



## CONDENSED FINANCIAL STATEMENTS

FOURTH QUARTER ENDED 31 MARCH 2017

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# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.03.2017 RM'000	Preceding Year Corresponding Quarter 31.03.2016 RM'000	Current Year To Date 31.03.2017 RM'000	Preceding Year To Date 31.03.2016 RM'000
<b>Gross revenue</b>	28,568	26,032	111,539	99,794
Property expenses	(9,544)	(9,543)	(38,737)	(38,702)
<b>Net property income</b>	19,024	16,489	72,802	61,092
Interest income	24	40	109	118
Other income	41	612	148	642
Gain on disposal of investment property	-	12,223	-	12,223
	19,089	29,363	73,059	74,075
<b>Administrative expenses</b>				
Manager's fee	(1,862)	(1,788)	(7,314)	(6,323)
Trustee's fee	(87)	(85)	(348)	(337)
Valuation fee	85	41	(180)	(198)
Auditors' remuneration	(15)	(3)	(61)	(54)
Tax agent's fee	(7)	(7)	(40)	(16)
Others expenses	(332)	(661)	(1,103)	(1,448)
Interest expense	(9,008)	(8,585)	(36,125)	(27,342)
	(11,225)	(11,088)	(45,170)	(35,718)
<b>Realised net income</b>	7,864	18,276	27,889	38,357
Change in fair value of investment properties	(6,568)	31,377	(6,568)	31,377
Unrealised gain/(loss) on revaluation of derivative	286	(2,937)	1,442	(1,994)
Unrealised gain/(loss) on financial liabilities measured at amortised cost	(323)	680	(524)	632
<b>Profit before taxation</b>	1,259	47,396	22,239	68,372
Taxation	-	-	-	-
<b>Profit for the financial year</b>	1,259	47,396	22,239	68,372
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the year</b>	1,259	47,396	22,239	68,372
<b>Total comprehensive income for the year is made up as follows:-</b>				
- Realised	7,864	18,276	27,889	38,357
- Unrealised	(6,605)	29,120	(5,650)	30,015
	1,259	47,396	22,239	68,372
<b>Basic Earnings Per Unit (EPU) (sen)</b>				
- Realised	1.15	2.66	4.06	5.59
- Unrealised	(0.96)	4.24	(0.82)	4.37
	0.19	6.90	3.24	9.96

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 31.03.2017 (Unaudited) RM'000	As At 31.03.2016 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	1,662,800	1,627,800
Accrued lease receivable	4,112	-
	1,666,912	1,627,800
<b>Current Assets</b>		
Trade receivables	1,742	2,973
Accrued lease receivable	156	-
Other receivables, deposits and prepayments	3,778	52,581
Deposits with financial institution	2,818	9,020
Cash and bank balances	4,159	35,758
	12,653	100,332
<b>TOTAL ASSETS</b>	<b>1,679,565</b>	<b>1,728,132</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Rental deposits	12,086	16,649
Borrowings	686,143	648,516
Derivatives	1,283	3,087
	699,512	668,252
<b>Current Liabilities</b>		
Trade payables	230	510
Other payables and accruals	8,645	17,275
Rental deposits	13,672	12,869
Borrowings	89,000	149,000
Derivatives	1,300	938
	112,847	180,593
<b>TOTAL LIABILITIES</b>	<b>812,359</b>	<b>848,845</b>
<b>NET ASSET VALUE</b>	<b>867,206</b>	<b>879,287</b>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	14,680	21,111
Undistributed income - Unrealised	215,901	221,551
	<b>867,206</b>	<b>879,287</b>
<b>Number of Units In Circulation (Unit) ('000)</b>	<b>686,402</b>	<b>686,402</b>
<b>Net Asset Value (NAV) per unit (RM)</b>		
- Before income distribution	1.2634	1.2810
- After income distribution	1.2421	1.2503

