



## CONDENSED FINANCIAL STATEMENTS

FOURTH QUARTER ENDED 31 MARCH 2023

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# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Current Year To Date 31.3.2023 RM'000	Preceding Year To Date 31.3.2022 RM'000
<b>Gross revenue</b>				
- Realised	24,918	23,740	100,407	96,626
- Unrealised (in relation to unbilled lease rental receivable)	755	755	3,021	3,021
	25,673	24,495	103,428	99,647
Property expenses	(9,941)	(8,382)	(44,518)	(40,392)
<b>Net property income</b>	15,732	16,113	58,910	59,255
Interest income	9	9	76	42
Other income	12	12	38	28
Loss on disposal of investment property	-	-	(4,652)	-
Change in fair value of investment properties	(337)	(19,725)	(2,604)	(21,991)
Unrealised gain/(loss) on revaluation of derivative	345	-	603	-
Unrealised loss on financial liabilities measured at amortised cost	(227)	560	329	172
	15,534	(3,030)	52,700	37,506
<b>Administrative expenses</b>				
Manager's fee	(1,676)	(1,759)	(6,688)	(6,808)
Trustee's fee	(80)	(82)	(321)	(329)
Valuation fee	(12)	(133)	(197)	(238)
Auditors' remuneration	(27)	(20)	(69)	(60)
Tax agent's fee	2	(11)	(11)	(20)
Allowance of ECL	351	2,728	1,178	2,058
Others expenses	(141)	(302)	(1,135)	(794)
Interest expense	(8,113)	(6,604)	(31,234)	(26,803)
	(9,696)	(6,183)	(38,477)	(32,994)
<b>Profit before taxation</b>	5,838	(9,213)	14,223	4,512
Taxation	(25)	833	(25)	833
<b>Profit for the financial year</b>	5,813	(8,380)	14,198	5,345
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the year</b>	5,813	(8,380)	14,198	5,345
<b>Total comprehensive income for the year is made up as follows:</b>				
- Realised	5,301	8,072	12,875	22,186
- Unrealised	512	(16,452)	1,323	(16,841)
	5,813	(8,380)	14,198	5,345
<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	0.77	1.18	1.88	3.23
- Unrealised	0.07	(2.40)	0.19	(2.45)
	0.84	(1.22)	2.07	0.78

