



CONDENSED FINANCIAL STATEMENTS

FOURTH QUARTER ENDED 31 MARCH 2022

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AmFIRST REAL ESTATE INVESTMENT TRUST

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.3.2022 RM'000	Preceding Year Corresponding Quarter 31.3.2021 RM'000	Current Year To Date 31.3.2022 RM'000	Preceding Year To Date 31.3.2021 RM'000
Gross revenue				
- Realised	23,739	23,664	96,625	102,927
- Unrealised (in relation to unbilled lease rental receivable)	756	891	3,022	4,376
	24,495	24,555	99,647	107,303
Property expenses	(8,382)	(10,882)	(40,392)	(42,334)
Net property income	16,113	13,673	59,255	64,969
Interest income	9	11	42	64
Other income	12	202	28	374
Change in fair value of investment properties	(19,724)	(19,377)	(21,991)	(22,862)
Unrealised gain on revaluation of derivative	-	-	-	910
Unrealised loss on financial liabilities measured at amortised cost	560	(4)	172	(440)
	(3,030)	(5,495)	37,506	43,015
Administrative expenses				
Manager's fee	(1,759)	(1,732)	(6,808)	(7,088)
Trustee's fee	(82)	(84)	(329)	(336)
Valuation fee	(133)	(33)	(238)	(139)
Auditors' remuneration	(20)	(13)	(60)	(54)
Tax agent's fee	(11)	(9)	(20)	(19)
Allowance of ECL	2,728	(1,067)	2,058	(2,934)
Others expenses	(302)	(226)	(794)	(1,070)
Interest expense	(6,604)	(6,599)	(26,803)	(29,002)
	(6,183)	(9,763)	(32,994)	(40,642)
Profit before taxation	(9,213)	(15,258)	4,512	2,373
Taxation	833	352	833	352
Profit for the financial year	(8,380)	(14,906)	5,345	2,725
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	(8,380)	(14,906)	5,345	2,725
Total comprehensive income for the year is made up as follows:-				
- Realised	8,071	4,355	22,185	21,513
- Unrealised	(16,451)	(19,261)	(16,840)	(18,788)
	(8,380)	(14,906)	5,345	2,725
Number of units in circulation (Unit) ('000)	686,402	686,402	686,402	686,402
Basic Earnings Per Unit (EPU) (sen)				
- Realised	1.18	0.63	3.23	3.13
- Unrealised	(2.40)	(2.81)	(2.45)	(2.74)
	(1.22)	(2.18)	0.78	0.39

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 31.3.2022 (Unaudited) RM'000	As At 31.3.2021 (Audited) RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,608,747	1,628,488
Right-of-use assets	181	305
Accrued unbilled lease receivables	26,757	22,612
Accrued lease receivable	609	1,284
	1,636,294	1,652,689
Current Assets		
Receivables	19,550	16,301
Deposits with financial institution	1,518	2,488
Cash and bank balances	3,913	2,242
	24,981	21,031
TOTAL ASSETS	1,661,275	1,673,720
LIABILITIES		
Non-Current Liabilities		
Rental deposits	13,626	12,497
Borrowings	697,526	697,114
Deferred tax liability	1,236	2,069
Lease liabilities	23	302
	712,411	711,982
Current Liabilities		
Payables	7,400	5,794
Lease liabilities	166	21
Rental deposits	11,863	14,703
Borrowings	117,687	117,588
	137,116	138,106
TOTAL LIABILITIES	849,527	850,088
NET ASSET VALUE	811,748	823,632
FINANCED BY:		
UNITHOLDERS' FUNDS		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	22,025	17,069
Undistributed income - Unrealised	153,098	169,938
	811,748	823,632
Number of Units In Circulation (Unit) ('000)	686,402	686,402
Net Asset Value (NAV) per unit (RM)		
- Before income distribution	1.1826	1.1999
- After income distribution	1.1633	1.1857

