



## CONDENSED FINANCIAL STATEMENTS

FOURTH QUARTER ENDED 31 MARCH 2020

---

<b><u>Contents</u></b>	<b><u>Page</u></b>
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 - 19

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.3.2020 RM'000	Preceding Year Corresponding Quarter 31.3.2019 RM'000 Restated	Current Year To Date 31.3.2020 RM'000	Preceding Year To Date 31.3.2019 RM'000 Restated
<b>Gross revenue</b>				
- Realised	28,783	29,266	116,036	116,583
- Unrealised (in relation to unbilled lease rental receivable)	4,646	4,646	4,646	4,646
	33,429	33,912	120,682	121,229
Property expenses	(11,013)	(10,497)	(44,118)	(41,287)
<b>Net property income</b>	22,416	23,415	76,564	79,942
Interest income	31	14	85	111
Other income	39	149	254	192
Change in fair value of investment properties	(4,372)	(10,875)	(4,372)	(10,875)
Unrealised (loss)/gain on revaluation of derivative	(146)	(142)	531	259
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(304)	200	(290)	57
	17,664	12,761	72,772	69,686
<b>Administrative expenses</b>				
Manager's fee	(1,827)	(1,855)	(7,327)	(7,404)
Trustee's fee	(84)	(85)	(336)	(339)
Valuation fee	(26)	(30)	(208)	(196)
Auditors' remuneration	(11)	(13)	(54)	(54)
Tax agent's fee	(3)	(2)	(9)	(14)
Impairment loss on trade receivables	(200)	74	(343)	(60)
Others expenses	(26)	6	(555)	(503)
Interest expense	(9,063)	(9,603)	(37,932)	(38,823)
	(11,240)	(11,508)	(46,764)	(47,393)
<b>Profit before taxation</b>	6,424	1,253	26,008	22,293
Taxation	(2,421)	-	(2,421)	-
<b>Profit for the financial year</b>	4,003	1,253	23,587	22,293
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the year</b>	4,003	1,253	23,587	22,293
<b>Total comprehensive income for the year is made up as follows:-</b>				
- Realised	6,599	7,423	25,493	28,206
- Unrealised	(2,596)	(6,170)	(1,906)	(5,913)
	4,003	1,253	23,587	22,293
<b>Number of units in circulation (Unit) ('000)</b>	686,402	686,402	686,402	686,402
<b>Basic Earnings Per Unit (EPU) (sen)</b>				
- Realised	0.96	1.08	3.71	4.11
- Unrealised	(0.38)	(0.90)	(0.27)	(0.86)
	0.58	0.18	3.44	3.25

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 31.3.2020 (Unaudited) RM'000	As At 31.3.2019 (Audited) RM'000 Restated
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	1,647,140	1,642,331
Right-of-use assets	147	-
Accrued lease receivable	20,902	17,106
	1,668,189	1,659,437
<b>Current Assets</b>		
Receivables	6,887	10,144
Deposits with financial institution	2,969	1,418
Cash and bank balances	1,101	847
	10,957	12,409
<b>TOTAL ASSETS</b>	1,679,146	1,671,846
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Rental deposits	15,568	15,670
Borrowings	446,904	695,357
Deferred tax liability	2,421	-
Derivatives	-	396
Lease liabilities	20	-
	464,913	711,423
<b>Current Liabilities</b>		
Trade payables	1,291	197
Other payables and accruals	7,015	6,656
Lease liabilities	131	-
Rental deposits	12,376	12,252
Borrowings	351,766	95,729
Derivatives	910	1,045
	373,488	115,879
<b>TOTAL LIABILITIES</b>	838,402	827,302
<b>NET ASSET VALUE</b>	<b>840,744</b>	<b>844,544</b>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	15,393	17,287
Undistributed income - Unrealised	188,726	190,632
	<b>840,744</b>	<b>844,544</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	1.2249	1.2304
- After income distribution	1.2100	1.2091

