



## CONDENSED FINANCIAL STATEMENTS

FIRST QUARTER ENDED 30 JUNE 2022

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# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 30.6.2022 RM'000	Preceding Year Corresponding Quarter 30.6.2021 RM'000	Current Year To Date 30.6.2022 RM'000	Preceding Year To Date 30.6.2021 RM'000
<b>Gross revenue</b>				
- Realised	24,548	24,983	24,548	24,983
- Unrealised (in relation to unbilled lease rental receivable)	755	755	755	755
	25,303	25,738	25,303	25,738
Property expenses	(11,223)	(10,548)	(11,223)	(10,548)
<b>Net property income</b>	14,080	15,190	14,080	15,190
Interest income	8	14	8	14
Other income	3	10	3	10
Change in fair value of investment properties	(755)	(755)	(755)	(755)
Unrealised loss on financial liabilities measured at amortised cost	(45)	(161)	(45)	(161)
	13,291	14,298	13,291	14,298
<b>Administrative expenses</b>				
Manager's fee	(1,669)	(1,697)	(1,669)	(1,697)
Trustee's fee	(81)	(82)	(81)	(82)
Valuation fee	(59)	(36)	(59)	(36)
Auditors' remuneration	(14)	(13)	(14)	(13)
Tax agent's fee	(4)	(3)	(4)	(3)
Allowance of ECL	(270)	(784)	(270)	(784)
Others expenses	(139)	(124)	(139)	(124)
Interest expense	(6,897)	(6,685)	(6,897)	(6,685)
	(9,133)	(9,424)	(9,133)	(9,424)
<b>Profit before taxation</b>	4,158	4,874	4,158	4,874
Taxation	-	-	-	-
<b>Profit for the financial period</b>	4,158	4,874	4,158	4,874
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	4,158	4,874	4,158	4,874
<b>Total comprehensive income for the period is made up as follows:-</b>				
- Realised	4,203	5,035	4,203	5,035
- Unrealised	(45)	(161)	(45)	(161)
	4,158	4,874	4,158	4,874
<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	0.61	0.73	0.61	0.73
- Unrealised	(0.01)	(0.02)	(0.01)	(0.02)
	0.60	0.71	0.60	0.71

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 30.6.2022 (Unaudited) RM'000	As At 31.3.2022 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	1,608,053	1,608,747
Right-of-use assets	134	181
Accrued unbilled lease receivables	27,513	26,757
Accrued lease receivable	-	609
	1,635,700	1,636,294
<b>Current Assets</b>		
Receivables	16,475	19,550
Deposits with financial institution	1,526	1,518
Cash and bank balances	3,499	3,913
	21,500	24,981
<b>TOTAL ASSETS</b>	1,657,200	1,661,275
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Rental deposits	12,188	13,626
Borrowings	697,217	697,526
Deferred tax liability	1,236	1,236
Lease liabilities	23	23
	710,664	712,411
<b>Current Liabilities</b>		
Payables	7,061	7,399
Lease liabilities	117	166
Rental deposits	13,099	11,863
Borrowings	123,600	117,687
	143,877	137,115
<b>TOTAL LIABILITIES</b>	854,541	849,526
<b>NET ASSET VALUE</b>	<b>802,659</b>	<b>811,749</b>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	12,980	22,025
Undistributed income - Unrealised	153,054	153,099
	<b>802,659</b>	<b>811,749</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	1.1694	1.1826
- After income distribution	1.1694	1.1633

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements statements for the financial year ended 31 March 2022 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 Year To Date</u></b>				
<b>As at 1 April 2022</b>	636,625	22,025	153,099	811,749
Total comprehensive income for the period	-	4,203	(45)	4,158
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2022 Final	-	(13,248)	-	(13,248)
<b>As at 30 June 2022</b>	<b>636,625</b>	<b>12,980</b>	<b>153,054</b>	<b>802,659</b>
<b><u>Preceding Year To Date</u></b>				
<b>As at 1 April 2021</b>	636,625	17,069	169,938	823,632
Total comprehensive income for the period	-	5,035	(161)	4,874
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2021 Final	-	(9,747)	-	(9,747)
<b>As at 30 June 2021</b>	<b>636,625</b>	<b>12,357</b>	<b>169,776</b>	<b>818,759</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 2022 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Period To Date 30.6.2022 RM'000	Preceding Period To Date 30.6.2021 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,158	4,874
<i>Adjustment for :-</i>		
Unbilled lease receivable	(755)	(755)
Interest income from placement with financial institution	(8)	(14)
Interest on lease liability	2	3
Interest expense	6,895	6,682
Depreciation of right-of-use assets	47	55
Allowance of ECL	270	784
Change in fair value of investment properties	755	755
Loss on financial liabilities measured at amortised cost	45	161
	11,409	12,545
<b>Changes in working capital</b>		
Decrease/(Increase) in receivables	3,413	(439)
(Decrease)/Increase in payables	(410)	720
Decrease in rental deposits	(247)	(382)
	14,165	12,444
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Enhancement of investment properties	(62)	(440)
Interest income	8	14
	(54)	(426)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(6,821)	(6,703)
Distributions paid to Unitholders	(13,248)	(9,747)
Drawdown of borrowings (net)	5,603	4,141
Payment of lease liabilities	(50)	(69)
	(14,516)	(12,378)
<b>Net decrease in cash and cash equivalents</b>	(405)	(360)
<b>Cash and cash equivalents at the beginning of the year</b>	5,430	4,730
<b>Cash and cash equivalents at the end of the period</b>	5,025	4,370
<b>Cash and cash equivalents included in the statement of cash flows comprise of the following:</b>		
Deposits with financial institution	1,526	2,488
Cash and bank balances	3,499	2,242
	5,025	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 2022 and the accompanying explanatory notes.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

