



CONDENSED FINANCIAL STATEMENTS

FIRST QUARTER ENDED 30 JUNE 2018

<u>Contents</u>	<u>Page</u>
Condensed Statement of Comprehensive Income	1
Condensed Statement of Financial Position	2
Condensed Statement of Changes In Net Asset Value	3
Condensed Statement of Cash Flows	4
Notes to the Financial Statements	5 - 13

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 30.06.2018 RM'000	Preceding Year Corresponding Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year To Date 30.06.2017 RM'000
Gross revenue	28,595	28,050	28,595	28,050
Property expenses	(9,581)	(9,705)	(9,581)	(9,705)
Net property income	19,014	18,345	19,014	18,345
Interest income	37	27	37	27
Other income	17	63	17	63
	19,068	18,435	19,068	18,435
Administrative expenses				
Manager's fee	(1,850)	(1,839)	(1,850)	(1,839)
Trustee's fee	(84)	(86)	(84)	(86)
Valuation fee	(40)	(53)	(40)	(53)
Auditors' remuneration	(13)	(13)	(13)	(13)
Tax agent's fee	(4)	(4)	(4)	(4)
Provision for impairment loss on trade receivables	(183)	263	(183)	263
Others expenses	(180)	(80)	(180)	(80)
Interest expense	(9,685)	(9,082)	(9,685)	(9,082)
	(12,039)	(10,894)	(12,039)	(10,894)
Realised net income	7,029	7,541	7,029	7,541
Unrealised gain/(loss) on revaluation of derivative	170	(466)	170	(466)
Unrealised loss on financial liabilities measured at amortised cost	(231)	(682)	(231)	(682)
Profit before taxation	6,968	6,393	6,968	6,393
Taxation	-	-	-	-
Profit for the financial period	6,968	6,393	6,968	6,393
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	6,968	6,393	6,968	6,393
Total comprehensive income for the year is made up as follows:-				
- Realised	7,029	7,541	7,029	7,541
- Unrealised	(61)	(1,148)	(61)	(1,148)
	6,968	6,393	6,968	6,393
Basic Earnings Per Unit (EPU) (sen)				
- Realised	1.02	1.10	1.02	1.10
- Unrealised	(0.01)	(0.17)	(0.01)	(0.17)
	1.01	0.93	1.01	0.93

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 30.06.2018 (Unaudited) RM'000	As At 31.03.2018 (Audited) RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,653,442	1,650,060
Accrued lease receivable	2,886	3,178
	1,656,328	1,653,238
Current Assets		
Trade receivables	2,977	2,046
Accrued lease receivable	1,168	1,168
Other receivables, deposits and prepayments	2,737	3,987
Deposits with financial institution	2,921	2,898
Cash and bank balances	670	1,048
	10,473	11,147
TOTAL ASSETS	1,666,801	1,664,385
LIABILITIES		
Non-Current Liabilities		
Rental deposits	13,874	13,688
Borrowings	558,142	633,042
Derivatives	663	764
	572,679	647,494
Current Liabilities		
Trade payables	1,280	1,340
Other payables and accruals	7,313	6,999
Rental deposits	12,113	12,252
Borrowings	230,494	146,000
Derivatives	867	936
	252,067	167,527
TOTAL LIABILITIES	824,746	815,021
NET ASSET VALUE	842,055	849,364
FINANCED BY:		
UNITHOLDERS' FUNDS		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	8,946	16,194
Undistributed income - Unrealised	196,484	196,545
	842,055	849,364
Number of Units In Circulation (Unit) ('000)	686,402	686,402
Net Asset Value (NAV) per unit (RM)		
- Before income distribution	1.2268	1.2374
- After income distribution	1.2137	1.2166