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements 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 Year To Date</u>				
As at 1 April 2021	636,625	17,069	169,938	823,632
Total comprehensive income for the year	-	22,185	(16,840)	5,345
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2021 Final	-	(9,747)	-	(9,747)
- FY2022 Interim	-	(7,482)	-	(7,482)
As at 31 March 2022	636,625	22,025	153,098	811,748
<u>Preceding Year To Date</u>				
As at 1 April 2020	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				
- FY2020 Final	-	(10,227)	-	(10,227)
- FY2021 Interim	-	(9,610)	-	(9,610)
As at 31 March 2021	636,625	17,069	169,938	823,632

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 31.3.2022 RM'000	Preceding Year To Date 31.3.2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,512	2,373
<i>Adjustment for :-</i>		
Unbilled lease receivable	(3,021)	(4,376)
Interest income from placement with financial institution	(42)	(64)
Interest on lease liability	13	19
Interest expense	26,790	28,983
Depreciation of right-of-use assets	221	277
Allowance of ECL	(2,058)	2,934
Change in fair value of investment properties	21,991	22,862
Loss on financial liabilities measured at amortised cost	(172)	440
Unrealised fair value gain on derivatives	-	(910)
Operating profit before working capital changes	48,234	52,539
Changes in working capital		
Increase in receivables	(1,640)	(10,967)
Increase/(decrease) in payables	1,513	(2,250)
Decrease in rental deposits	(1,539)	(1,184)
Net cash generated from operating activities	46,568	38,137
CASH FLOW FROM INVESTING ACTIVITIES		
Enhancement of investment properties	(2,249)	(4,210)
Interest income	42	64
Net cash used in investing activities	(2,207)	(4,146)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(26,698)	(29,244)
Distributions paid to Unitholders	(17,229)	(19,837)
Drawdown of borrowings (net)	512	16,032
Payment of lease liabilities	(245)	(282)
Net cash used in from financing activities	(43,660)	(33,331)
Net increase in cash and cash equivalents	701	660
Cash and cash equivalents at the beginning of the year	4,730	4,070
Cash and cash equivalents at the end of the year	5,431	4,730
Cash and cash equivalents included in the statement of cash flows comprise of the following:		
Deposits with financial institution	1,518	2,488
Cash and bank balances	3,913	2,242
	5,431	4,730

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 Fourth Quarter Ended 31 March 2022

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.

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

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

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

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 2022.

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 1.93 sen per unit for the six-month period from 1 October 2021 to 31 March 2022, amounting to RM13,247,551 representing approximately 93% of the realised distributable net income for the six-month period ended 31 March 2022, to be payable on 31 May 2022 as disclosed in note B14 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 31.3.2022 RM'000	% Valuation to Net Asset Value As At 31.3.2022
Bangunan AmBank Group (i)	Leasehold	Kuala Lumpur	Office	180,152	266,400	32.8%
Menara AmBank (ii)	Freehold	Kuala Lumpur	Office	230,170	322,350	39.7%
Menara AmFIRST (iii)	Freehold	Petaling Jaya	Office	57,081	64,600	8.0%
Wisma AmFIRST (iv)	Leasehold	Kelana Jaya	Office	86,051	113,700	14.0%
The Summit Subang USJ (v)	Freehold	Subang Jaya	Mixed Commercial Complex	280,091	357,650	44.1%
Prima 9 (vi)	Freehold	Cyberjaya	Office	72,897	73,100	9.0%
Prima 10 (vii)	Freehold	Cyberjaya	Office	61,747	62,000	7.6%
Kompleks Tun Sri Lanang (viii)	Leasehold	Melaka	Office	87,226	100,804	12.4%
Mydin HyperMall, Bukit Mertajam (ix)	Freehold	Penang	Retail	254,107	274,900	33.9%
Add : Accrued Lease Receivable				1,309,522	1,635,504	
				-	(26,757)	
				1,309,522	1,608,747	

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

A10. VALUATION OF INVESTMENT PROPERTIES – CONTD.