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements statements for the financial year ended 31 March 2019 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
<b><u>Current Period To Date</u></b>				
<b>As At 1 April 2019</b>	636,625	17,287	190,632	844,544
Total comprehensive income for the period	-	25,493	(1,906)	23,587
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- 2019 Final	-	(14,620)	-	(14,620)
- 2020 Interim	-	(12,767)	-	(12,767)
<b>As At 31 March 2020</b>	<b>636,625</b>	<b>15,393</b>	<b>188,726</b>	<b>840,744</b>
<b><u>Preceding Period To Date</u></b>				
<b>As At 1 April 2018</b>	636,625	16,194	196,545	849,364
Total comprehensive income for the period	-	28,205	(5,912)	22,293
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- 2018 Final	-	(14,277)	-	(14,277)
- 2019 Interim	-	(12,836)	-	(12,836)
<b>As At 31 March 2019</b>	<b>636,625</b>	<b>17,286</b>	<b>190,633</b>	<b>844,544</b>

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 2019 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Year To Date 31.3.2020 RM'000	Preceding Year To Date 31.3.2019 RM'000 Restated
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	26,009	22,293
<i>Adjustment for :-</i>		
Unbilled lease receivable	(4,646)	(4,646)
Interest income from placement with financial institution	(85)	(111)
Interest on lease liability	13	-
Interest expense	37,919	38,823
Depreciation of right-of-use assets	185	-
Impairment loss on trade receivables	343	60
Change in fair value of investment properties	4,372	10,875
Loss/(Gain) in on financial liabilities measured at amortised cost	290	(58)
Unrealised gain on revaluation of derivatives	(531)	(259)
Operating profit before working capital changes	63,869	66,977
<b>Changes in working capital</b>		
Decrease/(increase) in receivables	3,762	(2,217)
Increase/(decrease) in payables	1,710	(542)
Decrease/(increase) in rental deposits	(268)	2,040
<b>Net cash generated from operating activities</b>	69,073	66,258
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of investment property	(1,371)	-
Enhancement of investment properties	(7,809)	(13,214)
Interest income	85	111
<b>Net cash used in investing activities</b>	(9,095)	(13,103)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(38,176)	(39,767)
Distributions paid to Unitholders	(27,387)	(27,113)
Drawdown of borrowings (net)	14,313	5,315
Payment of lease liabilities	(194)	-
<b>Net cash used in from financing activities</b>	(51,444)	(61,565)
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,534	(8,410)
<b>Cash and cash equivalents at the beginning of the year</b>	(4,464)	3,946
<b>Cash and cash equivalents at the end of the year</b>	<b>4,070</b>	<b>(4,464)</b>
<b>Cash and cash equivalents included in the statement of cash flows comprise of the following:</b>		
Deposits with financial institution	2,969	1,418
Cash and bank balances	1,101	847
Bank overdraft	-	(6,729)
	<b>4,070</b>	<b>(4,464)</b>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

---

#### 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 Malaysia’s (“SC”) Guidelines on Listed Real Estate Investment Trusts.

The condensed financial statements do not include all of the information required for a full financial statement and should be read in conjunction with the annual financial statements for the financial year ended 31 March 2019.

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 2019 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 2019 as follow:

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*

The adoption of these 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 2019 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

Save and except for disclosure in Note A8, 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.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020**

---

#### **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.

#### **A8. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE CURRENT QUARTER**

The Covid-19 which emerged in December 2019 has subsequently been declared as a pandemic by the World Health Organization in March 2020. Due to the rapidly rising confirmed cases in Malaysia, the Government of Malaysia had announced the implementation of a nationwide Movement Control Order (MCO) which has been extended to 12 May 2020 since its first enforcement on 18 March 2020 as a measure to contain the outbreak. On 1 May 2020 and 10 May 2020, the government has further announced the enforcement of Conditional Movement Control Order ("CMCO") which has been extended from 12 May 2020 to 9 June 2020. The enforcement of CMCO allows most of the businesses to resume business activities with conditions and subject to strict adherence to Standard Operating Procedures set out by the government.