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 31.3.2023 (Unaudited) RM'000	As At 31.3.2022 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	1,543,421	1,608,747
Right-of-use assets	669	181
Accrued unbilled lease receivables	29,780	26,757
Accrued lease receivable	-	609
	1,573,870	1,636,294
<b>Current Assets</b>		
Receivables	14,581	19,550
Deposits with financial institution	1,551	1,518
Cash and bank balances	1,656	3,913
	17,788	24,981
<b>TOTAL ASSETS</b>	1,591,658	1,661,275
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Rental deposits	15,238	13,626
Borrowings	309,823	697,526
Deferred tax liability	1,261	1,236
Lease liabilities	585	23
	326,907	712,411
<b>Current Liabilities</b>		
Payables	7,199	7,399
Lease liabilities	91	166
Rental deposits	8,283	11,863
Borrowings	444,304	117,687
	459,877	137,115
<b>TOTAL LIABILITIES</b>	786,784	849,526
<b>NET ASSET VALUE</b>	<b>804,874</b>	<b>811,749</b>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	13,189	22,025
Undistributed income - Unrealised	155,060	153,099
	<b>804,874</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	1.1726	1.1826
- After income distribution	1.1570	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 year	-	12,875	1,323	14,198
Realisation of unrealised loss on disposal	-	(638)	638	-
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2022 Final	-	(13,248)	-	(13,248)
- FY2023 Interim	-	(7,825)	-	(7,825)
<b>As at 31 March 2023</b>	<b>636,625</b>	<b>13,189</b>	<b>155,060</b>	<b>804,874</b>
<b><u>Preceding Year To Date</u></b>				
<b>As at 1 April 2021</b>	636,625	17,069	169,939	823,633
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)
<b>As at 31 March 2022</b>	<b>636,625</b>	<b>22,025</b>	<b>153,099</b>	<b>811,749</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 31.3.2023 RM'000	Preceding Period To Date 31.3.2022 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,223	4,512
<i>Adjustment for :-</i>		
Unbilled lease receivable	(3,021)	(3,021)
Interest income from placement with financial institution	(76)	(42)
Interest on lease liability	11	13
Interest expense	31,223	26,790
Depreciation of right-of-use assets	201	221
Allowance of ECL	(1,178)	(2,058)
Change in fair value of investment properties	2,604	21,991
Loss on financial liabilities measured at amortised cost	(329)	(172)
Loss on disposal of investment property	4,652	-
Unrealised fair value gain on derivatives	(603)	-
Operating profit before working capital changes	47,707	48,234
<b>Changes in working capital</b>		
Decrease/(Increase) in receivables	7,357	(1,640)
Increase in payables	(259)	1,513
Decrease in rental deposits	(1,639)	(1,539)
<b>Net cash generated from operating activities</b>	53,166	46,568
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net proceeds from disposal of investment property	59,948	-
Enhancement of investment properties	(1,878)	(2,249)
Acquisition of right-of-use assets	-	(97)
Interest income	76	42
<b>Net cash generated from/(used in) investing activities</b>	58,146	(2,304)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(31,163)	(26,698)
Distributions paid to Unitholders	(21,073)	(17,229)
(Repayment)/Drawdown of borrowings (net)	(61,088)	512
Payment of lease liabilities	(212)	(148)
<b>Net cash used in from financing activities</b>	(113,536)	(43,563)
<b>Net decrease in cash and cash equivalents</b>	(2,224)	701
<b>Cash and cash equivalents at the beginning of the year</b>	5,431	4,730
<b>Cash and cash equivalents at the end of the year</b>	<b>3,207</b>	<b>5,431</b>
<b>Cash and cash equivalents included in the statement of cash flows comprise of the following:</b>		
Deposits with financial institution	1,551	1,518
Cash and bank balances	1,656	3,913
	<b>3,207</b>	<b>5,431</b>

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 Fourth Quarter Ended 31 March 2023**

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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 Fourth Quarter Ended 31 March 2023

#### 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 was no significant event subsequent to the current quarter ended 31 March 2023.

#### 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 1.56 sen per unit for the six-month period from 1 October 2022 to 31 March 2023, amounting to RM10,707,865 to be payable on 30 May 2023 as disclosed in note B15 below.

#### A10. VALUATION OF INVESTMENT PROPERTIES

During the quarter under review, a revaluation exercise was undertaken for all investment properties pursuant to clause 10.02(b)(i) of the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia and MFRS 140.

Description of Property	Tenure of Land	Location	Existing Use	Initial Acquisition Cost RM'000	Valuation As At 31.3.2023 RM'000	% Valuation to Net Asset Value As At 31.3.2023
Bangunan AmBank Group <sup>(i)</sup>	Leasehold	Kuala Lumpur	Office	180,152	266,500	33.1%
Menara AmBank <sup>(ii)</sup>	Freehold	Kuala Lumpur	Office	230,170	322,400	40.1%
Wisma AmFIRST <sup>(iii)</sup>	Leasehold	Kelana Jaya	Office	86,051	114,000	14.2%
The Summit Subang USJ <sup>(ii)</sup>	Freehold	Subang Jaya	Mixed Commercial Complex	280,091	359,600	44.7%
Prima 9 <sup>(iv)</sup>	Freehold	Cyberjaya	Office	72,897	72,000	8.9%
Prima 10 <sup>(iv)</sup>	Freehold	Cyberjaya	Office	61,747	61,600	7.7%
Kompleks Tun Sri Lanang <sup>(v)</sup>	Leasehold	Melaka	Office	87,226	101,100	12.6%
Mydin HyperMall, Bukit Mertajam <sup>(iv)</sup>	Freehold	Penang	Retail	254,107	276,000	34.3%
Add : Accrued Lease Receivable				1,252,441	1,573,200	
				-	(29,779)	
				1,252,441	1,543,421	