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

	← Undistributed Income →			
	Unitholders' Capital	Realised Income	Unrealised Income	Unitholders' Fund
	RM'000	RM'000	RM'000	RM'000
<b><u>Current Year To Date</u></b>				
<b>As At 1 April 2016</b>	636,625	21,111	221,551	879,287
Total comprehensive income for the year	-	27,889	(5,650)	22,239
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- 2016 final	-	(21,073)	-	(21,073)
- 2017 Interim	-	(13,247)	-	(13,247)
<b>As At 31 March 2017</b>	<u>636,625</u>	<u>14,680</u>	<u>215,901</u>	<u>867,206</u>
<b><u>Preceding Year To Date</u></b>				
<b>As At 1 April 2015</b>	636,625	16,799	188,173	841,597
Total comprehensive income for the year	-	38,357	30,015	68,372
Realisation of unrealised loss on disposal of investment property	-	(3,363)	3,363	-
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- 2015 final	-	(16,748)	-	(16,748)
- 2016 interim	-	(13,934)	-	(13,934)
<b>As At 31 March 2016</b>	<u>636,625</u>	<u>21,111</u>	<u>221,551</u>	<u>879,287</u>

The 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 2016 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Year To Date 31.03.2017 RM'000	Preceding Year To Date 31.03.2016 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	22,239	68,372
<i>Adjustment for :-</i>		
Interest income from placement with financial institution	(109)	(118)
Interest expense	36,125	27,342
Provision of impairment loss on trade receivables	(98)	47
Realised gain on disposal of investment property	-	(12,223)
Change in fair value of investment properties	6,568	(31,377)
Unrealised loss on financial liabilities measured at amortised cost	524	(632)
Unrealised (loss)/gain on revaluation of derivatives	(1,442)	1,994
Operating profit before working capital changes	63,808	53,405
<b>Changes in working capital</b>		
Decrease/ (Increase) in receivables	23,743	(14,973)
Increase/ (Decrease) in payables	(8,751)	8,188
Increase/ (Decrease) in rental deposits	(4,284)	3,994
<b>Net cash generated from operating activities</b>	74,515	50,614
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of investment property	-	(254,107)
Enhancement of investment properties	(19,447)	(33,014)
Net proceeds from disposal of investment property	-	27,721
Interest income	109	118
<b>Net cash used in investing activities</b>	(19,338)	(259,282)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(36,285)	(26,791)
Distributions paid to Unitholders	(34,320)	(30,682)
(Repayment)/Drawdown of borrowings (net)	(22,373)	306,216
<b>Net cash (used in)/generated from financing activities</b>	(92,978)	248,743
<b>Net (decrease)/increase in cash and cash equivalents</b>	(37,801)	40,075
<b>Cash and cash equivalents at the beginning of year</b>	44,778	4,703
<b>Cash and cash equivalents at the end of year</b>	6,977	44,778
<b>Cash and cash equivalents included in the statement of cash flows comprise of the following:</b>		
Cash and bank balances	4,159	35,758
Deposits with financial institution	2,818	9,020
	6,977	44,778

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017**

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#### **EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 AND INTERNATIONAL ACCOUNTING STANDARD (“IAS”) 34**

##### **A1. BASIS OF PREPARATION**

The condensed financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by Malaysian Accounting Standard Board (“MASB”), IAS 34: Interim Financial Reporting, Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), applicable provisions of the Second Restated Deed (the “Deed”) dated 13 September 2013 and the Securities Commission’s (“SC”) Guidelines on Real Estate Investment Trusts.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the preparation of audited financial statements of AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”) for the financial year ended 31 March 2016 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual period beginning on or after 1 April 2016. The adoption of new MFRSs, amendment to MFRSs and IC interpretations does not have any material impact on the financial results of the Trust.

##### **A2. DECLARATION OF AUDIT QUALIFICATION**

The audited financial statements of the Trust for the preceding financial year ended 31 March 2016 was not qualified.

##### **A3. SEASONALITY AND CYCLICALITY OF OPERATIONS**

The operations of the Trust are not affected by material seasonal or cyclical fluctuation.

##### **A4. UNUSUAL ITEMS**

There were no material unusual items affecting the amounts reported for the quarter under review.