To contain the spreading of the virus, the government has taken several measures including travel bans, quarantines, social distancing and businesses are being forced to temporarily close down or limit operations during MCO and CMCO. The Trust has adhered to government and the regulatory directives arising from the MCO and CMCO by implementing relevant precautionary measures and procedures based on recommendations from the relevant authorities.

The enforcement of MCO have triggered significant disruptions to businesses which resulting in the economic slowdown. The governments, Bank Negara Malaysia and other relevant authorities have responded by providing both financial and non-financial assistance to disrupted industry sectors and affected business organizations to soften the impact to the economy.

While the outbreak has impact on almost all entities either directly or indirectly, some of the worst-hit sectors are hospitality and retail with widespread lockdowns being enforced.

The on-going Covid-19 outbreak remains fluid and evolving which will impact the Trust's financial performance for the next reporting period. The Manager is actively monitoring the development of this pandemic and will proactively manage the risks caused by the Covid-19 on the Trust accordingly.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

#### A9. 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 1.49 sen per unit for the six-month period from 1 October 2019 to 31 March 2020, amounting to RM10,227,384 representing approximately 90% of the realised distributable net income for the six-month period ended 31 March 2020, to be payable on 25 June 2020 as disclosed in note B15 below.

#### A10. VALUATION OF INVESTMENT PROPERTIES

During the quarter under review, a revaluation exercise was undertaken for all investment properties pursuant to clause 10.02(b)(i) of the Guidelines on Listed Real Estate Investment Trusts 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 31.3.2020 RM'000	% Valuation to Net Asset Value As At 31.3.2020
Bangunan AmBank Group <sup>(i)</sup>	Leasehold	Kuala Lumpur	Office	180,152	265,700	31.6%
Menara AmFIRST <sup>(ii)</sup>	Freehold	Petaling Jaya	Office	57,081	322,000	38.3%
Menara AmBank <sup>(iii)</sup>	Freehold	Kuala Lumpur	Office	230,170	66,000	7.9%
Wisma AmFIRST <sup>(iv)</sup>	Leasehold	Kelana Jaya	Office	86,051	117,900	14.0%
The Summit Subang USJ <sup>(v)</sup>	Freehold	Subang Jaya	Mixed Commercial Complex	280,091	374,000	44.5%
Prima 9 <sup>(vi)</sup>	Freehold	Cyberjaya	Office	72,897	73,200	8.7%
Prima 10 <sup>(vi)</sup>	Freehold	Cyberjaya	Office	61,747	65,700	7.8%
Kompleks Tun Sri Lanang <sup>(vii)</sup>	Leasehold	Melaka	Office	87,226	104,000	12.4%
Mydin HyperMall, Bukit Mertajam <sup>(viii)</sup>	Freehold	Penang	Retail	254,107	278,000	33.1%
Accrued Lease Receivable				<b>1,309,522</b>	<b>1,666,500</b>	
				-	(19,360)	
				<b>1,309,522</b>	<b>1,647,140</b>	

(i) This property was revalued on 6 February 2020 by Cheston International (KL) Sdn Bhd ("Cheston"), independent professional valuers. The leasehold land will expire on 3 June 2084.

(ii) This property was revalued on 13 February 2020 by First Pacific Valuers Property Consultants Sdn Bhd ("First Pacific"), independent professional valuers.

(iii) This property was revalued on 6 February 2020 by Cheston.

(iv) This property was revalued on 13 February 2020 by First Pacific. The leasehold land will expire on 19 February 2094.

(v) This property was revalued on 7 February 2020 by Cheston.

(vi) These two (2) properties were revalued on 11 February 2020 by First Pacific.

(vii) The property was revalued on 6 February 2020 by Cheston. The leasehold land will expire on 7 October 2109.

(viii) This property was revalued on 18 February 2020 by First Pacific.



## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

---

#### A11. 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 2020.

#### A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

#### A13. REALISED AND UNREALISED INCOME DISCLOSURE

The breakdown of undistributed income into realised and unrealised as at 31 March 2020 is summarised as below: -

	As at 31.3.2020 RM'000	As at 31.3.2019 RM'000
<b><u>Realised</u></b>		
Distributable undistributed income	15,393	17,287
<b><u>Unrealised</u></b>		
Cumulative net change in fair value of investment properties	190,567	190,292
Unrealised loss on revaluation of derivatives	(910)	(1,441)
Unrealised gain on financial liabilities measured at amortised cost	1,491	1,781
Provision for deferred tax on change in fair value of investment properties	(2,421)	-
	188,727	190,632
<b>Total</b>	<b>204,120</b>	<b>207,919</b>

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

### 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

##### Quarterly Results (4Q FY2020 vs 4Q FY2019)

	Current Year Quarter	Preceding Year Quarter	Changes	
	31.3.2020	31.3.2019 Restated	RM'000	%
<b>Gross revenue</b>				
- Realised	28,783	29,266	(483)	-1.7%
- Unrealised (in relation to unbilled lease rental receivable)	4,646	4,646	-	0.0%
	<b>33,429</b>	<b>33,912</b>	<b>(483)</b>	<b>-1.4%</b>
Property expenses	(11,013)	(10,497)	(516)	-4.9%
<b>Net property income</b>	<b>22,416</b>	<b>23,415</b>	<b>(999)</b>	<b>-4.3%</b>
Interest & other income	70	163	(93)	-57.2%
Change in fair value of investment properties	(4,372)	(10,875)	6,503	59.8%
Unrealised loss on revaluation of derivatives	(146)	(142)	(4)	-2.8%
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(304)	200	(504)	-251.6%
	17,664	12,761	4,903	38.4%
Non-property expenses	(2,177)	(1,905)	(272)	-14.3%
Interest expenses	(9,063)	(9,603)	540	5.6%
<b>Profit before taxation</b>	<b>6,424</b>	<b>1,253</b>	<b>5,171</b>	<b>412.5%</b>
Taxation	(2,421)	-	(2,421)	-100.0%
<b>Profit after taxation</b>	<b>4,003</b>	<b>1,253</b>	<b>2,750</b>	<b>219.4%</b>
Profit after taxation is made up as follow:				
- Realised	6,599	7,423	(824)	11.1%
- Unrealised	(2,596)	(6,170)	3,574	57.9%
	<b>4,003</b>	<b>1,253</b>	<b>2,750</b>	<b>-219.4%</b>

For the current quarter ended 31 March 2020, realised gross revenue decreased by 1.7% as compared to preceding year quarter mainly due to lower occupancy at The Summit Retail, Wisma AmFIRST and Jaya 99. However, the decrease in revenue have cushioned by higher occupancy achieved in Menara AmFIRST and The Summit Office.

Property expenses increased by 4.9% mainly attributable to increase in the service charges at The Summit Subang USJ as well as higher utilities expenses.

Interest expense was lower by 5.6% mainly due to lower cost of fund as a result of reduction in the Overnight Policy Rate by 25 basis points each in May 2019, January 2020 and March 2020.

Overall, the profit after taxation for the current quarter ended 31 March 2020 is RM4.0 million as compared to RM1.2 million in correspondence quarter of last financial year.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

