



## CONDENSED FINANCIAL STATEMENTS

FOURTH QUARTER ENDED 31 MARCH 2021

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# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.3.2021 RM'000	Preceding Year Corresponding Quarter 31.3.2020 RM'000	Current Year To Date 31.3.2021 RM'000	Preceding Year To Date 31.3.2020 RM'000
<b>Gross revenue</b>				
- Realised	23,664	28,783	102,927	116,036
- Unrealised (in relation to unbilled lease rental receivable)	891	1,162	4,376	4,646
	24,555	29,945	107,303	120,682
Property expenses	(10,882)	(11,013)	(42,334)	(44,118)
<b>Net property income</b>	13,673	18,932	64,969	76,564
Interest income	11	31	64	85
Other income	200	39	373	254
Change in fair value of investment properties	(19,377)	(888)	(22,862)	(4,372)
Unrealised gain on revaluation of derivative	-	(146)	910	531
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(4)	(304)	(440)	(290)
	(5,497)	17,664	43,014	72,772
<b>Administrative expenses</b>				
Manager's fee	(1,732)	(1,827)	(7,088)	(7,327)
Trustee's fee	(84)	(84)	(336)	(336)
Valuation fee	(33)	(26)	(139)	(208)
Auditors' remuneration	(13)	(11)	(54)	(54)
Tax agent's fee	(9)	(3)	(19)	(9)
Impairment loss on trade receivables	(1,067)	(200)	(2,934)	(343)
Others expenses	(225)	(26)	(1,069)	(555)
Interest expense	(6,599)	(9,063)	(29,002)	(37,932)
	(9,762)	(11,240)	(40,641)	(46,764)
<b>Profit before taxation</b>	(15,259)	6,424	2,373	26,008
Taxation	352	(2,421)	352	(2,421)
<b>Profit for the financial year</b>	(14,907)	4,003	2,725	23,587
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the year</b>	(14,907)	4,003	2,725	23,587
<b>Total comprehensive income for the year is made up as follows:-</b>				
- Realised	4,355	6,599	21,513	25,493
- Unrealised	(19,262)	(2,596)	(18,788)	(1,906)
	(14,907)	4,003	2,725	23,587
<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	0.63	0.96	3.13	3.71
- Unrealised	(2.81)	(0.38)	(2.74)	(0.27)
	(2.18)	0.58	0.39	3.44

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 31.3.2021 (Unaudited) RM'000	As At 31.3.2020 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	1,628,488	1,647,140
Right-of-use assets	305	147
Accrued unbilled lease receivables	22,612	19,360
Accrued lease receivable	1,284	1,542
	1,652,689	1,668,189
<b>Current Assets</b>		
Receivables	16,301	6,887
Deposits with financial institution	2,488	2,969
Cash and bank balances	2,242	1,101
	21,031	10,957
<b>TOTAL ASSETS</b>	1,673,720	1,679,146
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Rental deposits	12,497	15,568
Borrowings	697,114	446,904
Deferred tax liability	2,069	2,421
Lease liabilities	302	20
	711,982	464,913
<b>Current Liabilities</b>		
Payables	5,794	8,306
Lease liabilities	21	131
Rental deposits	14,703	12,376
Borrowings	117,588	351,766
Derivatives	-	910
	138,106	373,489
<b>TOTAL LIABILITIES</b>	850,088	838,402
<b>NET ASSET VALUE</b>	<b>823,632</b>	<b>840,744</b>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	17,069	15,392
Undistributed income - Unrealised	169,938	188,727
	<b>823,632</b>	<b>840,744</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	1.1999	1.2249
- After income distribution	1.1857	1.2100

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 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 2020</b>	636,625	15,393	188,726	840,744
Total comprehensive income for the year	-	21,513	(18,788)	2,725
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- 2020 Final	-	(10,227)	-	(10,227)
- 2021 Interim	-	(9,610)	-	(9,610)
<b>As at 31 March 2021</b>	<b>636,625</b>	<b>17,069</b>	<b>169,938</b>	<b>823,632</b>
<b><u>Preceding 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 year	-	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>

