

AME Real Estate Investment Trust

**Interim Financial Report
Third Quarter Ended 31 December 2024**

AME Real Estate Investment Trust

Unaudited condensed statement of financial position As at 31 December 2024

	unaudited 31.12.2024 RM'000	audited 31.3.2024 RM'000
Assets		
Investment properties	686,056	686,000
Total non-current assets	<u>686,056</u>	<u>686,000</u>
Trade and other receivables ^(Note 1)	11,369	3,625
Cash and cash equivalents	13,432	20,549
Total current assets	<u>24,801</u>	<u>24,174</u>
Total assets	<u><u>710,857</u></u>	<u><u>710,174</u></u>
Unitholders' funds		
Unitholders' capital	525,539	522,226
Undistributed income	52,926	55,104
Total unitholders' funds	<u>578,465</u>	<u>577,330</u>
Liabilities		
Trade and other payables	17,236	17,340
Deferred tax liabilities	5,539	5,539
Total non-current liabilities	<u>22,775</u>	<u>22,879</u>
Financings	105,594	105,412
Trade and other payables	4,023	4,553
Total current liabilities	<u>109,617</u>	<u>109,965</u>
Total liabilities	<u>132,392</u>	<u>132,844</u>
Total unitholders' funds and liabilities	<u><u>710,857</u></u>	<u><u>710,174</u></u>
Net asset value	578,465	577,330
Number of units in circulation ('000)	527,172	524,782
Net asset value per unit (RM)		
- Before income distribution	1.0973	1.1001
- After income distribution ^(Note 2)	1.0784	1.0814

Note 1: Included in trade and other receivables are deposits amounting to RM5.99 million paid for the proposed acquisition of 4 industrial properties.

Note 2: After reflecting the income distribution of 1.89 sen per unit to be payable on 28 February 2025 (31.3.2024: 1.87 sen per unit paid on 30 May 2024).

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying notes attached to this interim financial report.

AME Real Estate Investment Trust

Unaudited condensed statement of profit or loss and other comprehensive income for the third quarter ended 31 December 2024

	Individual quarter 31.12.2024 RM'000	Individual quarter 31.12.2023 RM'000	Cumulative quarter 31.12.2024 RM'000	Cumulative quarter 31.12.2023 RM'000
Rental income	12,734	12,363	37,841	35,521
Total revenue	12,734	12,363	37,841	35,521
Quit rent and assessment	(485)	(421)	(1,454)	(1,216)
Takaful	(183)	(155)	(537)	(450)
Repair and maintenance	(158)	(150)	(370)	(286)
Other operating expenses	(196)	(91)	(628)	(535)
Property operating expenses	(1,022)	(817)	(2,989)	(2,487)
Net property income	11,712	11,546	34,852	33,034
Profit income	125	85	418	333
Changes in fair value of investment properties	--	855	--	855
Net investment income	11,837	12,486	35,270	34,222
Manager's management fees	(1,123)	(1,093)	(3,344)	(3,155)
Trustee's fees	(44)	(43)	(130)	(127)
Islamic financing costs	(1,366)	(1,164)	(4,059)	(3,049)
Other trust expenses	(149)	(152)	(544)	(492)
Non-property expenses	(2,682)	(2,452)	(8,077)	(6,823)
Income before tax	9,155	10,034	27,193	27,399
Taxation	--	(85)	--	(85)
Net income for the period				
Total comprehensive income for the period	9,155	9,949	27,193	27,314
Distribution adjustments ^(Note 1)	832	(46)	2,359	1,469
Distributable income	9,987	9,903	29,552	28,783
Net income for the period comprises the following:				
- Realised	8,803	8,762	26,026	25,513
- Unrealised	352	1,187	1,167	1,801
	9,155	9,949	27,193	27,314
Weighted average number of units ('000)	526,779	523,434	526,047	522,547
Earnings per unit (sen) ^(Note 2) comprises the following:				
- Realised	1.67	1.67	4.95	4.88
- Unrealised	0.07	0.23	0.22	0.35
	1.74	1.90	5.17	5.23

Note 1: Distribution adjustments comprise the Manager's management fees payable in units and amortisation of capitalised financing costs, net of unbilled lease income receivables and changes in fair value of investment properties less its deferred tax expenses.

Note 2: Derived based on the net income for the period divided by the weighted average number of units.

The unaudited condensed statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying notes attached to this interim financial report.