### B1. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE – CONTD.

#### Financial Year to Date Results (YTD ended 31 March 2020 vs YTD ended 31 March 2019)

	Current Year	Preceding Year	Changes	
	To Date	To Date		
	31.3.2020	31.3.2019		
		Restated		
	RM'000	RM'000	RM'000	%
<b>Gross revenue</b>				
- Realised	116,036	116,583	(547)	-0.5%
- Unrealised (in relation to unbilled lease rental receivable)	4,646	4,646	-	0%
	<b>120,682</b>	<b>121,229</b>	<b>(547)</b>	<b>-0.5%</b>
Property expenses	(44,118)	(41,287)	(2,831)	-6.9%
<b>Net property income</b>	<b>76,564</b>	<b>79,942</b>	<b>(3,378)</b>	<b>-4.2%</b>
Interest & other income	339	303	36	11.9%
Change in fair value of investment properties	(4,372)	(10,875)	6,503	59.8%
Unrealised gain on revaluation of derivatives	531	259	272	105.0%
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(290)	57	(347)	-605.6%
	72,772	69,686	3,086	4.4%
Non-property expenses	(8,832)	(8,570)	(262)	-3.1%
Interest expenses	(37,932)	(38,823)	891	2.3%
<b>Profit before taxation</b>	<b>26,008</b>	<b>22,293</b>	<b>3,715</b>	<b>16.7%</b>
Taxation	(2,421)	-	(2,421)	-100.0%
<b>Profit after taxation</b>	<b>23,587</b>	<b>22,293</b>	<b>1,294</b>	<b>5.8%</b>
Profit after taxation is made up as follow:				
- Realised	25,493	28,205	(2,713)	9.6%
- Unrealised	(1,906)	(5,912)	4,007	67.8%
	<b>23,587</b>	<b>22,293</b>	<b>1,294</b>	<b>-5.8%</b>

For the current financial year ended 31 March 2020, the Trust's realised gross revenue was marginally lower by 0.5% as compared to preceding year. The Trust registered higher revenue at Wisma AmFIRST, Prima 10, Menara AmFIRST and The Summit Office with higher occupancy, however, the increase in revenue was offset by lower occupancy at The Summit Retail, Menara AmBank and Jaya 99.

Property expenses increased by 6.9% as compared to the preceding year to date mainly due to the increase in service charges at The Summit Subang USJ as well as higher utilities expenses in most of the properties arising from higher electricity surcharge.

Interest expense decreased by 2.3% mainly due to lower cost of fund as a result of reduction in the Overnight Policy Rate by 25 basis points each in May 2019, January 2020 and March 2020.

Overall, the Trust recorded profit after taxation of RM23.6 million of which the realised net income is RM25.5 million.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

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

#### Quarterly Results (4Q FY2020 vs 3Q FY2020)

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	31.3.2020	31.12.2019		
	RM'000	RM'000	RM'000	%
<b>Gross Revenue</b>				
- Realised	28,783	29,000	(217)	-0.7%
- Unrealised (in relation to unbilled lease rental receivable)	4,646	-	4,646	0.0%
	<b>33,429</b>	<b>29,000</b>	<b>4,429</b>	<b>15.3%</b>
Property Expenses	(11,013)	(11,080)	67	0.6%
<b>Net Property Income</b>	<b>22,416</b>	<b>17,920</b>	<b>4,496</b>	<b>25.1%</b>
Interest & Other Income	70	47	23	48.8%
Change in fair value of investment properties	(4,372)	-	(4,372)	-100.0%
Unrealised (loss)/gain on revaluation of derivatives	(146)	414	(560)	-135.4%
Unrealised loss on financial liabilities measured at amortised cost	(304)	(189)	(115)	-60.9%
	17,664	18,192	(528)	-2.9%
Non-Property Expenses	(2,177)	(2,199)	22	1.0%
Interest Expenses	(9,063)	(9,641)	578	6.0%
<b>Profit before taxation</b>	<b>6,424</b>	<b>6,352</b>	<b>72</b>	<b>1.1%</b>
Taxation	(2,421)	-	(2,421)	-100.0%
<b>Profit after taxation</b>	<b>4,003</b>	<b>6,352</b>	<b>(2,349)</b>	<b>-37.0%</b>
Profit after taxation is made up as follow:				
- Realised	6,599	6,127	473	-7.7%
- Unrealised	(2,596)	225	(2,822)	1255.6%
	<b>4,003</b>	<b>6,352</b>	<b>(2,349)</b>	<b>37.0%</b>

The realised gross revenue was marginally lower by 0.7% as compared to immediate preceding quarter mainly due to slight decrease in occupancy at Wisma AmFIRST and Jaya 99. The unrealised revenue refers to the unbilled lease income receivable pursuant to the requirement of MFRS 16 Lease, recognized on straight-line basis adjusted in current quarter.

The Trust conducted the revaluation of all the investment properties during the quarter under review and recorded fair value loss of RM4.3 million.