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 2020 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Year To Date 31.3.2021 RM'000	Preceding Year To Date 31.3.2020 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,373	26,008
<i>Adjustment for :-</i>		
Unbilled lease receivable	(4,376)	(4,646)
Interest income from placement with financial institution	(64)	(85)
Interest on lease liability	19	13
Interest expense	28,983	37,919
Depreciation of right-of-use assets	277	185
Impairment loss on trade receivables	1,810	343
Change in fair value of investment properties	22,862	4,372
Loss on financial liabilities measured at amortised cost	440	290
Unrealised gain on revaluation of derivatives	(910)	(531)
Operating profit before working capital changes	51,414	63,869
<b>Changes in working capital</b>		
(Increase)/decrease in receivables	(9,843)	3,762
(Decrease)/Increase in payables	(2,250)	1,710
Decrease in rental deposits	(1,184)	(268)
<b>Net cash generated from operating activities</b>	38,137	69,073
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of investment property	-	(1,371)
Enhancement of investment properties	(4,210)	(7,809)
Interest income	64	85
<b>Net cash used in investing activities</b>	(4,146)	(9,095)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(29,244)	(38,176)
Distributions paid to Unitholders	(19,837)	(27,387)
Drawdown of borrowings (net)	16,032	14,313
Payment of lease liabilities	(282)	(194)
<b>Net cash used in from financing activities</b>	(33,331)	(51,444)
<b>Net increase in cash and cash equivalents</b>	660	8,534
<b>Cash and cash equivalents at the beginning of the year</b>	4,070	(4,464)
<b>Cash and cash equivalents at the end of the year</b>	<b>4,730</b>	<b>4,070</b>
<b>Cash and cash equivalents included in the statement of cash flows comprise of the following:</b>		
Deposits with financial institution	2,488	2,969
Cash and bank balances	2,242	1,101
	<b>4,730</b>	<b>4,070</b>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021**

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#### **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 Third Restated Deed (the "Deed") dated 12 June 2020 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 2020.

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 2020 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 2020.

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 2020 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.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021**

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#### **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**

There were no significant events subsequent to the current quarter ended 31 March 2021.

#### **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 1.42 sen per unit for the six-month period from 1 October 2020 to 31 March 2021, amounting to RM9,746,903 representing approximately 90% of the realised distributable net income for the six-month period ended 31 March 2021, to be payable on 28 May 2021 as disclosed in note B15 below.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

#### 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 31.3.2021 RM'000	% Valuation to Net Asset Value As At 31.3.2021
Bangunan AmBank Group (i)	Leasehold	Kuala Lumpur	Office	180,152	265,900	32.3%
Menara AmFIRST (ii)	Freehold	Petaling Jaya	Office	57,081	66,200	8.0%
Menara AmBank (iii)	Freehold	Kuala Lumpur	Office	230,170	322,000	39.1%
Wisma AmFIRST (iv)	Leasehold	Kelana Jaya	Office	86,051	118,000	14.3%
The Summit Subang USJ (v)	Freehold	Subang Jaya	Mixed Commercial Complex	280,091	357,400	43.4%
Prima 9 (vi)	Freehold	Cyberjaya	Office	72,897	73,200	8.9%
Prima 10 (vi)	Freehold	Cyberjaya	Office	61,747	65,800	8.0%
Kompleks Tun Sri Lanang (vii)	Leasehold	Melaka	Office	87,226	104,600	12.7%
Mydin HyperMall, Bukit Mertajam (viii)	Freehold	Penang	Retail	254,107	278,000	33.8%
Accrued Lease Receivable				<b>1,309,522</b>	<b>1,651,100</b>	
				-	(22,612)	
				<b>1,309,522</b>	<b>1,628,488</b>	

- (i) This property was revalued on 6 February 2021 by First Pacific Valuers Property Consultants Sdn Bhd ("First Pacific"), independent professional valuers. The leasehold land will expire on 3 June 2084.
- (ii) This property was revalued on 5 February 2021 by Cheston Internation (KL) Sdn Bhd ("Cheston"), independent professional valuers.
- (iii) This property was revalued on 6 February 2021 by First Pacific, independent professional valuers.
- (iv) This property was revalued on 6 February 2021 by First Pacific. The leasehold land will expire on 19 February 2094.
- (v) This property was revalued on 4 February 2021 and 5 February 2021 by Cheston.
- (vi) These two (2) properties were revalued on 4 February 2021 by Cheston.
- (vii) The property was revalued on 4 February 2021 by Cheston. The leasehold land will expire on 7 October 2109.
- (viii) This property was revalued on 3 February 2021 by First Pacific.