### **NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**For the First Quarter Ended 30 June 2022**

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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 2022.

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 2022 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 2022.

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 2022 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 First Quarter Ended 30 June 2022**

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#### **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 30 June 2022.

#### **A9. INCOME DISTRIBUTION PAID**

During the quarter under review, the Trust had on 31 May 2022, paid a final income distribution of 1.93 sen per unit, amounting to RM13,247,550 for the six-month period from 1 October 2021 to 31 March 2022.

#### **A10. VALUATION OF INVESTMENT PROPERTIES**

The carrying value of investment properties as at 30 June 2022 is based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 March 2022 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 30 June 2022.

#### **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 First Quarter Ended 30 June 2022

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#### A13. REALISED AND UNREALISED INCOME DISCLOSURE

The breakdown of undistributed income into realised and unrealised as at 30 June 2022 was summarised as below: -

	As at 30.6.2022 RM'000	As at 31.3.2022 RM'000
<b><u>Realised</u></b>		
Distributable undistributed income	12,981	22,025
<b><u>Unrealised</u></b>		
Cumulative net change in fair value of investment properties	135,665	136,421
Unrealised gain on financial liabilities measured at amortized cost	1,178	1,224
Unrealised income - Unbilled lease receivable	17,446	16,690
Provision for deferred tax on change in fair value of investment properties	(1,236)	(1,236)
	153,053	153,099
<b>Total</b>	<b>166,034</b>	<b>175,124</b>



# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the First Quarter Ended 30 June 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 (1Q FY2023 vs 1Q FY2022)

	Current Year Quarter	Preceding Year Quarter	Changes	
	30.6.2022	30.6.2021	RM'000	%
<b>Gross revenue</b>				
- Realised	24,548	24,983	(435)	-1.7%
- Unrealised (unbilled lease rental receivable)	755	755	-	0%
	<b>25,303</b>	<b>25,738</b>	<b>(435)</b>	<b>-1.7%</b>
Property expenses	(11,223)	(10,548)	(675)	-6.4%
<b>Net property income</b>	<b>14,080</b>	<b>15,190</b>	<b>(1,110)</b>	<b>-7.3%</b>
Interest and other income	11	24	(13)	-54.8%
Change in fair value of investment properties	(755)	(755)	-	0%
Unrealised loss on financial liabilities measured at amortised cost	(45)	(161)	116	71.8%
	13,291	14,298	(1,007)	-7.0%
Non-property expenses	(2,236)	(2,739)	503	18.4%
Interest expense	(6,897)	(6,685)	(212)	-3.2%
<b>Profit before taxation</b>	<b>4,158</b>	<b>4,874</b>	<b>(716)</b>	<b>-14.7%</b>
Taxation	-	-	-	0%
<b>Profit after taxation</b>	<b>4,158</b>	<b>4,874</b>	<b>(716)</b>	<b>-14.7%</b>
<b>Profit after taxation is made up as follow:</b>				
- Realised	4,203	5,035	(832)	-16.5%
- Unrealised	(45)	(161)	116	71.8%
	<b>4,158</b>	<b>4,874</b>	<b>(716)</b>	<b>-14.7%</b>

For the current quarter ended 30 June 2022, realised gross revenue drop by 1.7% compared to preceding year corresponding quarter mainly due lower average occupancy rate in Menara AmFIRST and lower average rental rate in The Summit Retail.

Property expenses were higher by 6.4% mainly due to higher electricity charges and repair and maintenance cost.

Non-property expenses were lower by 18.4% mainly due to lower allowance of ECL compared to the same quarter of last financial year.

Interest expenses was higher due to increase in cost of debts as a result of 25bps hike in OPR in May 2022.

