



AmFIRST

Real Estate Investment Trust

CONDENSED FINANCIAL STATEMENTS

THIRD QUARTER ENDED 31 DECEMBER 2021

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AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Preceding Year To Date 31.12.2020 RM'000
Gross revenue				
- Realised	24,992	26,236	72,886	79,264
- Unrealised (in relation to unbilled lease rental receivable)	755	1,162	2,266	3,485
	25,747	27,398	75,152	82,749
Property expenses	(10,684)	(9,930)	(32,011)	(31,452)
Net property income	15,063	17,468	43,141	51,297
Interest income	8	17	33	52
Other income	2	148	17	173
Change in fair value of investment properties	(755)	(1,162)	(2,266)	(3,485)
Unrealised gain on revaluation of derivative	-	516	-	910
Unrealised loss on financial liabilities measured at amortised cost	(95)	(18)	(388)	(436)
	14,223	16,969	40,537	48,511
Administrative expenses				
Manager's fee	(1,720)	(1,793)	(5,049)	(5,356)
Trustee's fee	(82)	(84)	(246)	(252)
Valuation fee	(35)	(35)	(105)	(106)
Auditors' remuneration	(13)	(13)	(40)	(40)
Tax agent's fee	(3)	(3)	(10)	(11)
Impairment loss on trade receivables	358	(914)	(669)	(1,867)
Others expenses	(253)	(209)	(493)	(844)
Interest expense	(6,752)	(6,896)	(20,199)	(22,403)
	(8,500)	(9,947)	(26,811)	(30,879)
Profit before taxation	5,723	7,022	13,726	17,632
Taxation	-	-	-	-
Profit for the financial year	5,723	7,022	13,726	17,632
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	5,723	7,022	13,726	17,632
Total comprehensive income for the period is made up as follows:-				
- Realised	5,818	6,524	14,114	17,158
- Unrealised	(95)	498	(388)	474
	5,723	7,022	13,726	17,632
Number of units in circulation (Unit) ('000)	686,402	686,402	686,402	686,402
Basic Earnings Per Unit (EPU) (sen)				
- Realised	0.85	0.95	2.06	2.50
- Unrealised	(0.01)	0.07	(0.06)	0.07
	0.84	1.02	2.00	2.57

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 31.12.2021 (Unaudited) RM'000	As At 31.3.2021 (Audited) RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,627,660	1,628,488
Right-of-use assets	160	305
Accrued unbilled lease receivables	24,878	22,612
Accrued lease receivable	558	1,284
	1,653,256	1,652,689
Current Assets		
Receivables	18,717	16,301
Deposits with financial institution	1,511	2,488
Cash and bank balances	4,165	2,242
	24,393	21,031
TOTAL ASSETS	1,677,649	1,673,720
LIABILITIES		
Non-Current Liabilities		
Rental deposits	7,425	12,497
Borrowings	697,011	697,114
Deferred tax liability	2,069	2,069
Lease liabilities	12	302
	706,517	711,982
Current Liabilities		
Payables	6,709	5,794
Lease liabilities	154	21
Rental deposits	18,540	14,703
Borrowings	125,600	117,588
	151,003	138,106
TOTAL LIABILITIES	857,520	850,088
NET ASSET VALUE	820,129	823,632
FINANCED BY:		
UNITHOLDERS' FUNDS		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	13,954	17,069
Undistributed income - Unrealised	169,550	169,938
	820,129	823,632
Number of Units In Circulation (Unit) ('000)	686,402	686,402
Net Asset Value (NAV) per unit (RM)		
- Before income distribution	1.1948	1.1999
- After income distribution	1.1948	1.1857

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 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 2021	636,625	17,069	169,938	823,632
Total comprehensive income for the period	-	14,114	(388)	13,726
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2021 Final	-	(9,747)	-	(9,747)
- FY2022 Interim	-	(7,482)	-	(7,482)
As at 31 December 2021	636,625	13,954	169,550	820,129
<u>Preceding Period To Date</u>				
As at 1 April 2020	636,625	15,393	188,726	840,744
Total comprehensive income for the period	-	17,158	474	17,632
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2020 Final	-	(10,227)	-	(10,227)
- FY2021 Interim	-	(9,610)	-	(9,610)
As at 31 December 2020	636,625	12,714	189,200	838,539