#### 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 2021.



## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

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#### 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 2021 is summarised as below: -

	As at 31.3.2021 RM'000	As at 31.3.2020 RM'000
<b><u>Realised</u></b>		
Distributable undistributed income	17,069	15,392
<b><u>Unrealised</u></b>		
Cumulative net change in fair value of investment properties	158,411	181,273
Unrealised loss on revaluation of derivatives	-	(910)
Unrealised gain on financial liabilities measured at amortized cost	1,052	1,492
Unrealised income - Unbilled lease receivable	12,544	9,293
Provision for deferred tax on change in fair value of investment properties	(2,069)	(2,421)
	169,938	188,727
<b>Total</b>	<b>187,007</b>	<b>204,119</b>

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

### 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 FY2021 vs 4Q FY2020)

	Current Year	Preceding Year	Changes	
	Quarter 31.3.2021	Quarter 31.3.2020	RM'000	%
<b>Gross revenue</b>				
- Realised	23,664	28,783	(5,119)	-17.8%
- Unrealised (unbilled lease rental receivable)	891	1,162	(271)	-23%
	<b>24,555</b>	<b>29,945</b>	<b>(5,390)</b>	-18.0%
Property expenses	(10,882)	(11,013)	131	1.2%
<b>Net property income</b>	<b>13,673</b>	<b>18,932</b>	<b>(5,259)</b>	<b>-27.8%</b>
Interest & other income	211	70	141	201.7%
Change in fair value of investment properties	(19,377)	(888)	(18,489)	-2081%
Unrealised gain on revaluation of derivatives	-	(146)	146	100.2%
Unrealised loss on financial liabilities measured at amortised cost	(4)	(304)	300	98.8%
	(5,497)	17,664	(23,161)	-131.1%
Non-property expenses	(3,163)	(2,177)	(986)	-45.3%
Interest expense	(6,599)	(9,063)	2,464	27.2%
<b>Profit before taxation</b>	<b>(15,259)</b>	<b>6,424</b>	<b>(21,683)</b>	<b>-337.5%</b>
Taxation	352	(2,421)	2,773	114.5%
<b>Profit after taxation</b>	<b>(14,907)</b>	<b>4,003</b>	<b>(18,910)</b>	<b>-472.4%</b>
Profit after taxation is made up as follow:				
- Realised	4,355	6,599	(3,368)	-51.0%
- Unrealised	(19,262)	(2,596)	(15,542)	-598.7%
	<b>(14,907)</b>	<b>4,003</b>	<b>(18,910)</b>	<b>-472.4%</b>

For the current quarter ended 31 March 2021, realised gross revenue declined by 17.8% as compared to preceding year corresponding quarter mainly due to rental rebate and waiver given on case-by-case basis to tenants impacted by COVID-19 pandemic, lower average occupancy of Prima 9 as well as lower monthly rental income from The Summit Hotel.

Property expenses were lower by 1.2% largely due to lower electricity charges.

Non-property expenses were higher by 45.3% mainly due to higher provision for impairment loss on trade receivables.

Interest expense was lower by 27.2% mainly due to lower cost of debts as a result of reduction in Overnight Policy Rate ("OPR").

Included the unrealised loss on fair value adjustment on investment properties, the Trust recorded a loss after taxation RM14.9 million for the current quarter as compared to profit after taxation of RM4.0 million in the preceding year corresponding quarter.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