Overall, the Trust recorded a profit after taxation of RM4.2 million for the current quarter compared to RM4.9 million recorded in the preceding year corresponding quarter.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the First Quarter Ended 30 June 2022

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

#### Quarterly Results (1Q FY2023 vs 4Q FY2022)

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	30.6.2022	31.3.2022	RM'000	%
<b>Gross Revenue</b>				
- Realised	24,548	23,739	809	3.4%
- Unrealised (unbilled lease rental receivable)	755	756	(1)	-0.1%
	<b>25,303</b>	<b>24,495</b>	<b>808</b>	<b>3.3%</b>
Property Expenses	(11,223)	(8,382)	(2,841)	-33.9%
<b>Net Property Income</b>	<b>14,080</b>	<b>16,113</b>	<b>(2,033)</b>	<b>-12.6%</b>
Interest and other income	11	21	(10)	-48.2%
Change in fair value of investment properties	(755)	(19,724)	18,969	96.2%
Unrealised gain/(loss) on financial liabilities measured at amortised cost	(45)	560	(606)	-108.1%
	13,291	(3,030)	16,321	<b>538.6%</b>
Non-property expenses	(2,236)	420	(2,656)	-633.0%
Interest expense	(6,897)	(6,604)	(293)	-4.4%
<b>Profit/(Loss) before taxation</b>	<b>4,158</b>	<b>(9,213)</b>	<b>13,371</b>	<b>145.1%</b>
Taxation	-	833	(833)	-100%
<b>Profit/(Loss) after taxation</b>	<b>4,158</b>	<b>(8,380)</b>	<b>12,538</b>	<b>149.6%</b>
<b>Profit/(Loss) after taxation is made up as follow:</b>				
- Realised	4,203	8,071	(3,868)	-47.9%
- Unrealised	(45)	(16,451)	16,406	99.7%
	<b>4,158</b>	<b>(8,380)</b>	<b>12,538</b>	<b>149.6%</b>

Realised gross revenue for the current quarter under review was higher by 3.4% compared to the immediate preceding quarter mainly due to higher average occupancy achieved at The Summit Retail, The Summit Office and Prima 9.

Property expenses were higher by 33.9% mainly due to both the service charges rebate from The Summit Subang USJ's Management Corporation and assessment rebate at Menara AmBank recorded in immediate preceding quarter coupled with higher electricity charges and repair and maintenance expenses incurred in current quarter as compared to immediate preceding quarter.

Non-property expenses were higher mainly due to provision for allowance of ECL in the current quarter compared to reversal of allowance of ECL in the immediate preceding quarter.

Overall, the Trust recorded a profit after taxation of RM4.2 million compared to loss after taxation of RM8.4 million in immediate preceding quarter which includes the fair value loss of RM19.7 million arising from the revaluation of all the investment properties.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the First Quarter Ended 30 June 2022

#### B3. PROSPECTS

The overall office occupancy and rental rates will continue to face downward pressures amidst widening imbalances between supply and demand as more organisations especially MNCs, continue to re-evaluate their workplace strategies.

The retail sector has seen recovery in footfall and retail sales, but rising inflation and interest rate coupled with slower economic growth and supply chain disruptions may dampen consumer sentiments.

The Manager will continue to adopt appropriate strategies and operation measures to sustain the financial performance of the Trust for the financial year ending 31 March 2023.

#### B4. CHANGES IN THE STATE OF AFFAIRS

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

#### B5. CHANGES IN PORTFOLIO COMPOSITION

There were no material changes in the portfolio composition of AmFIRST REIT for the quarter under review. As at 30 June 2022, the Trust's composition of investment portfolio is as follow:

	Cost of Investment # As At 30.6.2022 RM'000	Valuation As At 30.6.2022 RM'000	% Valuation to Net Asset Value As At 30.6.2022 %
Bangunan AmBank Group	201,021	266,400	33.2%
Menara AmBank	263,819	322,362	40.2%
Menara AmFIRST	65,238	64,600	8.0%
Wisma AmFIRST	95,280	113,700	14.2%
The Summit Subang USJ	378,754	357,651	44.6%
Prima 9	73,328	73,100	9.1%
Prima 10	62,447	62,049	7.7%
Kompleks Tun Sri Lanang (Jaya 99)	88,444	100,804	12.6%
Mydin HyperMall, Bukit Mertajam	254,124	274,900	34.2%
	<b>1,482,455</b>	<b>1,635,566</b>	
Accrued unbilled rental income ^	-	(27,513)	
	<b>1,482,455</b>	<b>1,608,053</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.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the First Quarter Ended 30 June 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 30.6.2022	As at 31.3.2022
Net Asset Value ("NAV") (RM'000)	802,659	811,749
NAV Per Unit (RM)		
- Before income distribution	1.1694	1.1826
- After income distribution	1.1694	1.1633
Closing Unit Price Per Unit (RM)	0.390	0.380