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 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' Funds
	RM'000	RM'000	RM'000	RM'000
<u>Current Period To Date</u>				
As At 1 April 2018	636,625	16,194	196,545	849,364
Total comprehensive income for the period	-	7,029	(61)	6,968
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- 2018 final	-	(14,277)	-	(14,277)
As At 30 June 2018	<u>636,625</u>	<u>8,946</u>	<u>196,484</u>	<u>842,055</u>
<u>Preceding Period To Date</u>				
As At 1 April 2017	636,625	14,680	215,901	867,206
Total comprehensive income for the period	-	7,541	(1,148)	6,393
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- 2017 final	-	(14,620)	-	(14,620)
As At 30 June 2017	<u>636,625</u>	<u>7,601</u>	<u>214,753</u>	<u>858,979</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 2018 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Year To Date 30.06.2018 RM'000	Preceding Year To Date 30.06.2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,968	6,393
<i>Adjustment for :-</i>		
Interest income from placement with financial institution	(37)	(27)
Interest expense	9,685	9,082
Provision for/(Write back of) impairment loss on trade receivables	180	(263)
Loss on financial liabilities measured at amortised cost	231	682
Unrealised (gain)/loss on revaluation of derivatives	(170)	466
Operating profit before working capital changes	16,857	16,333
Changes in working capital		
Decrease in receivables	431	137
Increase in payables	282	536
(Decrease)/Increase in rental deposits	(184)	525
Net cash generated from operating activities	17,386	17,532
CASH FLOW FROM INVESTING ACTIVITIES		
Enhancement of investment properties	(3,382)	(1,708)
Interest income	37	27
Net cash used in investing activities	(3,345)	(1,681)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(9,713)	(9,139)
Distributions paid to Unitholders	(14,277)	(14,620)
Drawdown of borrowings (net)	9,594	4,318
Net cash used in from financing activities	(14,396)	(19,441)
Net decrease in cash and cash equivalents	(355)	(3,590)
Cash and cash equivalents at the beginning of year	3,946	6,977
Cash and cash equivalents at the end of year	3,591	3,387
Cash and cash equivalents included in the statement of cash flows comprise of the following:		
Deposits with financial institution	2,921	2,838
Cash and bank balances	670	549
	3,591	3,387

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2018

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134

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"), 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 2018 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 2018. 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 2018 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.

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.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2018

A8. INCOME DISTRIBUTION PAID

During the quarter under review, the Trust had on 25 May 2018, paid a final income distribution of 2.08 sen per unit, amounting to RM14,277,155 for the six-month period from 1 October 2017 to 31 March 2018.

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

There were no significant events subsequent to the current quarter ended 30 June 2018.

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 30 June 2018.

A11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

A12. VALUATION OF INVESTMENT PROPERTIES

The valuations of investment properties have been brought forward from the previous audited financial statements for the year ended 31 March 2018.

A13. REALISED AND UNREALISED INCOME DISCLOSURE

The breakdown of undistributed income into realised and unrealised as at 30 June 2018 is summarised as below: -

	As At 30.06.2018 RM'000	As At 31.03.2018 RM'000
<u>Realised</u>		
Distributable undistributed income	8,946	16,194
<u>Unrealised</u>		
Cumulative net change in fair value of investment properties	196,521	196,521
Unrealised loss on revaluation of derivatives	(1,530)	(1,700)
Unrealised gain on financial liabilities measured at amortised cost	1,493	1,724
	196,484	196,545
Total	205,430	212,739

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2018

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

B1. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE

Quarter Results and Year-to-date (1Q FY2019 vs 1Q FY2018)

	Current Year Quarter 30.06.2018	Preceding Year Quarter 30.06.2017	Changes	
	RM'000	RM'000	RM'000	%
Gross Revenue	28,595	28,050	544	1.9%
Property Expenses	(9,581)	(9,705)	124	1.3%
Net Property Income	19,014	18,345	668	3.6%
Interest & Other Income	54	90	(36)	-39.8%
Non-Property Expenses	(2,354)	(1,812)	(542)	-29.9%
Interest Expenses	(9,685)	(9,082)	(603)	-6.6%
Realised Net Income	7,029	7,541	(512)	-6.8%
Unrealised gain/(los) on revaluation of derivatives	170	(466)	636	136.5%
Unrealised loss on financial liabilities measured at amortised cost	(231)	(682)	452	66.2%
Profit for the financial period	6,968	6,393	575	9.0%

For the first quarter ended 30 June 2018, gross revenue increased by 1.9% as compared to preceding year quarter mainly contributed by full occupancy in Prima 9 effective from 1 October 2017 and higher average occupancies at The Summit Retail and Office. However, the increase was partially offset by lower gross revenue in Menara AmBank, Menara AmFIRST and Wisma AmFIRST as a result of lower average occupancy.

Property expenses were lower by 1.3% mainly attributable to lower electricity charges as well as lower repair and maintenance cost in some of the properties within the portfolio.

Non-property expenses were higher by 30.0% mainly due to provision for impairment loss on trade receivable in the current year quarter as opposed to reversal of provision for impairment loss in the preceding year quarter.

Interest expense was higher by 6.6% mainly due to increase in borrowing to finance the various asset enhancement initiatives as well as increase in interest cost as a result of higher cost of fund.