Note:

- (i) This property was revalued on 3 January 2023 by Cheston International (KL) Sdn Bhd ("Cheston"), independent professional valuers. The leasehold land will expire on 3 June 2084.
- (ii) These properties were revalued on 3 January 2023 by Cheston, independent professional valuers.
- (iii) This property was revalued on 3 January 2023 by Cheston, independent professional valuers. The leasehold land will expire on 19 February 2094.
- (iv) These properties were revalued on 16 January 2023 by KGV, independent professional valuers.
- (v) This property was revalued on 16 January 2023 by KGV, independent professional valuers. The leasehold land will expire on 7 October 2109.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

#### 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 2023.

#### 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 2023 was summarised as below:

	As at 31.3.2023 RM'000	As at 31.3.2022 RM'000
<b><u>Realised</u></b>		
Distributable undistributed income	18,479	22,025
Capital loss from disposal of investment properties	(4,652)	-
Cumulative net change in fair value of investment property	(638)	-
	<b>13,189</b>	<b>22,025</b>
<b><u>Unrealised</u></b>		
Cumulative net change in fair value of investment properties	134,455	136,421
Unrealised gain on revaluation of derivatives	603	-
Unrealised gain on financial liabilities measured at amortized cost	1,553	1,224
Unrealised income - Unbilled lease receivable	19,711	16,690
Provision for deferred tax on change in fair value of investment properties	(1,261)	(1,236)
	<b>155,061</b>	<b>153,099</b>
<b>Total</b>	<b>168,250</b>	<b>175,124</b>



# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

### 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 FY2023 vs 4Q FY2022)

	Current Year	Preceding Year	Changes	
	Quarter 31.3.2023	Quarter 31.3.2022	RM'000	%
<b>Gross revenue</b>				
- Realised	24,918	23,740	1,178	5.0%
- Unrealised (unbilled lease rental receivable)	755	755	-	0%
	<b>25,673</b>	<b>24,495</b>	<b>1,178</b>	<b>4.8%</b>
Property expenses	(9,941)	(8,382)	(1,559)	-18.6%
<b>Net property income</b>	<b>15,732</b>	<b>16,113</b>	<b>(381)</b>	<b>-2.4%</b>
Interest and other income	21	21	-	0%
Change in fair value of investment properties	(337)	(19,725)	19,388	98.3%
Unrealised gain on revaluation of derivatives	345	-	345	100%
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(227)	560	(787)	-140.4%
	15,534	(3,030)	18,564	612.6%
Non-property expenses	(1,934)	(2,307)	373	16.2%
Reversal of ECL on trade receivables	351	1,603	(1,252)	-78.1%
Reversal of ECL on accrued unbilled rental income	-	1,124	(1,124)	-100.0%
Interest expense	(8,113)	(6,604)	(1,509)	-22.9%
<b>Profit before taxation</b>	<b>5,838</b>	<b>(9,213)</b>	<b>15,051</b>	<b>163.4%</b>
Taxation	(25)	833	(858)	-103.0%
<b>Profit after taxation</b>	<b>5,813</b>	<b>(8,380)</b>	<b>14,193</b>	<b>169.4%</b>
<b>Profit after taxation is made up as follow:</b>				
- Realised net income from operation	5,301	8,072	(2,771)	-34.3%
- Unrealised	512	(16,452)	16,964	103.1%
	<b>5,813</b>	<b>(8,380)</b>	<b>14,193</b>	<b>169.4%</b>

For the current quarter ended 31 March 2023, realised gross revenue was marginally higher by 5.0% compared to preceding year corresponding quarter mainly due to higher average occupancy rates recorded in The Summit Retail and Office, Wisma AmFIRST and Prima 9 coupled with absence of rental rebates and higher carpark income for the current quarter under review. However, the increase was offset partially by exclusion of gross revenue from Menara AmFIRST as a result of the disposal of the property effective from 15 November 2022.

