltd, which in turn is a wholly owned subsidiary of ARA Asset Management Limited ("ARA Group"), which is listed on the Main Board of the Singapore Exchange Securities Trading Limited.

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