##### **A5. CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect for the quarter under review.

##### **A6. ISSUANCE, CANCELLATION, REPURCHASE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the quarter under review.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017**

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#### **A7. SEGMENTAL INFORMATION**

No segmental information is prepared as the Trust's activities are predominantly in one reportable segment and its assets are located in Malaysia.

#### **A8. INCOME DISTRIBUTION PAID**

There was no income distribution paid during the quarter under review.

The Board of Director of the Manager of AmFIRST REIT, has declared a final income distribution of 2.13 sen per unit for the six month period from 1 October 2016 to 31 March 2017 amounting to RM14,620,354, representing approximately 100% of the realized distributable net income for the six-month period ended 31 March 2017, to be payable on 25 May 2017 as disclosed in note B20 below.

#### **A9. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE CURRENT QUARTER**

There were no significant events subsequent to the current quarter ended 31 March 2017.

#### **A10. CHANGES IN THE COMPOSITION OF THE TRUST**

There were no changes in the composition of the Trust during the quarter under review, and the fund size stands at 686,401,600 units as at 31 March 2017.

#### **A11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017

#### A12. VALUATION OF INVESTMENT PROPERTIES

During the quarter under review, a revaluation exercise was undertaken for all investment properties pursuant to clause 10.03 of the Guidelines on Real Estate Investment Trust issued by the Securities Commission Malaysia and MFRS 140.

Description of Property	Tenure of Land	Location	Existing Use	Initial Acquisition Cost RM'000	Valuation As At 31.3.2017 RM'000	% Valuation to Net Asset Value As At 31.3.2017
Bangunan AmBank Group <sup>(i)</sup>	Leasehold	Kuala Lumpur	Office	180,152	259,000	29.9%
Menara AmFIRST <sup>(ii)</sup>	Freehold	Petaling Jaya	Office	57,081	72,500	8.4%
Menara AmBank <sup>(iii)</sup>	Freehold	Kuala Lumpur	Office	230,170	318,800	36.8%
Wisma AmFIRST <sup>(iv)</sup>	Leasehold	Kelana Jaya	Office	86,051	114,000	13.1%
The Summit Subang USJ <sup>(iii)</sup>	Freehold	Subang Jaya	Mixed Commercial Complex	278,719	382,200	44.1%
Prima 9 <sup>(v)</sup>	Freehold	Cyberjaya	Office	72,897	73,000	8.4%
Prima 10 <sup>(v)</sup>	Freehold	Cyberjaya	Office	61,747	66,300	7.6%
Kompleks Tun Sri Lanang <sup>(vi)</sup>	Leasehold	Melaka	Office	87,226	102,000	11.8%
Mydin Hypermall <sup>(vii)</sup>	Freehold	Penang	Retail	254,107	275,000	31.7%
				<b>1,308,150</b>	<b>1,662,800</b>	

- (i) This property was revalued on 20 February 2017 by Rahim & Co Chartered Surveyors Sdn Bhd ("Rahim & Co"), independent professional valuers. The leasehold land will expire on 3 June 2084.
- (ii) This property was revalued on 23 February 2017 by Rahim & Co.
- (iii) These properties were revalued on 20 February 2017 by Rahim & Co.
- (iv) This property was revalued on 8 February 2017 by Cheston International (KL) Sdn Bhd ("Cheston"), independent professional valuers. The leasehold land will expire on 19 February 2094.
- (v) These two properties were revalued on 7 February 2017 by Cheston.
- (vi) This property was revalued on 6 February 2017 by Cheston. The leasehold land will expire on 7 October 2109.
- (vii) The property was revalued on 8 February 2017 by Cheston.