Overall, realised net income for the current year quarter decreased by 6.8% whilst profit for the current year quarter increased by 9.0% to RM6.9 million mainly due to unrealised gain on fair value adjustment of derivatives as well as lower unrealised loss on financial liabilities measured at amortised cost.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2018

B2. FINANCIAL REVIEW FOR CURENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

Quarter Results (1Q FY2019 vs 4Q FY2018)

	Current Year Quarter 30.06.2018	Immediate Preceding Quarter 31.03.2018	Changes	
	RM'000	RM'000	RM'000	%
Gross Revenue	28,595	28,838	(243)	-0.8%
Property Expenses	(9,581)	(9,329)	(252)	-2.7%
Net Property Income	19,014	19,509	(495)	-2.5%
Interest & Other Income	54	29	25	86.7%
Non-Property Expenses	(2,354)	(2,077)	(277)	-13.3%
Interest Expenses	(9,685)	(9,513)	(172)	-1.8%
Realised Net Income	7,029	7,948	(920)	-11.6%
Change in fair value of investment properties	-	(20,537)	20,537	100.0%
Unrealised gain on revaluation of derivatives	170	425	(255)	-60.0%
Unrealised loss on financial liabilities measured at amortised cost	(231)	396	(627)	-158.3%
Profit/(Loss) for the financial period	6,968	(11,769)	18,737	159.2%

Compared to the immediate preceding quarter, the gross revenue of was lower by 0.8% mainly due to lower occupancy at Menara AmBank and Wisma AmFIRST.

Property expenses were higher by 2.7% mainly attributable to higher repair and maintenance expenses in some of the properties within the portfolio.

Non-property expenses were higher by 13.3% mainly due to the provision for impairment loss on trade receivables as opposed to reversal of provision for impairment loss in the immediate preceding quarter.

Quarter to quarter, realised net income for the current quarter decreased by 11.6%. However, profit for the current quarter was RM6.9 million as opposed to loss of RM11.8 million in the immediate preceding quarter mainly due to unrealised loss on revaluation of investment properties of RM20.5 million recorded in immediate preceding quarter.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2018

B3. PROSPECTS

As at 30 June 2018, the overall occupancy of the Trust's portfolio is 83.6%. The overall committed occupancy of the Trust's portfolio is expected to improve to 86.6%, mainly contributed by new tenancies signed up in The Summit Office and Retail. The Manager will continue to adopt appropriate leasing and marketing strategies to increase the overall occupancy of the Trust's portfolio in order to improve the net income and hence, the income distribution to unitholders.

Barring any unforeseen circumstances, the Manager expects the Trust to deliver moderate performance for the financial year ending 31 March 2019.

B4. CHANGES IN THE STATE OF AFFAIRS

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

B5. CHANGES IN PORTFOLIO COMPOSITION

There were no material changes in the portfolio composition of AmFIRST REIT for the quarter under review. As at 30 June 2018, the Trust's composition of investment portfolio is as follow:-

	Cost of Investment # As At 30.06.2018 RM'000	Valuation As At 30.06.2018 RM'000	% Valuation To Net Asset Value As At 30.06.2018 %
Bangunan AmBank Group	195,638	261,306	31.0%
Menara AmBank	260,450	322,339	38.3%
Menara AmFIRST	64,998	72,157	8.6%
Wisma AmFIRST	94,680	114,000	13.5%
The Summit Subang USJ	363,125	365,768	43.4%
Prima 9	73,239	73,200	8.7%
Prima 10	62,329	66,300	7.9%
Kompleks Tun Sri Lanang	88,338	102,372	12.2%
Mydin HyperMall	254,124	276,000	32.8%
	1,456,921	1,653,442	

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

B6. NUMBER OF UNIT LISTED AND ISSUANCE OF NEW UNITS

The total number of unit in circulation is 686,401,600 units. There was no issuance of new units during the quarter under review.

B7. STATUS OF CORPORATE PROPOSALS

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

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
For The First Quarter Ended 30 June 2018

B8. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As at 30.06.2018	As at 31.03.2018
Net Asset Value ("NAV") (RM'000)	842,055	849,364
NAV Per Unit (RM)		
- Before income distribution	1.2268	1.2374
- After income distribution	1.2137	1.2166
Closing Unit Price Per Unit (RM)	0.605	0.600

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.

B9. BORROWINGS AND DEBT SECURITIES

	Long term RM'000	Short term RM'000	Total RM'000
As At 30 June 2018			
Secured			
Term Loan	142,850	-	142,850
Revolving Credit	416,500	229,000	645,500
	559,350	229,000	788,350
Unsecured			
Overdraft	-	1,494	1,494
Loan transaction costs subject to amortisation	(1,208)	-	(1,208)
Total Borrowings	558,142	230,494	788,636
As at 31 March 2018			
Secured			
Term Loan	335,850	57,000	392,850
Revolving Credit	298,500	89,000	387,500
	634,350	146,000	780,350
Unsecured			
Overdraft	-	-	-
Loan transaction costs subject to amortisation	(1,308)	-	(1,308)
Total Borrowings	633,042	146,000	779,042

All the bank borrowings are denominated in Ringgit Malaysia.