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 RM'000	Current RM'000	Total RM'000
<b><u>As at 30 June 2022</u></b>			
<b>Secured</b>			
Term Loan	307,850	-	307,850
Revolving Credit	390,000	123,600	513,600
	697,850	123,600	821,450
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(633)	-	(633)
<b>Total Borrowings</b>	<b>697,217</b>	<b>123,600</b>	<b>820,817</b>
<b><u>As at 30 June 2021</u></b>			
<b>Secured</b>			
Term Loan	557,850	-	557,850
Revolving Credit	140,000	122,100	262,100
	697,850	122,100	819,950
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(1,045)	(63)	(1,108)
<b>Total Borrowings</b>	<b>696,805</b>	<b>122,038</b>	<b>818,842</b>

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the First Quarter Ended 30 June 2022

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#### B9. BORROWINGS AND DEBT SECURITIES – CONTD.

All the bank borrowings are denominated in Ringgit Malaysia.

As at 30 June 2022, the Trust's gearing ratio stood at 49.5% and the weighted average interest cost was 3.44%.

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 30 June 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 30 June 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 30 June 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
<b>Unitholdings of parties related to the Manager</b>		
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 RM0.39 per unit as at 30 June 2022.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the First Quarter Ended 30 June 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 2023.

	Current Year 30.6.2022 RM'000	Preceding Corresponding Year 30.6.2021 RM'000
Income before taxation	4,158	4,874
Income tax using Malaysian tax rate of 24% (2021 : 24%)	998	1,170
Effects of non-deductible expenses	946	108
Effects of fair value adjustment on investment properties not subject to tax	181	181
Effects of income exempted from tax	(2,125)	(1,459)
Deferred tax on Real Property Gain Tax ("RPGT") on fair value gain on investment properties	-	-
<b>Tax expense</b>	-	-

#### B14. INCOME DISTRIBUTION

During the current quarter under review, the Trust had on 31 May 2022, paid a final income distribution of 1.93 sen per unit for the six-month financial period from 1 October 2021 to 31 March 2022 amounted to RM13,247,550.

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 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 Appeal was heard on 26 October 2021 and was dismissed with cost on 9 December 2021.

The 2<sup>nd</sup> 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 was 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.

During the case management on 16 June 2022, the Federal Court has fixed the hearing of the Applicant’s leave application on 15 September 2022. Both parties have filed their respective written submissions, bundle of authorities and a common core bundle on 8 June 2022. The next case management is on 2 September 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”) by way of Shah Alam High Court Suit No. BA-24NCVC-574-04/2021**

On 30 April 2021, the Plaintiffs filed the aforesaid OS against the Defendant (MC) 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 MC 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 Property 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, MTB filed an application to add itself as a party to the MC’s application to convert the OS into a Writ action (conversion application).

On 26 April 2022, the High Court dismissed the MC’s conversion application. However, the Court gave the MC liberty to cross examine the deponents of the affidavits.

On 9 May 2022, the MC filed a Notice of Appeal to the court of Appeal against the dismissal of the conversion application. During the case management on 26 July 2022, the Court of Appeal fixed the hearing of the appeal on 18 September 2023 and the next case management is on 5 September 2023.



## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the First Quarter Ended 30 June 2022

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#### B15. MATERIAL LITIGATION - CONTD.

- (i) **Shah Alam High Court Originating Summons (“OS”) between Ho Phoy Kwang & Ho Phoy Chuin (“Plaintiffs”) and The Summit Subang USJ Management Corporation (“Defendant”) by way of Shah Alam High Court Suit No. BA-24NCVC-574-04/2021 – contd.**

On 18 May 2022, the MC filed a Notice of Application for Stay of Proceedings of the OS pending the full and final disposal of its appeal to the Court of Appeal. The main submissions as directed by the Court have been filed and the Stay Application is fixed for decision via email on 17 August 2022.

On 20 May 2022, the MC and MTB filed a Notice of Application for Intention to Cross-Examine Deponents of Affidavits.

On 5 July 2022, during the hearing of this application, the Court allowed the MC to file further affidavits of the following persons who are not deponents of any affidavits which Affidavits are to be filed and served on the Plaintiffs solicitors on or before 1 September 2022.

- (a) suppliers of facilities to The Summit;
- (b) the expert who calculated the multiple/different rates;
- (c) an owner of a unit of property in the retail podium and office tower; and
- (d) owner of the hotel.

The case management of the OS and the Notice of Application for Intention to cross-examine Deponents is on 19 September 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 30 June 2022 and of its financial performance and cash flows for the year ended 30 June 2022 and duly authorized for release by the Board of Directors of the Manager on 22 August 2022.