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 2021 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Year To Date 31.12.2021 RM'000	Preceding Year To Date 31.12.2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	13,726	17,632
<i>Adjustment for :-</i>		
Unbilled lease receivable	(2,266)	(3,485)
Interest income from placement with financial institution	(33)	(52)
Interest on lease liability	9	14
Interest expense	20,190	22,389
Depreciation of right-of-use assets	145	225
Impairment loss on trade receivables	914	1,867
Change in fair value of investment properties	2,266	3,485
Loss on financial liabilities measured at amortised cost	388	436
Unrealised gain on revaluation of derivatives	-	(910)
Operating profit before working capital changes	35,339	41,601
Changes in working capital		
Increase in receivables	(2,608)	(9,631)
Increase/(decrease) in payables	837	(1,181)
Decrease in rental deposits	(1,623)	(759)
Net cash generated from operating activities	31,945	30,030
CASH FLOW FROM INVESTING ACTIVITIES		
Enhancement of investment properties	(1,438)	(2,506)
Acquisition of right-of-use assets	-	(440)
Interest income	33	52
Net cash used in investing activities	(1,405)	(2,894)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(20,110)	(22,642)
Distributions paid to Unitholders	(17,229)	(19,837)
Drawdown of borrowings (net)	7,910	16,209
Payment of lease liabilities	(165)	(233)
Net cash used in from financing activities	(29,594)	(26,503)
Net increase in cash and cash equivalents	946	633
Cash and cash equivalents at the beginning of the period	4,730	4,070
Cash and cash equivalents at the end of the period	5,676	4,703
Cash and cash equivalents included in the statement of cash flows comprise of the following:		
Deposits with financial institution	1,511	1,483
Cash and bank balances	4,165	3,220
	5,676	4,703

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Third Quarter Ended 31 December 2021

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 2021.

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 2021 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 2021.

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 2021 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 Third Quarter Ended 31 December 2021

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 December 2021.

A9. INCOME DISTRIBUTION PAID

During the quarter under review, the Trust had on 29 December 2021, paid an interim income distribution of 1.09 sen per unit, amounting to RM7,481,777 for the six-month period from 1 April 2021 to 30 September 2021.

A10. VALUATION OF INVESTMENT PROPERTIES

The carrying value of investment properties as at 31 December 2021 is based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 March 2021 and subsequent capital expenditure incurred up to the reporting date.

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 December 2021.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

AmFIRST REAL ESTATE INVESTMENT TRUST**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS****For the Third Quarter Ended 31 December 2021**

A13. REALISED AND UNREALISED INCOME DISCLOSURE

The breakdown of undistributed income into realised and unrealised as at 31 December 2021 is summarised as below: -

	As at 31.12.2021 RM'000	As at 31.3.2021 RM'000
<u>Realised</u>		
Distributable undistributed income	13,954	17,069
<u>Unrealised</u>		
Cumulative net change in fair value of investment properties	160,677	158,411
Unrealised gain on financial liabilities measured at amortized cost	663	1,052
Unrealised income - Unbilled lease receivable	10,278	12,544
Provision for deferred tax on change in fair value of investment properties	(2,069)	(2,069)
	<u>169,550</u>	<u>169,938</u>
Total	<u>183,504</u>	<u>187,007</u>

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Third Quarter Ended 31 December 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 (3Q FY2022 vs 3Q FY2021)

	Current Year Quarter	Preceding Year Quarter	Changes	
	31.12.2021	31.12.2020	RM'000	%
Gross revenue				
- Realised	24,992	26,236	(1,244)	-4.7%
- Unrealised (unbilled lease rental receivable)	755	1,162	(407)	-35.0%
	25,747	27,398	(1,651)	-6.0%
Property expenses	(10,684)	(9,930)	(754)	-7.6%
Net property income	15,063	17,468	(2,405)	-13.8%
Interest & other income	10	165	(155)	-94.2%
Change in fair value of investment properties	(755)	(1,162)	407	35.0%
Unrealised gain on revaluation of derivatives	-	516	(516)	-100.0%
Unrealised loss on financial liabilities measured at amortised cost	(95)	(18)	(77)	-421.2%
	14,223	16,969	(2,746)	-16.2%
Non-property expenses	(1,748)	(3,051)	1,303	42.7%
Interest expense	(6,752)	(6,896)	144	2.1%
Profit before taxation	5,723	7,022	(1,299)	-18.5%
Taxation	-	-	-	0%
Profit after taxation	5,723	7,022	(1,299)	-18.5%
Profit after taxation is made up as follow:				
- Realised	5,818	6,524	(706)	-10.8%
- Unrealised	(95)	498	(593)	-119.0%
	5,723	7,022	(1,299)	-18.5%

For the current quarter ended 31 December 2021, realised gross revenue declined by 4.7% as compared to preceding year corresponding quarter mainly due to lower average occupancy at The Summit Retail & Office, Jaya 99 and Menara AmFIRST.