#### A13. REALISED AND UNREALISED INCOME DISCLOSURE

The breakdown of undistributed income into realised and unrealised as at 31 March 2017 is summarised as below: -

	As At 31.3.2017 RM'000	As At 31.3.2016 RM'000
<b>Realised</b>		
Distributable undistributed income	14,680	21,112
<b>Unrealised</b>		
Cumulative net change in fair value of investment properties	217,058	223,626
Unrealised loss on revaluation of derivatives	(2,583)	(4,025)
Unrealised gain on financial liabilities measured at amortised cost	1,426	1,949
	<b>230,581</b>	<b>242,662</b>



## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017

#### ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

##### B1. REVIEW OF PERFORMANCE

The Trust recorded gross revenue and net property income of RM111.5 million and RM72.8 million respectively for the financial year ended 31 March 2017, an increase of 11.8% and 19.2% respectively as compared to the preceding corresponding year mainly due to additional revenue from the newly acquired property, Mydin HyperMall and higher occupancy in Menara AmBank.

However, the net positive contribution from Mydin HyperMall and the higher revenue from Menara AmBank have been partially offset by lower revenue from Prima 10, The Summit Subang USJ (Office) and Menara AmFIRST as a result of lower occupancy as well as exclusion of AmBank Group Leadership Centre ("AGLC") upon its divestment on 31 March 2016.

Interest expenses for the financial year ended 31 March 2017 of RM36.1 million was higher by 32.1% as compared to the preceding corresponding year as a result of the additional borrowing to finance the acquisition of Mydin HyperMall and various asset enhancement initiatives of the existing properties.

Excluded the one-off realised gain of RM12.2 million from the disposal of AGLC recorded in preceding corresponding year ended 31 March 2016, the overall distributable realised net income from operation for the financial year ended 31 March 2017 of RM27.9 million was higher by 6.9% as compared to preceding corresponding year of RM26.1 million.

##### B2. CHANGES IN THE STATE OF AFFAIRS

There was no material change in the state of affairs of the Trust for the quarter under review.

##### B3. MATERIAL CHANGE IN THE INCOME BEFORE TAXATION FOR THE CURRENT QUARTER AS COMPARED TO THE IMMEDIATE PRECEDING QUARTER

	Current Quarter Ended 31.3.2017 RM'000	Immediate Preceding Quarter Ended 31.12.2016 RM'000
Realised net income	7,864	6,759
Unrealised (loss)/income		
- (Loss)/Gain on financial liabilities measured at amortised cost	(323)	215
- Loss on revaluation of investment properties	(6,568)	-
- Gain on revaluation of derivatives	286	2,525
<b>Income Before Taxation</b>	<b>1,259</b>	<b>9,499</b>

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017

#### B4. CHANGES IN PORTFOLIO COMPOSITION

There were no material changes in the portfolio composition of AmFIRST REIT for the quarter under review. As at 31 March 2017, the Trust's composition of investment portfolio is as follow:-

	Cost of Investment # As At 31.3.2017 RM'000	Valuation As At 31.3.2017 RM'000	% Valuation To Net Asset Value As At 31.3.2017 %
Bangunan AmBank Group	193,530	259,000	29.9%
Menara AmBank	257,131	318,800	8.4%
Menara AmFIRST	64,723	72,500	36.8%
Wisma AmFIRST	94,626	114,000	13.1%
The Summit Subang USJ	358,138	382,200	44.1%
Prima 9	73,224	73,000	8.4%
Prima 10	62,305	66,300	7.6%
Kompleks Tun Sri Lanang	87,941	102,000	11.8%
Mydin HyperMall	254,124	275,000	31.7%
	<u>1,445,742</u>	<u>1,662,800</u>	

# Cost of investment comprised purchase consideration paid, incidental cost of acquisition and capital expenditure incurred since acquisition.

#### B5. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As at 31.3.2017 RM'000	As at 31.3.2016 RM'000
Net Asset Value ("NAV")	<b>867,206</b>	879,287
NAV Per Unit (RM)		
- Before income distribution	<b>1.2634</b>	1.2810
- After income distribution	<b>1.2421</b>	1.2503
Closing Unit Price Per Unit (RM)	<b>0.810</b>	0.750

The NAV per Unit after income distribution is calculated after taking into consideration the income distribution of approximately 100% of the realised distributable income at the end of the reporting period.