Interest expense decreased by 6.0% mainly due to lower cost of fund as a result of reduction in the Overnight Policy Rate by 25 basis points each in January 2020 and March 2020.

Overall, the profit after taxation for the current quarter was RM4.0 million as compared to RM6.3 million of immediate preceding quarter.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020**

---

#### **B3. PROSPECTS**

The Covid-19 pandemic and the MCO have resulted in an unprecedented disruption to almost all businesses and severely impacted many local economies. Most economists forecasted Malaysia's real gross domestic product to contract in 2020 with rising in unemployment and lower income.

The repercussion of the pandemic is expected to slow down the office leasing activities. Office demand will be impacted due to deferment of relocation and expansion plan as affected business avoid non-essential capital expenditure until the market recovers. This subdued demand will further dampen the office market which has already been struggling to keep up with the oversupply. However, there may be opportunities for new demand of space from business related to digital start up, e-commerce, healthcare and business process outsourcing that provide support to office market.

The Summit Subang USJ which consist of retail, hotel and office components contributed about 21% of the total revenue of the Trust's total revenue in FY2020. Both retail and hotel component were badly impacted by the Covid-19 as businesses forced to cease operations during MCO. Given the significant business disruption brought about by Covid-19, the retail and hotel operating environment are expected to remain challenging post-MCO for business recovery. The sustainability of the retail and hospitality sector will depend on the revival of economic activity and the consumer sentiment toward spending in retail mall and travelling.

To cushion the impact of Covid-19, government have announced various economic stimulus packages to help those affected businesses while Bank Negara Malaysia has provided monetary easing to support the economy. The Trust will benefit from the interest saving arising from the recent cut in Overnight Policy Rate and the energy cost discount.

Overall, The Trust expects to be negatively impacted by this outbreak on its financial performance and asset value. However, due to the uncertainty and challenges that the Covid-19 pandemic brings with it are unprecedented, the full extent of the impact on Trust's financial performance in the next reporting period cannot be determined at this stage.

The Manager will implement more stringent approach in cost management and discretionary capital expenditure while proactively manage the asset performance by focusing on tenant retention to preserve the financial sustainability of the Trust.

Given the fluidity of the pandemic situation, the Manager will continue to monitor the operations closely and adopt appropriate business strategies to mitigate the negative impact in this challenging time.

#### **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.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

#### B5. 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 2020, the Trust's composition of investment portfolio is as follow:-

	Cost of Investment # As At 31.3.2020 RM'000	Valuation As At 31.3.2020 RM'000	% Valuation to Net Asset Value As At 31.3.2020 %
Bangunan AmBank Group	200,451	265,700	31.6%
Menara AmBank	262,582	322,000	38.3%
Menara AmFIRST	65,238	66,000	7.9%
Wisma AmFIRST	94,941	117,900	14.0%
The Summit Subang USJ	374,590	374,000	44.5%
Prima 9	73,239	73,200	8.7%
Prima 10	62,349	65,700	7.8%
Kompleks Tun Sri Lanang (Jaya 99)	88,420	104,000	12.4%
Mydin HyperMall, Bukit Mertajam	254,124	278,000	33.1%
	<b>1,475,934</b>	<b>1,666,500</b>	
Accrued rental income	-	(19,360)	
	<b>1,475,934</b>	<b>1,647,140</b>	

# 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 Fourth Quarter Ended 31 March 2020

#### B8. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As at 31.3.2020	As at 31.3.2019
Net Asset Value ("NAV") (RM'000)	840,744	844,544
NAV Per Unit (RM)		
- Before income distribution	1.2249	1.2304
- After income distribution	1.2100	1.2091
Closing Unit Price Per Unit (RM)	0.405	0.535