Higher property expenses were higher by 7.6% largely due to one-off reduced service charges from The Summit's Management Corporation in the preceding year corresponding quarter.

Non-property expenses were lower by 42.7% mainly due to reversal of provision for impairment loss on trade receivables in the current year quarter as opposed to provision for impairment loss on trade receivables in preceding year corresponding quarter.

Interest expense was lower by 2.1% mainly due to lower cost of debts as a result of full impact of the various reductions in Overnight Policy Rate ("OPR") in 2020.

Overall, the Trust recorded a lower profit after taxation of RM5.7 million for the current quarter as compared to RM7.0 million in the preceding year corresponding quarter.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Third Quarter Ended 31 December 2021

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

Financial Period to Date Results (YTD ended 31 December 2021 vs YTD ended 31 December 2020)

	Current Year	Preceding Year	Changes	
	To Date 31.12.2021	To Date 31.12.2020	RM'000	%
Gross revenue				
- Realised	72,886	79,264	(6,378)	-8.0%
- Unrealised (unbilled lease rental receivable)	2,266	3,485	(1,219)	-35.0%
	75,152	82,749	(7,597)	-9.2%
Property expenses	(32,011)	(31,452)	(559)	-1.8%
Net property income	43,141	51,297	(8,156)	-15.9%
Interest & other income	50	226	(176)	-78.0%
Change in fair value of investment properties	(2,266)	(3,485)	1,219	35.0%
Unrealised gain on revaluation of derivatives	-	910	(910)	-100.0%
Unrealised loss on financial liabilities measured at amortised cost	(388)	(436)	48	11.0%
	40,537	48,511	(7,974)	-16.4%
Non-property expenses	(6,612)	(8,476)	1,864	22.0%
Interest expense	(20,199)	(22,403)	2,204	9.8%
Profit before taxation	13,726	17,632	(3,906)	-22.2%
Taxation	-	-	-	0%
Profit after taxation	13,726	17,632	(3,906)	-22.2%
Profit after taxation is made up as follow:				
- Realised	14,114	17,158	(3,044)	-17.7%
- Unrealised	(388)	474	(862)	-181.8%
	13,726	17,632	(3,906)	-22.2%

For the 9-month financial period ended 31 December 2021, the Trust's realised gross revenue of RM72.9 million was lower by 8.0% as compared to preceding year to date. The decrease was mainly due to lower average occupancy at Prima 9, The Summit Office, The Summit Retail, Jaya 99 and Menara AmFIRST as well as lower carpark income from The Summit Carpark.

Property expenses were higher by 1.8% as compared to the preceding year to date mainly due to one-off reduced service charges from The Summit's Management Corporation recorded in the preceding year to date.

Non-property expenses were lower by 22.0% mainly due to lower provision for impairment loss on trade receivables coupled with lower manager's fees.

Interest expense was lower by 9.8% mainly due to lower cost of debts as a result of full impact of the various reductions in OPR in 2020.

Overall, the Trust recorded a profit after taxation RM13.7 million for the 9-month financial period ended 31 December 2021 as compared to RM17.6 million recorded in the same period of last financial year.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Third Quarter Ended 31 December 2021

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

Quarterly Results (3Q FY2022 vs 2Q FY2022)

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	31.12.2021	30.9.2021	RM'000	%
Gross Revenue				
- Realised	24,992	22,911	2,081	9.1%
- Unrealised (unbilled lease rental receivable)	755	755	-	0%
	25,747	23,666	2,081	8.8%
Property Expenses	(10,684)	(10,779)	95	0.9%
Net Property Income	15,063	12,887	2,176	16.9%
Interest & Other Income	10	14	(4)	-29.0%
Change in fair value of investment properties	(755)	(755)	-	0%
Unrealised loss on financial liabilities measured at amortised cost	(95)	(131)	36	27.4%
	14,223	12,015	2,208	18.4%
Non-property expenses	(1,748)	(2,124)	376	17.7%
Interest expense	(6,752)	(6,762)	10	0.1%
Profit before taxation	5,723	3,129	2,594	82.9%
Taxation	-	-	-	0%
Profit after taxation	5,723	3,129	2,594	82.9%
Profit after taxation is made up as follow:				
- Realised	5,818	3,260	2,558	78.5%
- Unrealised	(95)	(131)	36	27.2%
	5,723	3,129	2,594	82.9%