AME Real Estate Investment Trust

Unaudited condensed statement of changes in net asset value for the period ended 31 December 2024

	Unitholders' capital RM'000	Undistributed income RM'000	Total RM'000
At 1 April 2023	517,412	42,200	559,612
<i>Contributions by and distributions to unitholders</i>			
Manager's management fees paid in units ⁽ⁱ⁾	3,721	--	3,721
Income distribution	--	(28,360)	(28,360)
Total comprehensive income for the period	--	27,314	27,314
At 31 December 2023	<u>521,133</u>	<u>41,154</u>	<u>562,287</u>
At 1 April 2024	522,226	55,104	577,330
<i>Contributions by and distributions to unitholders</i>			
Manager's management fees paid in units ⁽ⁱ⁾	3,313	--	3,313
Income distribution	--	(29,371)	(29,371)
Total comprehensive income for the period	--	27,193	27,193
At 31 December 2024	<u>525,539</u>	<u>52,926</u>	<u>578,465</u>

(i) The Manager's management fees paid in units comprise the following:

	Units '000	Amount RM'000
31.12.2023		
Base and performance fees for the fourth quarter ended 31 March 2023	814	967
Acquisition fees for the fourth quarter ended 31 March 2023	364	427
Base and performance fees for the first quarter ended 30 June 2023	839	1,025
Base and performance fees for the second quarter ended 30 September 2023	827	1,037
Acquisition fee for the third quarter ended 31 December 2023	212	265
	<u>3,056</u>	<u>3,721</u>
31.12.2024		
Base and performance fees for the fourth quarter ended 31 March 2024	783	1,092
Base and performance fees for the first quarter ended 30 June 2024	803	1,101
Base and performance fees for the second quarter ended 30 September 2024	804	1,120
	<u>2,390</u>	<u>3,313</u>

The unaudited condensed statement of changes in net asset value should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying notes attached to this interim financial report.

AME Real Estate Investment Trust

Unaudited condensed statement of cash flows for the period ended 31 December 2024

	Period to date	
	31.12.2024 RM'000	31.12.2023 RM'000
Cash flows from operating activities		
Income before tax	27,193	27,399
Adjustments for:		
Islamic financing costs	4,059	3,049
Manager's management fees paid and payable in units	3,344	--
Profit income	(418)	(333)
Unbilled lease income receivables	(1,167)	(1,031)
Changes in fair value of investment properties	--	(855)
Operating income before changes in working capital	33,011	28,229
Change in trade and other receivables	(6,577)	3,360
Change in trade and other payables	(132)	5,972
Net cash from operating activities	26,302	37,561
Cash flows from investing activities		
Profit income	418	333
Acquisition of investment properties	--	(27,145)
Enhancement of investment properties	(56)	(1,280)
Net cash from/(used in) investing activities	362	(28,092)
Cash flows from financing activities		
Islamic financing costs paid	(4,410)	(2,224)
Proceeds from Islamic financings	--	30,775
Income distribution paid to unitholders	(29,371)	(28,360)
Net cash (used in)/from financing activities	(33,781)	191
Net (decrease)/increase in cash and cash equivalents	(7,117)	9,660
Cash and cash equivalents as at 1 April	20,549	10,660
Cash and cash equivalents as at 31 December	13,432	20,320

Cash and cash equivalents included in the unaudited condensed statement of cash flows comprise the following amounts from the unaudited condensed statement of financial position:

	Period to date	
	31.12.2024 RM'000	31.12.2023 RM'000
Cash and cash equivalents:		
- cash and bank balances	5,266	4,293
- Islamic deposits with licensed banks	8,166	16,027
	13,432	20,320

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying notes attached to this interim financial report.

AME Real Estate Investment Trust

Notes to the interim financial report

Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 and International Accounting Standards (“IAS”) 34 Interim Financial Reporting

A1. Basis of preparation

This interim financial report is unaudited and has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), Malaysian Financial Reporting Standards (MFRS) 134: Interim Financial Reporting and International Accounting Standards (IAS) 34: Interim Financial Reporting.

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 (“AFS FY2024”) and the accompanying notes attached to this interim financial report. The accounting policies and methods of computation adopted in this interim financial report are consistent with those disclosed in the AFS FY2024.

A2. Auditors’ report of preceding financial year

The audited financial statements for the financial year ended 31 March 2024 were not subject to any qualifications.