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

	Non-current RM'000	Current RM'000	Total RM'000
<b><u>As At 31 March 2020</u></b>			
<b>Secured</b>			
Term Loan	307,850	-	307,850
Revolving Credit	140,000	352,500	492,500
	447,850	352,500	800,350
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(946)	(734)	(1,681)
<b>Total Borrowings</b>	<b>446,904</b>	<b>351,766</b>	<b>798,669</b>
<b><u>As at 31 March 2019</u></b>			
<b>Secured</b>			
Term Loan	307,850	-	307,850
Revolving Credit	390,000	89,000	479,000
	697,850	89,000	786,850
<b>Unsecured</b>			
Overdraft	-	6,729	6,729
Loan transaction costs subject to amortisation	(2,493)	-	(2,493)
<b>Total Borrowings</b>	<b>695,357</b>	<b>95,729</b>	<b>791,086</b>

All the bank borrowings are denominated in Ringgit Malaysia.

As at 31 March 2020, the Trust's gearing ratio stood at 47.6% and the Trust has total Interest Rate Swap contract of RM100.0 million to mitigate the exposure of volatile interest rate movements. Effectively, 12.5% of the total borrowings is hedged via Interest Rate Swap.

The Trust maintained a competitive weighted average interest cost of 4.06% (including the cost of hedging of the interest rate swap contract of RM100.0 million) as at 31 March 2020.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

#### B10. DERIVATIVE

	Notional Value as at 31 March 2020 RM'000	Fair Value as at 31 March 2020 RM'000	
		Asset	Liability
<b><u>Maturity of Interest Rate Swap contract</u></b>			
- Less than 1 year	100,000	-	910
- 1 year to 3 years	-	-	-
- More than 3 years	-	-	-

On 18 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 expiring 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 31 March 2020, the Manager's fee consists of a base fee of 0.3% 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 31 March 2020, 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 Fourth Quarter Ended 31 March 2020

#### B13. UNITS HELD BY RELATED PARTIES

As at 31 March 2020, the Manager and all the directors did not hold any units in AmFIRST REIT. Below are the parties related to the Manager who holds units in AmFIRST REIT:

	Number of Holdings (‘000)	Market Value RM’000
<b>Unitholdings of parties related to the Manager</b>		
AmBank (M) Berhad	183,489	74,313
Yayasan Azman Hashim	77,947	31,569
AmMetLife Insurance Berhad on behalf of Life Fund	11,200	4,536
Azman bin Hashim	849	344
AmGroup Foundation	3	1

The market value is determined by multiplying the number of units with the closing unit price of RM0.405 per unit as at 31 March 2020.

#### 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 Unitholders for the financial year ended 31 March 2020.

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

	Current Year 31.3.2020 RM’000	Preceding Corresponding Year 31.3.2019 RM’000
Income before taxation	26,008	22,293
Income tax using Malaysian tax rate of 24% (2019 : 24%)	6,242	5,350
Effects of non-deductible expenses	630	435
Effects of fair value adjustment on investment properties not subject to tax	1,049	2,610
Effects of income exempted from tax	(7,921)	(8,395)
Deferred tax on Real Property Gain Tax ("RPGT") on fair value gain on investment properties	2,421	-
<b>Tax expense</b>	<b>2,421</b>	<b>-</b>

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

#### B15. INCOME DISTRIBUTION

The Board of Director of the Manager of AmFIRST REIT, has declared a final income distribution of 1.49 sen per unit for the six-month period from 1 October 2019 to 31 March 2020 amounting to RM10,227,384 payable on 25 June 2020 to the Unitholders registered in the Record of Depositors on 5 June 2020.

The final income distribution for the six-month period ended 31 March 2020 is from the following sources: -