Property expenses were higher by 18.6% mainly due to lower rebate on service charges for The Summit Subang USJ and higher utility expenses caused by higher electricity surcharge.

Interest expenses was higher by 22.9% due to increase in cost of debts as a result of various hike in OPR during May 2022 to November 2022.

Overall, the Trust recorded a profit after taxation of RM5.8 million for the current quarter under review.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Fourth Quarter Ended 31 March 2023

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

#### Financial Year to Date Results (YTD) ended 31 March 2023 vs YTD ended 31 March 2022)

	Current Year To Date 31.3.2023	Preceding Year To Date 31.3.2022	Changes	
	RM'000	RM'000	RM'000	%
<b>Gross revenue</b>				
- Realised	100,407	96,626	3,781	3.9%
- Unrealised (unbilled lease rental receivable)	3,021	3,021	-	0%
	<b>103,428</b>	<b>99,647</b>	<b>3,781</b>	<b>3.8%</b>
Property expenses	(44,518)	(40,392)	(4,126)	-10.2%
<b>Net property income</b>	<b>58,910</b>	<b>59,255</b>	<b>(345)</b>	<b>-0.6%</b>
Interest and other income	114	70	44	62.6%
Loss on disposal of investment property	(4,652)	-	(4,652)	-100%
Change in fair value of investment properties	(2,604)	(21,991)	19,387	88.2%
Unrealised gain on revaluation of derivatives	603	-	603	100%
Unrealised gain on financial liabilities measured at amortised cost	329	172	157	91.2%
	52,700	37,506	15,194	40.5%
Non-property expenses	(8,421)	(8,250)	(172)	-2.1%
Reversal of ECL on trade receivables	1,178	934	244	26.1%
Reversal of ECL on accrued unbilled rental income	-	1,124	(1,124)	-100.0%
Interest expense	(31,234)	(26,803)	(4,431)	-16.5%
<b>Profit before taxation</b>	<b>14,223</b>	<b>4,512</b>	<b>9,711</b>	<b>215.2%</b>
Taxation	(25)	833	(858)	-103.0%
<b>Profit after taxation</b>	<b>14,198</b>	<b>5,345</b>	<b>8,853</b>	<b>165.6%</b>
<b>Profit after taxation is made up as follow:</b>				
- Realised net income from operation	17,528	22,186	(4,658)	-21.0%
- Realised capital loss from disposal of investment properties	(4,652)	-	(4,652)	-100%
- Unrealised	1,323	(16,841)	18,164	107.9%
	<b>14,198</b>	<b>5,345</b>	<b>8,853</b>	<b>165.6%</b>

The Trust achieved higher realised gross revenue of RM100.4 million, an increase of 3.9% compared to RM96.6 million reported in the previous financial year. The increase was mainly due to improvement in occupancy rates in The Summit Retail and Office, Prima 9, Wisma AmFIRST and Menara AmBank coupled with absence of rental rebates in current financial year under review. However, the increase was partially offset by exclusion of gross revenue from Menara AmFIRST as a result of the disposal of the property effective from 15 November 2022.

Property expenses were higher by 10.2% mainly due to lower rebate on service charges for The Summit Subang USJ, higher utility expenses caused by higher electricity surcharge as well as higher repair and maintenance costs incurred.

Interest expense was higher by 16.5% mainly due to increase in cost of debts as a result of various hikes in OPR during May 2022 to November 2022. The weighted average interest cost as at 31 March 2023 was 4.22% against 3.18% as at 31 March 2022.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Fourth Quarter Ended 31 March 2023

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

#### Financial Year to Date Results (YTD) ended 31 March 2023 vs YTD ended 31 March 2022) – contd.

The Trust conducted revaluations of its investment properties and recorded a unrealised fair value gain of RM0.4 million. However, with the adjustment of accrued lease receivable of RM3.0 million, the net fair value change is deficit of RM2.6 million.