Note:-

- (i) This property was revalued on 15 February 2022 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 15 February 2022 by First Pacific, independent professional valuers.
- (iii) This property was revalued on 17 February 2022 by Rahim & Co International Sdn Bhd ("Rahim & Co"), independent professional valuers.
- (iv) This property was revalued on 28 February 2022 by Rahim & Co. The leasehold land will expire on 19 February 2094.
- (v) This property was revalued on 31 March 2022 by VPC Alliance (KL) Sdn Bhd ("VPC Alliance").
- (vi) This property was revalued on 14 February 2022 by First Pacific.
- (vii) This property was revalued on 23 February 2022 by Rahim & Co.
- (viii) The property was revalued on 31 March 2022 by VPC Alliance. The leasehold land will expire on 7 October 2109.
- (ix) This property was revalued on 17 February 2022 by Rahim & Co.

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 2022.

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 2022 was summarised as below: -

	As at 31.3.2022 RM'000	As at 31.3.2021 RM'000
Realised		
Distributable undistributed income	22,025	17,069
Unrealised		
Cumulative net change in fair value of investment properties	136,421	158,411
Unrealised gain on financial liabilities measured at amortized cost	1,223	1,052
Unrealised income - Unbilled lease receivable	16,690	12,544
Provision for deferred tax on change in fair value of investment properties	(1,236)	(2,069)
	153,098	169,938
Total	175,123	187,007

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

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 FY2022 vs 4Q FY2021)

	Current Year	Preceding Year	Changes	
	Quarter 31.3.2022	Quarter 31.3.2021	RM'000	%
Gross revenue				
- Realised	23,739	23,664	75	0.3%
- Unrealised (unbilled lease rental receivable)	756	891	(135)	-15.2%
	24,495	24,555	(60)	-0.2%
Property expenses	(8,382)	(10,882)	2,500	23.0%
Net property income	16,113	13,673	2,440	17.8%
Interest and other income	21	213	(192)	-90.2%
Change in fair value of investment properties	(19,724)	(19,377)	(347)	-1.8%
Unrealised gain/(loss) on financial liabilities measured at amortised cost	560	(4)	564	>100%
	(3,030)	(5,495)	2,465	44.9%
Non-property expenses	420	(3,164)	3,584	113%
Interest expense	(6,604)	(6,599)	(5)	-0.1%
Loss before taxation	(9,213)	(15,258)	6,045	39.6%
Taxation	833	352	481	137%
Loss after taxation	(8,380)	(14,906)	6,526	43.8%
Profit/(Loss) after taxation is made up as follow:				
- Realised	8,071	4,355	3,716	85.3%
- Unrealised	(16,451)	(19,261)	2,810	14.6%
	(8,380)	(14,906)	6,526	43.8%

For the current quarter ended 31 March 2022, realised gross revenue increased marginally by 0.3% as compared to preceding year corresponding quarter mainly due lower rental rebate given to tenants impacted by COVID-19 pandemic. However, this increase has been partially offset by lower average occupancy at The Summit Retail and Menara AmFIRST.

Property expenses were lower by 23% or RM2.5 million mainly due to one-off rebate on service charges from The Summit's Management Corporation for the month of January 2022 and February 2022 as well as assessment rebate received during the current quarter.

Non-property expenses were lower by 113% or RM3.6 million mainly due to reversal of allowance of ECL of RM2.7 million in the current quarter as opposed to provision of allowance of ECL of RM1.0 million in preceding year corresponding quarter.

Overall, included unrealised loss on fair value adjustment on investment properties of RM19.7 million, the Trust recorded a loss after taxation of RM8.4 million for the current quarter.