As at 30 June 2018, the Trust has RM87.0 million fixed rate bank loan and total Interest rate swap contract of RM200.0 million to mitigate the exposure of volatile interest rate movements. Effectively, 36.8% of the total borrowing has been hedged with fixed interest rate.

The Trust maintained a competitive weighted average interest cost of 4.86% (including the cost of hedging of the interest rate swap contract of RM200.0 million) as at 30 June 2018.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2018

B10. DERIVATIVE

	Notional Value as at 30 June 2018 RM'000	Fair Value as at 30 June 2018 RM'000	
		Asset	Liability
<u>Maturity of Interest Rate Swap contract</u>			
- Less than 1 year	-	-	-
- 1 year to 3 years	200,000	-	1,530
- More than 3 years	-	-	-

- (i) On 6th 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). This 5-year IRS is expiry on 5 January 2020.
- (ii) On 18th January 2016, the Trust entered into a second 5-year 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). This 5-year IRS is expired on 17 January 2021.

B11. MANAGER'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Manager's fee consists 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 30 June 2018, the Manager's fee consists of a base fee of 0.30% per annum and performance fee of 3.0% per annum.

B12. 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 30 June 2018, the Trustee's fee is calculated based on 0.03% per annum of the net asset value.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The First Quarter Ended 30 June 2018

B13. UNITS HELD BY RELATED PARTIES

As at 30 June 2018, 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 Holdings (‘000)	Market Value RM’000
Unitholdings of parties related to the Manager		
AmBank (M) Berhad	183,489	111,011
Yayasan Azman Hashim	41,779	25,277
Amcorp Group Berhad	13,650	8,258
AmMetLife Insurance Berhad on behalf of Life Fund	11,200	6,776

The market value is determined by multiplying the number of units with the closing unit price of RM0.605 per unit as at 30 June 2018.

B14. 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 intends to distribute at least 90% of the total income to unit holders for the financial year ending 31 March 2019.

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

	Current Year 30.06.2018 RM’000	Preceding Corresponding Year 30.06.2017 RM’000
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	6,968	6,393
Income tax using Malaysian tax rate of 24% (2017 : 24%)	1,672	1,534
Effects of non-deductible expenses	76	74
Effects of income exempted from tax	(1,748)	(1,608)
Tax expense	-	-

B15. INCOME DISTRIBUTION

During the current quarter under review, the Trust had on 25 May 2018, paid a final income distribution of 2.08 sen per unit for the six-month financial period from 1 October 2017 to 31 March 2018, totaling RM14,277,155.

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%)

B16. MATERIAL LITIGATION

Legal Proceedings Instituted by Swan Property Sdn Bhd & 14 Others VS. The Summit Subang USJ Management Corporation and Maybank Trustees Berhad (as Trustee for AmFIRST Real Estate Investment Trust by way of Kuala Lumpur High Court Suit No. WA-22NCC-82-02/2018 (“Kuala Lumpur Suit”))

Following the case management on 16 May 2018 where the Court gave further directions on the exchange of affidavits in respect of the interlocutory applications, the Plaintiffs had filed an application on 21 May 2018 to amend their Statement of Claim. On 21 June 2018, the Plaintiffs had served an Amended Statement of Claim dated 14 June 2018 on AmFIRST REIT Trustees’ solicitors. The reliefs sought for by the Plaintiffs remain the same in the Amended Statement of Claim, with damages to be assessed and alternatively, a declaration that the proprietors of the Summit USJ (including AmFIRST REIT Trustee) to bear certain renovation / refurbishment costs (to be quantified).

AmFIRST REIT Trustee is disputing the allegations against AmFIRST REIT Trustee and has filed its Amended Defence and an application to strike out the Plaintiffs’ Amended Statement of Claim (“**AmFIRST REIT Trustees’ Striking Out Application**”).

The solicitor representing AmFIRST REIT Trustee maintains the view that there is a credible defence against the Plaintiffs’ claims.

A 4-day trial has been fixed from 12 November 2018 until 15 November 2018 and depending on the outcome of AmFIRST REIT Trustees’ Striking Out Application, which has been fixed for hearing on 27 August 2018.

B17. 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 30 June 2018 and of its financial performance and cash flows for the period ended 30 June 2018 and duly authorised for release by the Board of Directors of the Manager on 16 August 2018.