Overall, the Trust recorded a profit after taxation of RM14.2 million which made up of realised net income of RM17.5 million, realised capital loss of RM4.6 million from the disposal of Menara AmFIRST and other unrealised gain of RM1.3 million.

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

#### Quarterly Results (4Q FY2023 vs 3Q FY2023)

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	31.3.2023	31.12.2022	RM'000	%
<b>Gross Revenue</b>				
- Realised	24,918	25,029	(111)	-0.4%
- Unrealised (unbilled lease rental receivable)	755	755	-	0%
	<b>25,673</b>	<b>25,784</b>	<b>(111)</b>	<b>-0.4%</b>
Property Expenses	(9,941)	(11,353)	1,412	12.4%
<b>Net Property Income</b>	<b>15,732</b>	<b>14,431</b>	<b>1,301</b>	<b>9.0%</b>
Interest and other income	21	34	(13)	-38.2%
Loss on disposal of investment property	-	(4,652)	4,652	100%
Change in fair value of investment properties	(337)	(755)	418	55.3%
Impairment loss on fair value of non-current asset held for sale	-	4,652	(4,652)	-100%
Unrealised gain/(loss) on revaluation of derivatives	345	(517)	862	166.7%
Unrealised loss on financial liabilities measured at amortised cost	(227)	(17)	(210)	-1226.3%
	15,534	13,176	2,358	17.9%
Non-property expenses	(1,934)	(2,342)	408	17.4%
Reversal of ECL on trade receivables	351	558	(207)	-37.1%
Interest expense	(8,113)	(8,375)	262	3.1%
<b>Profit before taxation</b>	<b>5,838</b>	<b>3,017</b>	<b>2,821</b>	<b>93.5%</b>
Taxation	(25)	-	(25)	-100%
<b>Profit after taxation</b>	<b>5,813</b>	<b>3,017</b>	<b>2,796</b>	<b>92.7%</b>
<b>Profit after taxation is made up as follow:</b>				
- Realised net income from operation	5,301	3,551	1,750	49.3%
- Unrealised	512	(534)	1,046	195.7%
	<b>5,813</b>	<b>3,017</b>	<b>2,796</b>	<b>92.7%</b>

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

**Quarterly Results (4Q FY2023 vs 3Q FY2023) – contd.**

Realised gross revenue for the current quarter under review was lower by 0.4% compared to the immediate preceding quarter mainly due to exclusion of gross revenue from Menara AmFIRST as a result of the disposal of the property effective from 15 November 2022. However, the reduction was partly cushioned with higher average occupancy in Wisma AmFIRST and The Summit Office.

Property expenses were lower by 12.4% mainly due to the exclusion of property expenses of Menara AmFIRST after disposal completed on 15 November 2022 as well as the rebate of service charge for The Summit Subang USJ.

Overall, the Trust recorded a higher profit after taxation of RM5.8 million in the current quarter compared to RM3.0 million in immediate preceding quarter.

**B3. PROSPECTS**

The office market remains competitive 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, however rising inflation coupled with expected slower economic growth may dampen consumer sentiments.

At the Trust's level, the increase in the operating costs arising from higher utility charges due to the increase in electricity tariff, implementation of higher minimum wages and rising interest rate environment will lower the net realised income of the Trust.

The Manager will adopt appropriate strategies and operation measures in order to improve revenue and to mitigate the impact of rising cost to sustain the financial performance of the Trust in the next reporting period.

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

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

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

#### B5. CHANGES IN PORTFOLIO COMPOSITION

As at 31 March 2023, the Trust's composition of investment portfolio is as follow:

	Cost of Investment # As At 31.3.2023 RM'000	Valuation As At 31.3.2023 RM'000	% Valuation to Net Asset Value As At 31.3.2023 %
Bangunan AmBank Group	201,180	266,500	33.1%
Menara AmBank	263,940	322,400	40.1%
Wisma AmFIRST	95,280	114,000	14.2%
The Summit Subang USJ	378,999	359,600	44.7%
Prima 9	73,328	72,000	8.9%
Prima 10	62,447	61,600	7.7%
Kompleks Tun Sri Lanang (Jaya 99)	88,453	101,100	12.6%
Mydin HyperMall, Bukit Mertajam	254,124	276,000	34.3%
	<b>1,417,751</b>	<b>1,573,200</b>	
Accrued unbilled rental income ^	(29,779)	(29,779)	
	<b>1,387,972</b>	<b>1,543,421</b>	