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

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

#### Financial Year to Date Results (YTD ended 31 March 2021 vs YTD ended 31 March 2020)

	Current Year To Date 31.3.2021	Preceding Year To Date 31.3.2020	Changes	
	RM'000	RM'000	RM'000	%
<b>Gross revenue</b>				
- Realised	102,927	116,036	(13,109)	-11.3%
- Unrealised (unbilled lease rental receivable)	4,376	4,646	(270)	-6%
	<b>107,303</b>	<b>120,682</b>	<b>(13,379)</b>	<b>-11.1%</b>
Property expenses	(42,334)	(44,118)	1,784	4.0%
<b>Net property income</b>	<b>64,969</b>	<b>76,564</b>	<b>(11,595)</b>	<b>-15.1%</b>
Interest & other income	437	339	98	28.9%
Change in fair value of investment properties	(22,862)	(4,372)	(18,490)	-422.9%
Unrealised gain on revaluation of derivatives	910	531	379	71.4%
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(440)	(290)	(150)	-51.8%
	43,014	72,772	(29,758)	-40.9%
Non-property expenses	(11,639)	(8,832)	(2,807)	-31.8%
Interest expense	(29,002)	(37,932)	8,930	23.5%
<b>Profit before taxation</b>	<b>2,373</b>	<b>26,008</b>	<b>(23,635)</b>	<b>-90.9%</b>
Taxation	352	(2,421)	2,773	114.5%
<b>Profit after taxation</b>	<b>2,725</b>	<b>23,587</b>	<b>(20,862)</b>	<b>-88.4%</b>
Profit after taxation is made up as follow:				
- Realised	21,513	25,493	(5,105)	-20.0%
- Unrealised	(18,788)	(1,906)	(15,758)	-826.9%
	<b>2,725</b>	<b>23,587</b>	<b>(20,862)</b>	<b>-88.4%</b>

For the financial year ended 31 March 2021, the Trust's realised gross revenue of RM102.9 million was lower by 11.3% as compared to preceding year to date. The decrease was mainly due to the rental rebate and waiver given on case-by-case basis to tenants impacted by COVID-19 pandemic, lower average occupancy of Prima 9, Wisma AmFIRST, Jaya 99, The Summit Retail and Office as well as lower monthly rental income from The Summit Hotel.

Property expenses were lower by 4.0% as compared to the preceding year to date mainly due to one-off reduced service charges from The Summit's Management Corporation coupled with lower electricity charges of other buildings within the asset portfolio.

Non-property expenses were higher by 31.8% mainly due to higher provision for impairment loss on trade receivables.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

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

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

##### Financial Year to Date Results (YTD ended 31 March 2021 vs YTD ended 31 March 2020) – contd.

Interest expense was lower by 23.5% mainly due to lower cost of debts as a result of reductions in OPR.

The Trust conducted the revaluation of all the investment properties during the quarter under review and recorded fair value loss of RM22.9 million.

Included the unrealised loss on fair value adjustment on investment properties, the Trust recorded a profit after taxation RM2.7 million for the financial year ended 31 March 2021 as compared to RM23.6 million recorded last year.

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

##### Quarterly Results (4Q FY2021 vs 3Q FY2021)

	Current Year	Immediate	Changes	
	Quarter	Preceding		
	31.3.2021	Quarter		
	RM'000	31.12.2020	RM'000	%
<b>Gross Revenue</b>				
- Realised	23,664	26,236	(2,572)	-9.8%
- Unrealised (unbilled lease rental receivable)	891	1,162	(271)	-23%
	<b>24,555</b>	<b>27,398</b>	<b>(2,843)</b>	-10.4%
Property Expenses	(10,882)	(9,930)	(952)	-9.6%
<b>Net Property Income</b>	<b>13,673</b>	<b>17,468</b>	<b>(3,795)</b>	<b>-21.7%</b>
Interest & Other Income	211	165	46	27.9%
Change in fair value of investment properties	(19,377)	(1,162)	(18,215)	-1568%
Unrealised gain on revaluation of derivatives	-	516	(516)	-100%
Unrealised loss on financial liabilities measured at amortised cost	(4)	(18)	14	77.8%
	(5,497)	16,969	(22,466)	-132.4%
Non-property expenses	(3,163)	(3,051)	(112)	-3.7%
Interest expense	(6,599)	(6,896)	297	4.3%
<b>Profit before taxation</b>	<b>(15,259)</b>	<b>7,022</b>	<b>(22,281)</b>	<b>-317.3%</b>
Taxation	352	-	352	100%
<b>Profit after taxation</b>	<b>(14,907)</b>	<b>7,022</b>	<b>(21,929)</b>	<b>-312.3%</b>
Profit after taxation is made up as follow:				
- Realised	4,355	6,524	(2,169)	-33.2%
- Unrealised	(19,262)	498	(19,760)	-3967.8%
	<b>(14,907)</b>	<b>7,022</b>	<b>(21,929)</b>	<b>-312.3%</b>

**B2. FINANCIAL REVIEW FOR CURENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER – CONTD.**

**Quarterly Results (4Q FY2021 vs 3Q FY2021) – contd.**

The realised gross revenue for the current quarter under review was lower by 9.8% as compared to immediate preceding quarter mainly due to the rental rebate and waiver given on case-by-case basis to tenants impacted by COVID-19 pandemic and lower average occupancy of Jaya 99.