A3. Seasonal or cyclical factors

The business operations of AME REIT were not significantly affected by seasonal or cyclical factors.

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of AME REIT during the financial period under review.

A5. Changes in estimates

This is not applicable as no estimates were previously reported.

A6. Debt and equity securities

Issuance of new units	Units '000	Amount RM'000
As at 1 April 2024	524,782	525,868
Manager’s management fees paid in units:		
- Base and performance fees for the fourth quarter ended 31 March 2024	783	1,092
- Base and performance fees for the first quarter ended 30 June 2024	803	1,101
- Base and performance fees for the second quarter ended 30 September 2024	804	1,120
As at 31 December 2024	<u>527,172</u>	<u>529,181</u>

Save as disclosed above, there were no debt and equity securities issued during the financial period under review.

AME Real Estate Investment Trust

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A7. Income distribution

It is the intention of the Manager to distribute at least 90.0% of AME REIT's distributable income on a quarterly basis or such other intervals as the Manager may determine at its absolute discretion.

Subsequent to the period end, the Manager has proposed an interim income distribution of 99.92% of AME REIT's distributable income amounting to RM9.98 million or 1.89 sen per unit (1.60 sen taxable and 0.29 sen non-taxable) for the quarter ended 31 December 2024, to be payable on 28 February 2025 to unitholders whose names appear in the Record of Depositors of AME REIT at the close of business on 7 February 2025.

The total income distribution for the financial period will be RM29.52 million or 5.60 sen per unit, representing 99.90% of AME REIT's distributable income.

A8. Segmental reporting

No segmental information is prepared as AME REIT's activities are in one (1) industry segment in Malaysia.

A9. Valuation of investment properties

The investment properties are valued by independent registered valuers. The differences between the valuations and the carrying amounts of the respective investment properties are charged or credited to the statement of profit or loss and other comprehensive income for the period in which they arise.

A10. Material events subsequent to the statement of financial position date

There were no material events subsequent to the end of the financial period under review that have not been reflected in the interim financial report.

A11. Changes in the composition of AME REIT

AME REIT's fund size increased to 527.17 million units as at 31 December 2024 from 524.78 million units as at 31 March 2024 due to the issuance of new units as disclosed in Note A6.

A12. Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities to be disclosed.

A13. Capital commitments

	31.12.2024 RM'000	31.3.2024 RM'000
Capital expenditure commitments		
Contracted but not provided for		
Investment properties	113,461	--

Saved as disclosed above, there were no other major capital commitments as at 31 December 2024.

AME Real Estate Investment Trust

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A14. Significant related party transactions

The significant related party transactions of AME REIT are shown below.

	Individual quarter 31.12.2024 RM'000	Individual quarter 31.12.2023 RM'000	Cumulative quarter 31.12.2024 RM'000	Cumulative quarter 31.12.2023 RM'000
Manager				
Manager's management fees	<u>(1,123)</u>	<u>(1,358)</u>	<u>(3,344)</u>	<u>(3,420)</u>
Companies related to the Manager				
Rental income	2,886	2,859	8,658	8,577
Acquisition of investment properties	--	(26,500)	--	(26,500)
Enhancement of investment properties	<u>(16)</u>	<u>(1,280)</u>	<u>(16)</u>	<u>(1,280)</u>

AME Real Estate Investment Trust

Part B: Additional information pursuant to Paragraph 9.44 of the Listing Requirements

B1. Review of performance

	Individual quarter 31.12.2024 RM'000	Individual quarter 31.12.2023 RM'000	Cumulative quarter 31.12.2024 RM'000	Cumulative quarter 31.12.2023 RM'000
Revenue	12,734	12,363	37,841	35,521
Net property income	11,712	11,546	34,852	33,034
Income before tax	9,155	10,034	27,193	27,399
Net income for the period	9,155	9,949	27,193	27,314
Distributable income	9,987	9,903	29,552	28,783

Current quarter results

AME REIT recorded total revenue of RM12.73 million, net property income of RM11.71 million, income before tax and net income for the period of RM9.16 million respectively. The distributable income of AME REIT is RM9.99 million.

The overall increase in revenue, net property income and distributable income as compared to the corresponding quarter is mainly due to the rental income earned from a property acquired during October 2023 of the corresponding quarter had been recognised in full three (3) months in the current quarter under review, in addition to the tenancy renewals at higher rental rates. The lower income before tax and net income for the period are mainly due to the fair value gain on investment properties recognised during the corresponding quarter while none was recognised during the current quarter under review.