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

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

#### B6. NUMBER OF UNIT LISTED AND ISSUANCE OF NEW UNITS

The total number of unit in circulation is 686,401,600 units. There was no issuance of new units during the quarter under review.

#### B7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals previously announced but not completed as at the date of this report.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

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

	As at 31.3.2023	As at 31.3.2022
Net Asset Value ("NAV") (RM'000)	804,874	811,749
NAV Per Unit (RM)		
- Before income distribution	1.1726	1.1826
- After income distribution	1.1570	1.1633
Closing Unit Price Per Unit (RM)	0.330	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>As at 31 March 2023</b>			
<b>Secured</b>			
Term Loan	-	250,850	250,850
Revolving Credit	310,000	193,600	503,600
	310,000	444,450	754,450
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(177)	(145)	(323)
<b>Total Borrowings</b>	<b>309,823</b>	<b>444,305</b>	<b>754,127</b>
<b>As at 31 March 2022</b>			
<b>Secured</b>			
Term Loan	557,850	-	557,850
Revolving Credit	140,000	118,100	258,100
	697,850	118,100	815,950
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(736)	-	(736)
<b>Total Borrowings</b>	<b>697,114</b>	<b>118,100</b>	<b>815,214</b>

All the bank borrowings are denominated in Ringgit Malaysia.

As at 31 March 2023, the Trust's gearing ratio stood at 47.3% with total borrowings of RM754.1 million.

As at 31 March 2023, the weighted average interest cost (including the cost of hedging of the interest rate swap contract of RM150.0 million) was 4.22%.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

#### B10. DERIVATIVE

	As at 31 March 2023		
	Notional Value	Fair Value	
	RM'000	Asset	Liability
<b><u>Maturity of Interest Rate Swap contract</u></b>			
- Less than 1 year	-	185	-
- 1 year to 3 years	-	265	-
- More than 3 years	150,000	152	-

- (i) On 19 July 2022, the Trust entered into a 5-year Interest Rate Swap ("IRS") forward contract with a notional amount of RM50.0 million to hedge the Trust's floating interest rate for fixed rate in order to mitigate the risk on fluctuating interest rate. In this IRS contract, the Trust pays a fixed rate of 3.62% per annum in exchange of the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR).
- (ii) On 7 February 2023, the Trust entered into a 5-year Interest Rate Swap ("IRS") forward contract with a notional amount of RM100.0 million to hedge the Trust's floating interest rate for fixed rate in order to mitigate the risk on fluctuating interest rate. In this IRS contract, the Trust pays a fixed rate of 3.57% per annum in exchange of the 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR).

With the above two (2) IRS contracts in place, the Trust has effectively hedged 20% of its borrowings with a weighted average term of 4.6 years

#### B11. MANAGER'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Manager's fee consists of a base fee up to 0.50% per annum of the total asset value of the Trust (excluding any taxes payable) and a performance fee of 3.0% per annum of net property income (excluding any taxes payable), accruing monthly but before deduction of property management fee.

For the current quarter ended 31 March 2023, the Manager's fee consists of a base fee of 0.3% per annum and performance fee of 3.0% per annum.

#### B12. TRUSTEE'S FEE

Pursuant to the Deed constituting AmFIRST REIT, the Trustee is entitled to receive a fee up to 0.10% per annum of the net asset value of the Trust.