#### B6. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

There was no issuance of new units for the quarter under review.

**B7. CHANGES IN MATERIAL LITIGATION**

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

**B8. CIRCUMSTANCES AFFECTING INTEREST OF UNITHOLDERS**

There were no unusual circumstances which materially affect the interest of the unitholders for the quarter under review.

**B9. REVIEW OF COMMERCIAL PROPERTY MARKET**

The prevailing slowdown of the global and local economies continues to negatively impact the overall office and retail markets. The reduced demand and increased incoming supply continue to exert downward pressure on rental and occupancy rates.

**B10. PROSPECTS**

The main challenge ahead is to further improve the occupancy in some of the properties within the portfolio. Mindful of the challenging market condition, the Manager will continue to strengthen the operation initiatives and step up leasing effort to improve the occupancy of the properties under the Trust's portfolio.

Barring any unforeseen circumstances, the Manager expects the Trust to deliver an improved performance for the financial year ending 31 March 2018.

**B11. MAJOR MAINTENANCE COSTS AND CAPITAL EXPENDITURE**

During the quarter ended 31 March 2017, a total of approximately RM3.2 million has been incurred or capitalized for upgrading and enhancement of the investment properties where the bulk of the amount was on The Summit Subang USJ and Menara AmBank.

**B12. SOFT COMMISSION**

During the quarter ended 31 March 2017, the Manager did not receive any soft commission from its broker or dealer by virtue of transaction conducted by the Trust.

**B13. REVENUE RECOGNITION**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and the revenue can be reliably measured. Rental income arising from operating leases on investment properties is accounted for on straight-line basis over the lease term. The aggregate costs of incentives provided to lessee are recognized as a reduction of rental income over the lease term on a straight-line basis.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017

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#### B14. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals previously announced but not completed as at the date of this report.

#### B15. MANAGER'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Manager's fee consist of a base fee up to 0.50% per annum of the total asset value of the Trust (excluding any taxes payable) and a performance fee of 3.0% per annum of net property income (excluding any taxes payable), accruing monthly but before deduction of property management fee.

For the current quarter ended 31 March 2017, the Manager's fee consists of a base fee of 0.30% per annum and performance fee of 3.0% per annum.

#### B16. TRUSTEE'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Trustee is entitled to receive a fee up to 0.10% per annum of the net asset value of the Trust.

For the current quarter ended 31 March 2017, the Trustee's fee is calculated based on 0.03% per annum of the net asset value.

#### B17. UNITS HELD BY RELATED PARTIES

As at 31 March 2017, the Manager and all the directors did not hold any units in AmFIRST REIT. However, the parties related to the Manager who holds units in AmFIRST REIT are as follows:

	Number of Unit 000	Market Value RM'000
<b>Unitholdings of parties related to the Manager</b>		
AmBank (M) Berhad	183,489	148,626
Yayasan Azman Hashim	41,779	33,841
Jadeline Capital Sdn Bhd	36,168	29,296
AmMetLife Insurance Berhad on behalf of Life Fund	11,200	9,072
Azman bin Hashim	849	688

1. Direct interest held through nominees account registered in the name of Malacca Equity Nominees (Tempatan) Sdn Bhd.

The market value is determined by multiplying the number of units with the closing unit price of RM0.81 per unit as at 31 March 2017.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017

#### B18. TAXATION

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to unit holders, the total income of the Trust for that year of assessment shall be exempted from tax.

There will be no tax payable for the Trust as the Trust distribute at least 90% of the total income to unit holders for the financial year ended 31 March 2017.