Financial period results

AME REIT recorded total revenue of RM37.84 million, net property income of RM34.85 million, income before tax and net income for the period of RM27.19 million respectively. The distributable income of AME REIT is RM29.55 million.

The overall increase in revenue, net property income and distributable income as compared to the corresponding financial period is mainly due to the rental income earned from a property acquired in October 2023 of the corresponding financial period had been recognised in full nine (9) months in the current period under review, in addition to the tenancy renewals at higher rental rates. The lower income before tax and net income for the period are mainly due to the fair value gain on investment properties recognised during the corresponding financial period while none was recognised during the current financial period under review.

B2. Comparison with immediate preceding quarter

	Current quarter 31.12.2024 RM'000	Immediate preceding quarter 30.9.2024 RM'000	Changes %
Revenue	12,734	12,779	--
Net property income	11,712	11,714	--
Income before tax	9,155	9,144	--
Net income for the period	9,155	9,144	--
Distributable income	9,987	9,878	1

The revenue and income of the current quarter under review and immediate preceding quarter remain comparable.

AME Real Estate Investment Trust

Part B: Additional information pursuant to Paragraph 9.44 of the Listing Requirements (continued)

B3. Prospects

The Manager will continue to drive the growth of AME REIT through its strategies as disclosed in Note B5.

Given that AME REIT's existing industrial and industrial related properties portfolio has 100% occupancy rate, the Manager is optimistic to achieve a favourable performance for the financial year ending 31 March 2025.

B4. Investment objectives

The Manager's key objective is to provide unitholders with a stable and growing distribution of income and to achieve long-term growth in the net asset value per unit.

B5. Strategies and policies

The Manager intends to achieve the investment objectives through the implementation of the following strategies:

- (i) Acquisition growth strategy – The Manager will leverage on AME Group's future property development projects as well as third party properties to source for and acquire properties within Malaysia that fit within AME REIT's investment strategy to generate stable cash flows and potential for long-term income and capital growth;
- (ii) Proactive asset management strategy – The Manager will seek to optimise and maintain high occupancy rates, achieve stable rental growth and maximise investment returns; and
- (iii) Capital and risk management strategy – The Manager intends to optimise AME REIT's capital structure and cost of capital within the financing limits set out in the REIT Guidelines and intends to use a combination of Islamic financing and equity financing to fund future acquisitions and capital expenditure.

B6. Portfolio composition

During the financial period under review, the portfolio of AME REIT consists of thirty-seven (37) investment properties, of which thirty-three (34) are industrial properties and three (3) are industrial-related properties.

B7. Utilisation of proceeds raised from any issuance of new units

There were no issuances of new units during the financial period under review other than as disclosed in Note A6.

AME Real Estate Investment Trust

Part B: Additional information pursuant to Paragraph 9.44 of the Listing Requirements (continued)

B8. Income distribution

The income distribution to unitholders is from the following sources:

	Individual quarter 31.12.2024 RM'000	Individual quarter 31.12.2023 RM'000	Cumulative quarter 31.12.2024 RM'000	Cumulative quarter 31.12.2023 RM'000
Rental income	12,734	12,363	37,841	35,521
Profit income	125	85	418	333
Less: Unbilled lease income receivables	(352)	(417)	(1,167)	(1,031)
Total income	12,507	12,031	37,092	34,823
Less: Expenses	(3,704)	(3,269)	(11,066)	(9,310)
Realised income for the period	8,803	8,762	26,026	25,513
Add: Non-cash items	1,184	1,141	3,526	3,270
Total realised income available for the period	9,987	9,903	29,552	28,783
Add: Brought forward undistributed realised income available for distribution	35	37	13	--
Total realised income available for distribution	10,022	9,940	29,565	28,783
Less: Income to be distributed for the period	(9,979)	(9,866)	(29,522)	(28,709)
Balance undistributed realised income available for distribution	43	74	43	74
Distribution per unit (sen)	1.89	1.88	5.60	5.48

B9. Taxation

Pursuant to Section 61A of the Income Tax Act, 1967 ("Act"), income of AME REIT will be exempted from tax provided that at least 90% of its total income (as defined in the Act) is distributed to the investors in the basis period of AME REIT for that year of assessment within two (2) months after the close of the financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two (2) months after the close of AME REIT's financial year which forms the basis period for a year of assessment, AME REIT will be subject to income tax at the prevailing tax rate on its total income.