The realised gross revenue for the current quarter under review was higher by 9.1% as compared to the immediate preceding quarter mainly due to lower rental rebate given to tenants impacted by COVID-19 pandemic during the current quarter coupled with higher carpark income from The Summit Carpark.

Non-property expenses were lower by 17.7% mainly due to lower provision for impairment loss for trade receivables.

Overall, the Trust recorded a higher profit after taxation of RM5.7 million for the current quarter as compared to RM3.1 million recorded in the immediate preceding quarter.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Third Quarter Ended 31 December 2021

B3. PROSPECTS

Economy is recovering pursuant to the easing of movement restrictions and resumption in businesses under the National Recovery Plan. However, the possible downside risks include the impact of the new COVID-19 variant infections, inflationary pressure and continuing global supply chain disruptions.

The office market is expected to remain subdued due to heightened competition and demand lagging behind supply. In the meantime, the recovery of the retail and hospitality sectors are expected to be gradual but we remain cautious due to the resurgences of infections.

The Manager will continue monitoring the operations closely and adopt appropriate business strategies to sustain the financial performance of the Trust for the financial year ending 31 March 2022.

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

	Cost of Investment # As At 31.12.2021 RM'000	Valuation As At 31.12.2021 RM'000	% Valuation to Net Asset Value As At 31.12.2021 %
Bangunan AmBank Group	201,021	265,900	32.4%
Menara AmBank	263,769	322,084	39.3%
Menara AmFIRST	65,247	66,209	8.1%
Wisma AmFIRST	95,249	118,285	14.4%
The Summit Subang USJ	377,993	358,333	43.7%
Prima 9	73,328	73,289	8.9%
Prima 10	62,398	65,829	8.0%
Kompleks Tun Sri Lanang (Jaya 99)	88,444	104,600	12.8%
Mydin HyperMall, Bukit Mertajam	254,133	278,009	33.9%
	1,481,582	1,652,538	
Accrued unbilled rental income ^	-	(24,878)	
	1,481,582	1,627,660	

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.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Third Quarter Ended 31 December 2021

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.

B8. CHANGES IN NET ASSET VALUE AND UNIT PRICE

	As at 31.12.2021	As at 31.3.2021
Net Asset Value ("NAV") (RM'000)	820,129	823,632
NAV Per Unit (RM)		
- Before income distribution	1.1948	1.1999
- After income distribution	1.1948	1.1857
Closing Unit Price Per Unit (RM)	0.390	0.425

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.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Third Quarter Ended 31 December 2021

B9. BORROWINGS AND DEBT SECURITIES

	Non-current	Current	Total
	RM'000	RM'000	RM'000
As at 31 December 2021			
Secured			
Term Loan	557,850	-	557,850
Revolving Credit	140,000	125,600	265,600
	<u>697,850</u>	<u>125,600</u>	<u>823,450</u>
Unsecured			
Loan transaction costs subject to amortisation	(839)	-	(839)
Total Borrowings	697,011	125,600	822,611
As at 31 December 2020			
Secured			
Term Loan	307,850	-	307,850
Revolving Credit	390,000	118,100	508,100
	<u>697,850</u>	<u>118,100</u>	<u>815,950</u>
Unsecured			
Loan transaction costs subject to amortisation	(934)	(137)	(1,071)
Total Borrowings	696,916	117,964	814,879

All the bank borrowings are denominated in Ringgit Malaysia.

As at 31 December 2021, the Trust's gearing ratio stood at 49.0% and maintained a competitive weighted average interest cost of 3.19%.

All borrowings were on a floating rate basis.

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 December 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 December 2021, 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 Third Quarter Ended 31 December 2021

B12. UNITS HELD BY RELATED PARTIES

As at 31 December 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
Unitholdings of parties related to the Manager		
AmBank (M) Berhad	183,489	71,561
Yayasan Azman Hashim	77,947	30,399
AmMetLife Insurance Berhad on behalf of Life Fund	11,200	4,368
Azman bin Hashim	849	331
AmGroup Foundation	3	1

The market value is determined by multiplying the number of units with the closing unit price of RM0.390 per unit as at 31 December 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 Unitholders, 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 ending 31 March 2022.