However, excluded the unrealised gain/(loss) on fair value adjustment, the Trust recorded higher realised net income of RM8.1 million for the current quarter as compared to RM4.4 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 2022

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

Financial Year to Date Results (YTD) ended 31 March 2022 vs YTD ended 31 March 2021)

	Current Year	Preceding Year	Changes	
	To Date 31.3.2022	To Date 31.3.2021	RM'000	%
Gross revenue				
- Realised	96,625	102,927	(6,302)	-6.1%
- Unrealised (unbilled lease rental receivable)	3,022	4,376	(1,354)	-30.9%
	99,647	107,303	(7,656)	-7.1%
Property expenses	(40,392)	(42,334)	1,942	4.6%
Net property income	59,255	64,969	(5,714)	-8.8%
Interest and other income	70	437	(367)	-83.9%
Change in fair value of investment properties	(21,991)	(22,862)	871	3.8%
Unrealised gain/(loss) on financial liabilities measured at amortised cost	172	(440)	612	139%
	37,506	43,014	(5,508)	-12.8%
Non-property expenses	(6,191)	(11,639)	5,448	46.8%
Interest expense	(26,803)	(29,002)	2,199	7.6%
Profit before taxation	4,512	2,373	2,139	90.1%
Taxation	833	352	481	137%
Profit after taxation	5,345	2,725	2,620	96.2%
Profit after taxation is made up as follow:				
- Realised	22,185	21,513	672	3.1%
- Unrealised	(16,840)	(18,788)	1,948	10.4%
	5,345	2,725	2,620	96.2%

For the financial year ended 31 March 2022, the Trust's realised gross revenue of RM96.6 million was lower by 6.1% as compared to preceding financial year ended 31 March 2021. 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 lower by 4.6% or RM1.9 million as compared to the preceding financial year mainly due to one-off rebate on service charges from The Summit's Management Corporation for the month of January 2022 and February 2022.

Non-property expenses were lower by 46.8% or RM5.4 million mainly due to reversal of allowance of ECL of RM2.0 million in the current financial year as opposed to provision of allowance of ECL of RM2.9 million in preceding financial year coupled with lower Manager's performance fees in current financial year due to lower Net Property Income generated.

Interest expense was lower by 7.6% or RM2.2 million mainly due to lower cost of debts as a result of full impact of the various reductions in OPR during 2020.

Overall, included the unrealised loss on fair value adjustment on investment properties, the Trust recorded profit after taxation of RM5.3 million for the current financial year ended 31 March 2022. However, excluded the unrealised fair value gain/(loss), the Trust generated higher realised net income of RM22.2 million as compared to RM21.5 million in the preceding financial year.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

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

Quarterly Results (4Q FY2022 vs 3Q FY2022)

	Current Year Quarter 31.3.2022	Immediate Preceding Quarter 31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
Gross Revenue				
- Realised	23,739	24,992	(1,253)	-5.0%
- Unrealised (unbilled lease rental receivable)	756	755	1	0.1%
	24,495	25,747	(1,252)	-4.9%
Property Expenses	(8,382)	(10,684)	2,302	21.5%
Net Property Income	16,113	15,063	1,050	7.0%
Interest and other income	21	10	11	109%
Change in fair value of investment properties	(19,724)	(755)	(18,969)	2511%
Unrealised gain/(loss) on financial liabilities measured at amortised cost	560	(95)	655	686%
	(3,030)	14,223	(17,253)	-121%
Non-property expenses	420	(1,748)	2,168	124%
Interest expense	(6,604)	(6,752)	148	2.2%
(Loss)/Profit before taxation	(9,213)	5,723	(14,936)	-261%
Taxation	833	-	833	100%
(Loss)/Profit after taxation	(8,379)	5,723	(14,102)	-246%
(Loss)/Profit after taxation is made up as follow:				
- Realised	8,071	5,818	2,253	38.7%
- Unrealised	(16,451)	(95)	(16,356)	>100%
	(8,380)	5,723	(14,103)	-246%

The realised gross revenue for the current quarter under review was lower by 5.0% as compared to the immediate preceding quarter mainly due to higher rental rebate given to tenants and lower average occupancy at Menara AmFIRST.