	Current Year To Date 31.3.2020 RM'000	Preceding Year To Date 31.3.2019 RM'000
Rental income	120,682	121,229
Less : Unrealised gross revenue derived from unbilled lease receivable	(4,646)	(4,646)
	116,036	116,583
Interest income	85	111
Other income	254	192
Total income	116,375	116,886
Less : Total expenses (before manager's fees)	(83,555)	(81,276)
Net income before taxation (before manager's fees)	32,820	35,610
Less : Manager's fees	(7,327)	(7,404)
Net income before taxation	25,493	28,206
Less : Taxation	-	-
Realised net income after taxation	25,493	28,206
Add : Undistributed realised income brought forward	2,667	1,917
<b>Total income available for distribution</b>	<b>28,160</b>	<b>30,123</b>
Less : Interim income distribution	(12,767)	(12,836)
<b>Total income available for distribution</b>	<b>15,393</b>	<b>17,287</b>
<b>Less : Proposed final income distribution</b>	<b>(10,227)</b>	<b>(14,620)</b>
<b>Undistributed realised income carried forward</b>	<b>5,166</b>	<b>2,667</b>
Number of unit in circulation ('000)	686,402	686,402
<b>Interim income distribution per unit (Sen)</b>	<b>1.86</b>	<b>1.87</b>
<b>Final income distribution per unit (Sen)</b>	<b>1.49</b>	<b>2.13</b>
<b>Total income distribution per unit (Sen)</b>	<b>3.35</b>	<b>4.00</b>

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”))**

On 28 February 2018, Swan Property Sdn Bhd and 14 others (the “Plaintiffs”) instituted legal proceedings against The Summit Subang USJ Management Corporation (the “MC”) (as the 1<sup>st</sup> Defendant) and the trustee of AmFIRST REIT, Maybank Trustees Berhad, (“AmFIRST REIT Trustees”) (as the 2<sup>nd</sup> Defendant) in the Kuala Lumpur High Court vide Suit No. WA-22NCC-82-02/2018 (“Civil Suit”). The Plaintiffs claimed that the MC has breached certain statutory and fiduciary duties; and the MC and AmFIRST REIT Trustees have conspired to injure them in relation to a refurbishment and renovation exercise of the retail podium / shopping mall of The Summit Subang USJ.

By way of application dated 17 April 2018, AmFIRST REIT Trustees applied to the High Court to strike out the Plaintiffs’ claim (“Striking Out Application”).

The Striking Out Application was heard on 27, 29, 30 August 2018 and 10 October 2018 and subsequently fixed for decision on 12 December 2018.

Following the decision on 12 December 2018 (and a further clarification date on 18 January 2019), the High Court’s decision in respect of Striking Out Application are as follows:-

- (a) The Plaintiffs’ claims (except the 5<sup>th</sup> Plaintiff) against AmFIRST REIT Trustees are stayed pending the disposal of related claims currently pending in the Strata Management Tribunal between the Plaintiffs and the MC (“SMT Proceedings”); and
- (b) The 5<sup>th</sup> Plaintiff’s claim against AmFIRST REIT Trustees is struck out.

The Plaintiffs have since appealed against the decision of Striking Out Application to the Court of Appeal on 2 January 2019 (“Appeal”). The hearing of the Appeal is fixed on 1 July 2020.

In the meantime, pursuant to parties’ consent order dated 1 March 2019, the SMT Proceedings are stayed pending the disposal of the Appeal. Given that the proceedings before the High Court are stayed pending the disposal of the SMT Proceedings (which is now stayed pending the disposal of the Appeal), case managements have been fixed for parties to update the High Court on the status of the Appeal.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2020

---

#### B17. RESTATEMENT OF COMPARATIVE INFORMATION

Certain comparative figures were restated to conform with current financial year's presentation.

The effects arising from the restatement of the comparative information is as follows:

(i) **Reconciliation of statement of financial position:**

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<b>31 March 2019</b>			
<u>Non-current assets</u>			
Investment properties	1,657,045	(14,714)	1,642,331
Accrued lease receivables	2,392	14,714	17,106

(ii) **Reconciliation of statement of comprehensive income:**

<b>31 March 2019</b>			
Gross revenue	116,583	4,646	121,229
Change in fair value of investment properties	(6,229)	(4,646)	(10,875)

(iii) **Reconciliation of statement of cash flows:**

<b>31 March 2019</b>			
Unbilled lease income	-	(4,646)	(4,646)
Change in fair value of investment properties	6,229	4,646	10,875

#### B18. 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 2020 and of its financial performance and cash flows for the period ended 31 March 2020 and duly authorised for release by the Board of Directors of the Manager on 18 May 2020.