

PRESS RELEASE

AME REIT seeks to expand industrial property portfolio into central and northern Peninsular Malaysia

- *Pursuing yield accretive industrial properties from third-party vendors in addition to leveraging on future development projects of its Sponsor, AME Elite*
- *Plans to distribute 100% of distributable income accruing from date of listing in FYE 2023*

Kuala Lumpur, Malaysia, 17 August 2022 - I REIT Managers Sdn Bhd, the management company of AME Real Estate Investment Trust (“**AME REIT**”) is seeking to expand AME REIT’s portfolio beyond Johor into central and northern Peninsular Malaysia by pursuing yield accretive asset acquisitions from third-party vendors.

This is in addition to AME REIT leveraging on the future property development projects of its sponsor, AME Elite Consortium Berhad (AME Elite, 腾宇集团), as a ready source for high-quality tenanted industrial properties, workers’ dormitories and warehouses for acquisition. Besides developing its existing projects in Johor, AME Elite is also actively seeking to develop industrial parks in the central and northern Peninsular Malaysia, leading to AME REIT’s potential acquisition pipeline.

AME REIT has an initial portfolio of 34 industrial and industrial-related properties in Iskandar Malaysia, Johor, valued at RM557.0 million. These industrial properties and dormitories are fully tenanted as at 15 June and 15 July 2022 respectively, thus providing visible and stable cash flows.

Upon its listing on the Main Market of Bursa Securities Malaysia Berhad (“**Bursa Malaysia**”), AME REIT has ample debt headroom of up to approximately RM240.8 million to pursue potential acquisitions, based on the prescribed limit of 50.0% of total asset value. AME REIT’s pro forma statement of financial position would have total indebtedness of approximately RM46.5 million, representing approximately 8.1% of its estimated total asset value of RM574.5 million.

“Key economic zones in Malaysia such as Selangor in the central region, Johor in the southern region and Penang in the northern region often attract local and foreign direct investments. The mandate to acquire third-party properties beyond Johor provides AME REIT the flexibility and opportunity to expand the reach of our property trust to generate stable cash flows and potential long-term income and capital growth.

On top of that, we would be able to ride on our Sponsor’s established branding and intention to replicate their managed industrial parks concept in central and northern Peninsular Malaysia. Internally, our proactive asset management strategies, which focus on optimising and maintaining high occupancy rates, aim to achieve stable rental growth and maximise investment returns.

The prospects for industrial and industrial-related properties remain positive, with resilient demand supported by growth in the electrical and electronics (E&E) as well as logistics and e-commerce sectors. Hence, we are optimistic of AME REIT’s future outlook.”

*Simon Lee Sai Boon (“李枝明”),
Chairman and Executive Director, I REIT Managers Sdn Bhd*

Lee was speaking at the launch of AME REIT’s IPO prospectus today in conjunction with its proposed Initial Public Offering (IPO) on the Main Market of Bursa Malaysia.

The IPO exercise entails an offering of 254.8 million units, representing 49.0% of total 520.0 million units in AME REIT.

This comprises a retail offering of up to 174.8 million units at a retail price of RM1.15 per unit, comprising up to 156.6 million units offered to the shareholders of AME Elite on the basis of 1 unit for every 5 ordinary shares held in AME Elite on 15 August 2022, 10.4 million units made available to the Malaysian public and 7.8 million units to eligible directors and employees of AME Elite and its subsidiaries (“**Retail Offering**”).

Meanwhile, the institutional offering consists of at least approximately 80.0 million units which will be made available to Malaysian institutional investors and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry (“**Institutional Offering**”).

There will be no proceeds raised as the IPO does not involve any issuance of new units.

Hong Leong Investment Bank Berhad is the Principal Adviser and Sole Underwriter for AME REIT’s IPO exercise, and Joint Bookrunner together with RHB Investment Bank Berhad.

AME REIT’s unaudited pro forma statement of comprehensive income shows that the pro forma Net Property Income (“**NPI**”) of its portfolio had grown steadily from RM24.1 million in the financial year ended 31 March (“**FYE**”) 2020 to RM26.1 million in FYE 2021 and RM31.9 million in FYE 2022. This has in turn, led to the growth in pro forma distributable income from RM19.8 million in FYE 2020 to RM24.2 million in FYE 2021 and RM29.1 million in FYE 2022.

For FYE 2023, AME REIT is forecasted to achieve revenue of RM41.0 million, with a NPI of RM37.6 million and a distributable income of RM34.0 million, based on a full financial year’s results and assuming that listing date was 1 April 2022.

AME REIT aims to distribute 100.0% of its distributable income for the period from the listing date to 31 March 2023, and thereafter, to distribute at least 90.0% of its distributable income to unitholders. Distributions will be made on a quarterly basis or such other intervals as the management company may determine at its absolute discretion.

With the IPO prospectus launch, applications for the Retail Offering opens today and will close on 24 August 2022. Barring unforeseen circumstances, AME REIT will be listed on the Main Market of Bursa Malaysia on 20 September 2022.

About AME REIT

AME REIT is an Islamic REIT with the principal investment policy of investing, directly and indirectly, in a Shariah-compliant portfolio of income producing real estate used primarily for industrial and industrial-related purposes in Malaysia and overseas. The objective of AME REIT is to provide Unitholders with a stable and growing distribution of income and to achieve long-term growth in its net asset value. AME REIT will have a diverse portfolio of assets across Iskandar Malaysia.

I REIT Managers Sdn Bhd is the management company and RHB Trustees Berhad is the trustee of AME REIT.

Issued for and on behalf of AME REIT by Aquilas Advisory (Malaysia) Sdn Bhd.

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