Property expenses were higher by 9.6% as compared to the immediate preceding quarter mainly due to one-off reduced service charges from The Summit's Management Corporation recorded in the previous quarter.

Non-property expenses were higher by 3.7% mainly due to higher provision for impairment loss on trade receivables.

Interest expense decreased by 4.3% mainly due to lower cost of debts.

Included the unrealised loss on fair value adjustment on investment properties, the Trust recorded a loss after taxation RM14.9 million for the current quarter as compared to profit after taxation of RM7.0 million recorded in the immediate preceding quarter.

**B3. PROSPECTS**

Amidst this COVID-19 pandemic, the office market is expected to remain subdued due to weak demand and oversupply. In the meantime, the retail and hospitality sectors are expected to remain challenging as its recovery are dependent on the revival of economic activities, re-opening of international borders and consumers' sentiment.

Notwithstanding, the Manager remained focused in monitoring the operations and will continue to adopt appropriate business strategies to sustain the financial performance of the Trust in the next reporting period.

**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 2021

#### 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 2021, the Trust's composition of investment portfolio is as follow:-

	Cost of Investment # As At 31.3.2021	Valuation As At 31.3.2021	% Valuation to Net Asset Value As At 31.3.2021
	RM'000	RM'000	%
Bangunan AmBank Group	201,021	265,900	32.3%
Menara AmBank	263,685	322,000	39.1%
Menara AmFIRST	65,238	66,200	8.0%
Wisma AmFIRST	94,964	118,000	14.3%
The Summit Subang USJ	377,062	357,400	43.4%
Prima 9	73,239	73,200	8.9%
Prima 10	62,368	65,800	8.0%
Kompleks Tun Sri Lanang (Jaya 99)	88,444	104,600	12.7%
Mydin HyperMall, Bukit Mertajam	254,123	278,000	33.8%
	<b>1,480,144</b>	<b>1,651,100</b>	
Accrued unbilled rental income ^	-	(22,612)	
	<b>1,480,144</b>	<b>1,628,488</b>	

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

^ Accrued unbilled rental income refers to unbilled incremental lease rental receivable from Mydin Mohamed Holdings Berhad ("Mydin")'s 30 years' lease agreement commencing from 1 February 2016 and expiring 31 January 2046. Pursuant to the lease agreement dated 11 January 2016, the lease rental receivable from Mydin is incremental by 10% every 5 years from the commencement date of 1 February 2016 up to the term of 30 years. This operating lease rental income is recognised on straight-line basis over the lease term of 30 years.

#### 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.

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**For The Fourth Quarter Ended 31 March 2021**

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

	As at 31.3.2021	As at 31.3.2020
Net Asset Value ("NAV") (RM'000)	823,632	840,744
NAV Per Unit (RM)		
- Before income distribution	1.1999	1.2249
- After income distribution	1.1857	1.2100
Closing Unit Price Per Unit (RM)	0.425	0.405

The NAV per Unit after income distribution is calculated after taking into consideration the income distribution of the realized 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 2021</u></b>			
<b>Secured</b>			
Term Loan	307,850	-	307,850
Revolving Credit	390,000	118,100	508,100
	697,850	118,100	815,950
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(1,148)	(100)	(1,248)
<b>Total Borrowings</b>	<b>696,702</b>	<b>118,000</b>	<b>814,702</b>
<b><u>As at 31 March 2020</u></b>			
<b>Secured</b>			
Term Loan	307,850	250,000	557,850
Revolving Credit	140,000	102,500	242,500
	447,850	352,500	800,350
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(946)	(735)	(1,681)
<b>Total Borrowings</b>	<b>446,904</b>	<b>351,765</b>	<b>798,669</b>

All the bank borrowings are denominated in Ringgit Malaysia.

As at 31 March 2021, the Trust's gearing ratio stood at 48.7%.