Reconciliation between the applicable income tax expense and the effective income tax expense of the Trust is as follows:-

	Current Year 31.3.2017 RM'000	Preceding Corresponding Year 31.3.2016 RM'000
Current tax expense	-	-
<b>Reconciliation of effective tax expense</b>		
Income before taxation	<b>22,239</b>	68,373
Income tax using Malaysian tax rate of 24% (2016: 24%)	<b>5,337</b>	16,409
Effects of non-deductible expenses	<b>348</b>	429
Effect of fair value adjustment on investment properties not subject to tax	<b>(1,576)</b>	7,530
Effects of income exempted from tax	<b>(4,109)</b>	(24,369)
Tax expense	-	-

#### B19. DERIVATIVE

	Fair Value as at 31 March 2017	
	Asset RM'000	Liability RM'000
<u>Interest Rate Swap contract</u>		
Non-current	-	1,283
Current	-	1,300

- (i) On 6<sup>th</sup> January 2015, the Trust entered into a 5-year Interest Rate Swap ("IRS") forward contract with a notional amount of RM100,000,000 to hedge the Trust's floating interest rate for fixed rate in order to mitigate the risk on fluctuating interest rate. In this IRS contract, the Trust pays a fixed rate of 4.25% per annum in exchange of the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR).
- (ii) On 18<sup>th</sup> January 2016, the Trust entered into a second 5-year Interest Rate Swap ("IRS") contract with a notional amount of RM100,000,000 to further hedge the Trust's floating interest rate exposure. In this IRS contract, the Trust pays a fixed rate of 4.09% per annum in exchange of the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR).

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017

#### B20. INCOME DISTRIBUTION

The Board of Director of the Manager of AmFIRST REIT, has declared a final income distribution of 2.13 sen per unit for the six-month period from 1 October 2016 to 31 March 2017 amounting to RM14,620,354, representing approximately 100% of the realized distributable net income for the six-month period from 1 October 2016 to 31 March 2017, payable on 25 May 2017.

The final income distribution for the six-month period ended 31 March 2017 is from the following sources: -

	<b>01.04.2016 To 31.03.2017 RM'000</b>	<b>01.04.2015 To 31.03.2016 RM'000</b>
Rental income	111,539	99,794
Interest income	109	118
Net gain from disposal of investment property	-	12,223
Other income	148	642
<b>Total income</b>	<b>111,796</b>	<b>112,777</b>
Less : Total expenses (before manager's fees)	(76,593)	(68,097)
Net income before taxation (before manager's fees)	35,203	44,680
Less : Manager's fees	(7,314)	(6,323)
Net income before taxation	27,889	38,357
Less : Taxation	-	-
Realised net income after taxation	27,889	38,357
Add : Undistributed realised income brought forward	39	51
Less : Realisation of unrealised loss <sup>(i)</sup>	-	(3,363)
Total income available for distribution	27,928	35,045
Less : Interim income distribution	(13,248)	(13,933)
<b>Total income available for distribution</b>	<b>14,680</b>	<b>21,112</b>
<b>Less : Proposed final income distribution</b>	<b>(14,620)</b>	<b>(21,073)</b>
Undistributed realised income carried forward	60	39
Number of unit in circulation ('000)	686,402	686,402
<b>Interim income distribution per unit (Sen)</b>	<b>1.93</b>	<b>2.03</b>
<b>Final income distribution per unit (Sen)</b>	<b>2.13</b>	<b>3.07</b>
<b>Total income distribution per unit (Sen)</b>	<b>4.06</b>	<b>5.10</b>

(i) This is related to the realisation of the unrealised revaluation loss of AGLC, which was disposed in preceding financial year ended 31 March 2016.

Pursuant to the amended Section 109D of the Income Tax Act, 1967, the following withholding tax rates will be deducted for distribution made to the following categories of Unitholders:

- Resident and non-resident individuals (withholding tax at 10%)
- Resident and non-resident institution investors (withholding tax at 10%)
- Resident companies (no withholding tax, to tax at prevailing corporate tax rate)
- Non-resident corporate (withholding tax at 24%)

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2017**

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#### **B21. STATEMENT BY THE DIRECTORS OF THE MANAGER**

In the opinion of the Board of Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standard Board ("MASB"), IAS 34: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of AmFIRST REIT as at 31 March 2017 and of its financial performance and cash flows for the period ended 31 March 2017 and duly authorised for release by the Board of Directors of the Manager on 18 April 2017.