Property expenses were lower by 21.5% or RM2.3 million as compared to the immediate preceding quarter mainly due to one-off rebate on service charges from The Summit's Management Corporation for the month of January 2022 and February 2022 as well as assessment rebate received during the current quarter.

Non-property expenses were lower by 124% or RM2.2 million mainly due to reversal of allowance of ECL of RM2.7 million in the current quarter as compared to reversal of allowance of ECL of RM0.3 million in the immediate preceding quarter.

The Trust conducted the revaluation of all the investment properties during the quarter under review and recorded fair value loss of RM19.7 million.

Excluded the unrealised gain/(loss) on fair value adjustment, the Trust recorded a higher realised net income of RM8.1 million as compared to RM5.8 million in immediate preceding quarter.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Fourth Quarter Ended 31 March 2022

B3. PROSPECTS

The country's economic activities are expected to improve with the reopening of borders in April 2022. However, the ongoing Russia–Ukraine conflict may dampen the global economic recovery including Malaysia's.

Amidst widening imbalance between supply and demand, the overall office occupancy and rental rates will continue to be subjected to downward pressures. Although more economic sectors and businesses are allowed to reopen, the challenges on office market remained as companies, especially MNCs, continue to reevaluate their future workplace strategies.

The reopening of the economy and lifting of the travel restrictions bring relief to the retail sector. However, the recovery of the retail sector is expected to be gradual given cautious consumer sentiments, rising inflation and global supply chain disruptions.

The Manager will continue 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.

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 2022, the Trust's composition of investment portfolio is as follow:

	Cost of Investment # As At 31.3.2022 RM'000	Valuation As At 31.3.2022 RM'000	% Valuation to Net Asset Value As At 31.3.2022 %
Bangunan AmBank Group	201,021	266,400	32.8%
Menara AmBank	263,807	322,350	39.7%
Menara AmFIRST	65,237	64,600	8.0%
Wisma AmFIRST	95,280	113,700	14.0%
The Summit Subang USJ	378,754	357,650	44.1%
Prima 9	73,328	73,100	9.0%
Prima 10	62,398	62,000	7.6%
Kompleks Tun Sri Lanang (Jaya 99)	88,444	100,804	12.4%
Mydin HyperMall, Bukit Mertajam	254,124	274,900	33.9%
	1,482,393	1,635,504	
Accrued unbilled rental income ^	-	(26,757)	
	1,482,393	1,608,747	

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 Fourth Quarter Ended 31 March 2022

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 31.3.2022	As at 31.3.2021
Net Asset Value ("NAV") (RM'000)	811,748	823,632
NAV Per Unit (RM)		
- Before income distribution	1.1826	1.1999
- After income distribution	1.1633	1.1857
Closing Unit Price Per Unit (RM)	0.380	0.425

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

B9. BORROWINGS AND DEBT SECURITIES

	Non-current	Current	Total
	RM'000	RM'000	RM'000
As at 31 March 2022			
Secured			
Term Loan	557,850	-	557,850
Revolving Credit	140,000	118,100	258,100
	697,850	118,100	815,950
Unsecured			
Loan transaction costs subject to amortisation	(323)	(412)	(736)
Total Borrowings	697,527	117,688	815,214
As at 31 March 2021			
Secured			
Term Loan	307,850	-	307,850
Revolving Credit	390,000	118,100	508,100
	697,850	118,100	815,950
Unsecured			
Loan transaction costs subject to amortisation	(736)	(512)	(1,248)
Total Borrowings	697,114	117,588	814,702

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

B9. BORROWINGS AND DEBT SECURITIES – CONTD.

All the bank borrowings are denominated in Ringgit Malaysia.

As at 31 March 2022, the Trust's gearing ratio stood at 49.1% and maintained a competitive weighted average interest cost of 3.18%.