As at 31 March 2021, the Trust maintained a competitive weighted average interest cost of 3.18%.

All borrowings were on a floating rate basis.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

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#### B10. 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 2021, the Manager's fee consists of a base fee of 0.3% per annum and performance fee of 3.0% per annum.

#### B11. 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 2021, the Trustee's fee is calculated based on 0.03% per annum of the net asset value.

#### B12. UNITS HELD BY RELATED PARTIES

As at 31 March 2021, 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	77,983
Yayasan Azman Hashim	77,947	33,128
AmMetLife Insurance Berhad on behalf of Life Fund	11,200	4,760
Azman bin Hashim	849	361
AmGroup Foundation	3	1

The market value is determined by multiplying the number of units with the closing unit price of RM0.425 per unit as at 31 March 2021.

#### B13. 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 2021.



## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

#### B13. TAXATION – CONTD.

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

	<b>Current Year 31.3.2021</b>	<b>Preceding Corresponding Year 31.3.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Income before taxation	<b>2,373</b>	26,008
Income tax using Malaysian tax rate of 24% (2020 : 24%)	<b>569</b>	6,242
Effects of non-deductible expenses	<b>2,901</b>	630
Effects of fair value adjustment on investment properties not subject to tax	<b>5,487</b>	1,049
Effects of income exempted from tax	<b>(8,957)</b>	(7,922)
	-	-
Deferred tax on Real Property Gain Tax ("RPGT") on fair value gain on investment properties	<b>(352)</b>	2,421
<b>Tax expense</b>	<b>(352)</b>	<b>2,421</b>

#### B14. INCOME DISTRIBUTION

The Board of Director of the Manager of AmFIRST REIT, has declared a final income distribution of 1.42 sen per unit for the six-month period from 1 October 2020 to 31 March 2021 amounting to RM9,746,903 payable on 28 May 2021 to the Unitholders registered in the Record of Depositors on 7 May 2021.

The final income distribution for the six-month period ended 31 March 2021 is from the following sources: -

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
For The Fourth Quarter Ended 31 March 2021

B14. INCOME DISTRIBUTION - CONTD.

	Current Year To Date 31.3.2021 RM'000	Preceding Year To Date 31.3.2020 RM'000
Rental income	107,303	120,682
Less : Unrealised gross revenue derived from unbilled lease receivable	(4,376)	(4,646)
	102,927	116,036
Interest income	64	85
Other income	373	254
Total income	103,364	116,375
Less : Total expenses (before manager's fees)	(74,763)	(83,555)
Net income before taxation (before manager's fees)	28,601	32,820
Less : Manager's fees	(7,088)	(7,327)
Net income before taxation	21,513	25,493
Less : Taxation	-	-
Realised net income after taxation	21,513	25,493
Add : Undistributed realised income brought forward	5,166	2,667
Total income available for distribution	26,679	28,160
Less : Interim income distribution	(9,610)	(12,767)
<b>Total income available for distribution</b>	<b>17,069</b>	<b>15,393</b>
<b>Less : Proposed final income distribution</b>	<b>(9,747)</b>	<b>(10,227)</b>
<b>Undistributed realised income carried forward</b>	<b>7,322</b>	<b>5,166</b>
Number of unit in circulation ('000)	686,402	686,402
<b>Interim income distribution per unit (Sen)</b>	<b>1.40</b>	<b>1.86</b>
<b>Final income distribution per unit (Sen)</b>	<b>1.42</b>	<b>1.49</b>
<b>Total income distribution per unit (Sen)</b>	<b>2.82</b>	<b>3.35</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%)

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For The Fourth Quarter Ended 31 March 2021

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#### B15. 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 the Striking Out Application to the Court of Appeal (“Appeal”). The hearing of the Appeal which was initially fixed on 4 March 2021 has been postponed to 26 October 2021.

In the meantime, the SMT Proceedings and the proceedings before the High Court are stayed pending the disposal of the Appeal. The case management before the High Court which was fixed on 8 March 2021 was also postponed to 27 October 2021 for parties to update the High Court on the status of the Appeal.

#### B16. 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 2021 and of its financial performance and cash flows for the year ended 31 March 2021 and duly authorized for release by the Board of Directors of the Manager on 19 April 2021.