	Current Year 31.12.2021 RM’000	Preceding Corresponding Year 31.12.2020 RM’000
Income before taxation	13,726	17,632
Income tax using Malaysian tax rate of 24% (2020 : 24%)	3,294	4,232
Effects of non-deductible expenses	281	437
Effects of fair value adjustment on investment properties not subject to tax	544	836
Effects of income exempted from tax	(4,119)	(5,505)
Deferred tax on Real Property Gain Tax ("RPGT") on fair value gain on investment properties	-	-
Tax expense	-	-

B14. INCOME DISTRIBUTION

During the current quarter under review, the Trust had on 29 December 2021, paid an interim income distribution of 1.09 sen per unit for the six-month financial period from 1 April 2021 to 30 September 2021, totaling RM7,481,777.

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%)

B15. MATERIAL LITIGATION

- (i) **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 1st Defendant) and the trustee of AmFIRST REIT, Maybank Trustees Berhad, (“AmFIRST REIT Trustees”) (as the 2nd 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 5th 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 5th 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 Appeal was heard on 26 October 2021 and was dismissed with cost on 9 December 2021.

B15. MATERIAL LITIGATION - CONTD.

- (i) **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”) – contd.**

The 2nd Plaintiff, Looi Seow Leng, subsequently filed an application to the Federal Court for leave to appeal against the dismissal of the Appeal (“**Leave Application**”) on 7 January 2022. The Notice of Motion and Affidavit in Support was served on the Respondents on 19 January 2022. The Respondents have filed their Affidavit in Reply and the Notice of Change of Solicitors on 31 January 2022. The Affidavit in Reply was served on the Applicant on 4 February 2022. The Leave Application is fixed for case management before the Federal Court on 25 February 2022.

In the meantime, a case management is fixed before the High Court on 23 February 2022.

- (ii) **Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (“Plaintiffs”) and The Summit Subang USJ Management Corporation (“Defendant”)**

On 30 April 2021, the Plaintiffs filed the aforesaid OS against the Defendant seeking inter alia the following reliefs:

- (a) A declaration that any proposed resolution determining different rates of maintenance charges for different parcels in the commercial building known as The Summit Subang USJ (“**The Summit**”) passed at any Annual General Meetings or Extraordinary General Meeting convened before the judgment of the Court, is ultra vires the Strata Titles Act 1985 (“**STA**”) and Strata Management Act 2013 (“**SMA**”), unlawful, null and void ab initio.
- (b) A declaration that a single maintenance charge rate per share unit per month be imposed in proportion to the allocated share units for each parcel in The Summit for each respective management periods from 1 January 2013 to 31 August 2018, 1 September 2018 to 31 August 2019, 1 September 2019 to 30 September 2020, 1 October 2020 to 31 October 2020 and between 1 November 2020 until the date before the next management period commences.
- (c) An order under Section 76 of the SMA that an administrator for Defendant be appointed for a fixed period of time.

On 12 July 2021, the Defendant filed an application to convert the OS into a Writ action (“Conversion of OS to Writ”).

On 7 September 2021, Maybank Trustees Berhad as Trustee of AmFRIST REIT (“MTB”) filed an application to intervene in the OS and be added as the 2nd Defendant.

On 17 September 2021, a group of owners in the Summit known as Swan Properties Sdn Bhd & 13 others (“**Swan Property Group**”) filed an application to intervene in the OS and be added as Plaintiffs.

B15. MATERIAL LITIGATION - CONTD.

- (ii) **Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (Plaintiffs) and The Summit Subang USJ Management Corporation (Defendant) – contd.**

On 8 December 2021, the Shah Alam High Court allowed MTB's application to intervene and be added as the 2nd Defendant in the OS and also allowed the Swan Property Group to be added as parties.

On 21 December 2021, an application was filed to add MTB as a party to the Conversion of OS to Writ.

Case Management for OS will be on 26 April 2022 and the hearing date for Conversion of OS to Writ will be on 26 April 2022 too.

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 December 2021 and of its financial performance and cash flows for the year ended 31 December 2021 and duly authorized for release by the Board of Directors of the Manager on 21 February 2022.