

August, 17, 2012

AmFIRST REIT gears up for growth

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 first quarter ended 30 June 2012, AmFIRST REIT achieved a realised net income of RM9.8 million or 2.29 sen per unit. Gross revenue rose to RM26.6 million from RM22.7 million whilst net property income grew from RM15.3 million to RM17.6 million as compared to the previous corresponding period.

Am ARA’s Chief Executive Officer, Mr Lim Yoon Peng said the improved results were attributed to the additional contribution from the new acquisitions of Prima 9 and Prima 10 which were completed on 30 November 2011.

On 7 August 2012, the Trust had announced that the rights issue and increase in fund size have been completed following the listing of 257,400,600 rights units on the Main Market of Bursa Malaysia Securities Berhad. The net rights proceeds of approximately RM209 million has been utilised to pare down the Trust’s existing bank borrowings thus lowered the gearing to 29.7%.

Mr Lim said “As the first Malaysian REIT to undertake a rights issue, we are pleased with the result of oversubscription of 13.5%. It also demonstrates that well capitalised REITs will continue to be a defensive safe haven for investors looking at recurring and stable income distribution amid volatile market conditions. With the completion of the rights issue, the Trust will have a stronger balance sheet to grow the fund with accretive acquisitions.”

On 17 August 2012, the Trust also announced the execution of a Sale and Purchase Agreement (“SPA”) between Maybank Trustees Berhad and Johan Kembara Sdn Bhd for the proposed acquisition of Kompleks Tun Sri Lanang (also known as Jaya 99) located at No. 99, Jalan Tun Sri Lanang, Melaka for a total cash consideration of RM 86 million. This is an 18-storey purpose-built leasehold commercial building newly completed in June 2011, comprising of twin towers (9-levels and 10-levels) sitting atop a seven-level podium block, consisting of 557 car park bays and a mezzanine floor.

Jaya 99 is a modern designed high-rise building strategically located in the heart and soul of Melaka and boasts unprecedented accessibility to financial institutions, public amenities and world class hotels. Complemented by its own modern amenities such as conference rooms, function halls, retail outlets, F & B outlets and ample car parking, Jaya 99 will be the pioneer in Melaka to offer a truly ‘Complete Business Center’ concept to cater for modern business demands.

Mr. Lim added, “There is a shortage of prime office space with modern designs in Melaka city. The office sub-sector in Melaka was traditionally served by shop-offices, but with the change of business environment resulting from population growth, increased business opportunities and robust growth of the local economy, the demand for quality office space in Melaka city has improved significantly. Jaya 99 is anchored by Prudential Assurance Malaysia Berhad and Sudong Sdn Bhd (wholly owned by Singtel) which occupy 32% and 20% respectively of the net lettable areas. The other corporate tenants include PricewaterhouseCoopers, Ernst & Young and Suruhanjaya Perkhidmatan Awam.

“It is yield accretive and will contribute an additional approximately 0.28 sen per unit per annum based on the enlarged unitholdings. The acquisition is expected to complete by end of December 2012 and will boost AmFirst REIT’s Assets Under Management by 7.2% to RM 1.28 billion and gearing level will also increase from 29.7% to 34.4%.”

“Moving forward, we will continue to focus on expanding AmFIRST REIT’s investment portfolio via yield accretive and quality commercial properties in high growth areas throughout Malaysia and to implement asset enhancement initiatives to spur organic growth in AmFIRST REIT. This complements well with our investment and diversification strategy to ensure the Trust continues to deliver stable returns and build a quality portfolio of assets for unitholders,” Mr Lim further added.

About AmFIRST REIT

Listed on 21 December 2006, AmFIRST REIT is currently one of the larger commercial space REITs in Malaysia with eight (8) properties worth RM1.18 billion under its portfolio, namely Bangunan AmBank Group, Menara AmBank, AmBank Group Leadership Centre, Menara AmFIRST (formerly known as Menara Merais), Wisma AmFIRST (formerly known as Kelana Brem Towers), The Summit Subang USJ, Prima 9 and Prima 10. 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.

AIGB is a wholly-owned subsidiary of AMMB Holdings Berhad while ARA Asset Management (Malaysia) Limited 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, an affiliated of the Cheung Kong Group based in Hong Kong.

For media enquiries, please contact:

Lim Yoon Peng
Chief Executive Officer
Tel: 03-7955 8122

For more information, please visit our website at www.amfirstreit.com.my