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 March 2022, 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 2022, 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 2022, 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	69,726
Yayasan Azman Hashim	77,947	29,620
AmMetLife Insurance Berhad on behalf of Life Fund	11,200	4,256
Azman bin Hashim	849	323
AmGroup Foundation	3	1

The market value is determined by multiplying the number of units with the closing unit price of RM0.380 per unit as at 31 March 2022.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

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 31.3.2022 RM'000	Preceding Corresponding Year 31.3.2021 RM'000
Income before taxation	4,512	2,373
Income tax using Malaysian tax rate of 24% (2020 : 24%)	1,083	569
Effects of non-deductible expenses	2,299	2,901
Effects of fair value adjustment on investment properties not subject to tax	5,278	5,487
Effects of income exempted from tax	(8,660)	(8,957)
	-	-
Deferred tax on Real Property Gain Tax ("RPGT") on fair value gain on investment properties	(833)	(352)
Tax expense	(833)	(352)

B14. INCOME DISTRIBUTION

The Board of Director of the Manager of AmFIRST REIT, has declared a final income distribution of 1.93 sen per unit for the six-month period from 1 October 2021 to 31 March 2022 amounting to RM13,247,551 payable on 31 May 2022 to the Unitholders registered in the Record of Depositors on 18 May 2022.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

B14. INCOME DISTRIBUTION – CONTD.

The final income distribution for the six-month period ended 31 March 2022 is from the following sources: -

	Current Year To Date 31.3.2022	Preceding Year To Date 31.3.2021
	RM'000	RM'000
Gross revenue		
- Realised	96,625	102,927
- Unrealised (in relation to accrued unbilled rental receivables)	3,022	4,376
	99,647	107,303
Interest income	42	64
Other income	28	374
Change in fair value of investment properties	(21,991)	(22,862)
Unrealised gain on revaluation of derivatives	-	910
Unrealised gain/(loss) on financial liabilities measured at amortised cost	172	(440)
Total income	77,898	85,349
Less : Total expenses (before manager's fees)	(66,578)	(75,888)
Net income before taxation (before manager's fees)	11,320	9,461
Less : Manager's fees	(6,808)	(7,088)
Net income before taxation	4,512	2,373
Less : Taxation	833	352
Realised net income after taxation	5,345	2,725
Less : Distribution adjustment (unrealised)	16,840	18,788
Total realised net income for the year	22,185	21,513
Undistributed realised income brought forward, 1 April	7,322	5,166
Total realised net income for the year	22,185	21,513
Total income available for distribution	29,507	26,679
Less : Interim income distribution	(7,482)	(9,610)
Total income available for distribution	22,025	17,069
Less : Proposed final income distribution	(13,248)	(9,747)
Undistributed realised income carried forward	8,777	7,322
Number of unit in circulation ('000)	686,402	686,402
Interim income distribution per unit (Sen)	1.09	1.40
Final income distribution per unit (Sen)	1.93	1.42
Total income distribution per unit (Sen)	3.02	2.82

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

B14. INCOME DISTRIBUTION – CONTD.

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, the Civil Suit before the High Court is struck out on 3 March 2022 with liberty to be reinstated subject to the decision of the Federal Court ordering for remittance to the High Court.

The Federal Court on 25 February 2022 during the case management directed that the appeal has been fixed for an online hearing on 20 June 2022. Both parties will have to file written submissions, bundle of authorities, common core bundles, executive case summary before 3 June 2022. The next case management is fixed on 7 June 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.

AmFIRST REAL ESTATE INVESTMENT TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2022

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 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 AmFIRST 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.

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 allowed the Swan Property Group to be added as Plaintiffs.

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

On 26 April 2022, the High Court has dismissed the Defendant's application for the Conversion of the OS to Writ. The Case Management for the OS has now been fixed for 14 May 2022.

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 2022 and of its financial performance and cash flows for the year ended 31 March 2022 and duly authorized for release by the Board of Directors of the Manager on 26 April 2022.