As AME REIT intends to declare more than 90% of its distributable income to its unitholders for the financial year ending 31 March 2025, no provision for taxation has been made for the financial period.

B10. Status of corporate proposals

On 24 July 2024, the following have been entered into for a total cash consideration of RM119.45 million.

- (i) a conditional sale and purchase agreement between Pentagon Land Sdn Bhd, a wholly-owned subsidiary of AME Elite Consortium Berhad ("AME Elite") ("Pentagon Land") and RHB Trustees Berhad, being the trustee of AME REIT ("Trustee") for the proposed acquisition of i-TechValley 34 (as defined in the announcement) for a cash consideration of RM27.00 million ("Proposed i-TechValley 34 Acquisition");
- (ii) a conditional sale and purchase agreement between Pentagon Land and the Trustee for the proposed acquisition of i-TechValley 46 (as defined in the announcement) for a cash consideration of RM27.45 million ("Proposed i-TechValley 46 Acquisition");

AME Real Estate Investment Trust

Part B: Additional information pursuant to Paragraph 9.44 of the Listing Requirements (continued)

B10. Status of corporate proposals (continued)

- (iii) a conditional sale and purchase agreement between Ipark Development Sdn Bhd, a 80.0%-owned subsidiary of AME Integrated Sdn Bhd, which in turn is a 99.9%-owned subsidiary of AME Elite (“Ipark Development”) and the Trustee for the proposed acquisition of i-Park SAC 23 & 24 (as defined in the announcement) for a cash consideration of RM45.00 million (“Proposed i-Park SAC 23 & 24 Acquisition”); and
- (iv) a conditional sale and purchase agreement between Ipark Development and the Trustee for the proposed acquisition of i-Park SAC 60 & 61 (as defined in the announcement) for a cash consideration of RM20.00 million (“Proposed i-Park SAC 60 & 61 Acquisition”).

(The Proposed i-TechValley 34 Acquisition, Proposed i-TechValley 46 Acquisition, Proposed i-Park SAC 23 & 24 Acquisition and Proposed i-Park SAC 60 & 61 Acquisition are collectively referred to as the “Proposed Acquisitions”.)

The Proposed Acquisitions are subject to the fulfilment of conditions precedent, including the approval of the unitholders of AME REIT at an extraordinary general meeting which was obtained on 7 November 2024.

There were no other corporate proposals pending completion as at the date of this report.

B11. Financings

	31.12.2024 RM'000	31.3.2024 RM'000
Secured		
Current		
Islamic revolving credits	<u>105,594</u>	<u>105,412</u>

B12. Material litigation

There was no pending material litigation as at the date of this report.

B13. Soft commission received

There was no soft commission received by the Manager or its delegates during the financial period under review.

B14. Income before tax

	Individual quarter 31.12.2024 RM'000	Individual quarter 31.12.2023 RM'000	Cumulative quarter 31.12.2024 RM'000	Cumulative quarter 31.12.2023 RM'000
Income before tax is arrived at after charging:				
Islamic financing costs	<u>1,366</u>	<u>1,164</u>	<u>4,059</u>	<u>3,049</u>

AME Real Estate Investment Trust

Part B: Additional information pursuant to Paragraph 9.44 of the Listing Requirements (continued)

B15. Summary of DPU, EPU, NAV and market price

	Current quarter 31.12.2024	Immediate preceding quarter 30.9.2024
Number of units in issue ('000)	527,172	526,368
Earnings per unit ("EPU") (realised) (sen)	1.67	1.65
EPU (included unrealised income) (sen)	1.74	1.73
Total comprehensive income (RM'000)	9,155	9,144
Distributable income (RM'000)	9,987	9,878
Distribution per unit ("DPU") (sen)	1.89	1.87
Net asset value ("NAV") (RM'000)	578,465	578,048
NAV per unit (RM)	1.0973	1.0982
Market value per unit (RM)	<u>1.41</u>	<u>1.46</u>

B16. Responsibility statement

In the opinion of the Directors of the Manager, this interim financial report has been prepared in accordance with the Listing Requirements, MFRS 134: Interim Financial Reporting and IAS 34: Interim Financial Reporting so as to give a true and fair view of the financial position of AME REIT as at 31 December 2024 and its financial performance and cash flows for the financial period on that date and duly authorised for release by the Board of Directors of the Manager on 22 January 2025.