For the current quarter ended 31 March 2023, the Trustee's fee is calculated based on 0.03% per annum of the net asset value.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

#### B13. UNITS HELD BY RELATED PARTIES

As at 31 March 2023, 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	60,551
Yayasan Azman Hashim	77,947	25,723
AmMetLife Insurance Berhad on behalf of Life Fund	8,412	2,776
Azman bin Hashim	849	280
AmGroup Foundation	3	1

The market value is determined by multiplying the number of units with the closing unit price of RM0.33 per unit as at 31 March 2023.

#### B14. TAXATION

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, where in the basis period for a year of assessment, 90% or more of the total income of the Trust is distributed to 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 ended 31 March 2023.

	Current Year 31.3.2023 RM’000	Preceding Corresponding Year 31.3.2022 RM’000
Income before taxation	14,223	4,512
Income tax using Malaysian tax rate of 24% (2021 : 24%)	3,414	1,083
Effects of non-deductible expenses	2,791	2,299
Effects of fair value adjustment on investment properties not subject to tax	625	5,278
Effects of income exempted from tax	(6,829)	(8,660)
	-	-
Deferred tax from origination of temporary difference	25	(833)
<b>Tax expense</b>	<b>25</b>	<b>(833)</b>



## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

#### B15. INCOME DISTRIBUTION

The Board of Director of the Manager of AmFIRST REIT, has declared a final income distribution of 1.56 sen per unit for the six-month period from 1 October 2022 to 31 March 2023 amounting to RM10,707,865 payable on 30 May 2022 to the Unitholders registered in the Record of Depositors on 5 May 2022. The final income distribution for the six-month period ended 31 March 2023 is from the following sources:

	Current Year To Date 31.3.2023	Preceding Year To Date 31.3.2022
	RM'000	RM'000
Gross revenue		
- Realised	100,407	96,626
- Unrealised (in relation to accrued unbilled rental receivables)	3,021	3,021
	103,428	99,647
Interest income	76	42
Other income	38	28
Loss on disposal of investment property	(4,652)	-
Change in fair value of investment properties	(2,604)	(21,991)
Impairment loss on fair value of non-current asset held for sale	-	-
Unrealised gain on revaluation of derivatives	603	-
Unrealised gain/(loss) on financial liabilities measured at amortised cost	329	172
Total income	97,218	77,898
Less : Total expenses (before manager's fees)	(76,307)	(66,578)
Net income before taxation (before manager's fees)	20,911	11,320
Less : Manager's fees	(6,688)	(6,808)
Net income before taxation	14,223	4,512
Less : Taxation	(25)	833
Net income after taxation	14,198	5,345
Less : Distribution adjustment (unrealised)	3,328	16,841
<b>Total realised net income for the year</b>	<b>17,526</b>	<b>22,186</b>
Undistributed realised income brought forward, 1 April	8,778	7,322
Total realised net income for the year	17,526	22,186
Total income available for distribution	26,304	29,508
Less : Interim income distribution	(7,825)	(7,482)
Total income available for distribution	18,479	22,026
<b>Less : Proposed final income distribution</b>	<b>(10,708)</b>	<b>(13,248)</b>
<b>Undistributed realised income carried forward</b>	<b>7,771</b>	<b>8,778</b>
Number of unit in circulation ('000)	686,402	686,402
Interim income distribution per unit (Sen)	1.14	1.09
Final income distribution per unit (Sen)	1.56	1.93
Total income distribution per unit (Sen)	2.70	3.02

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Fourth Quarter Ended 31 March 2023

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#### B15. 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%)

#### B16. 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**

On 28 February 2018, Swan Property Sdn Bhd and 14 others (the “Plaintiffs”) instituted legal proceedings against The Summit Management Corporation (“MC”) (as the 1<sup>st</sup> Defendant) and Maybank Trustees Berhad (“MTB”) (as the 2<sup>nd</sup> Defendant) in the Kuala Lumpur High Court (“Civil Suit”). The Plaintiffs alleged that the MC has breached certain statutory and fiduciary duties and the MC and MTB have conspired to injure them in relation to a refurbishment and renovation exercise carried out at The Summit Subang USJ building.

By way of two (2) applications dated 10 April 2018 and 17 April 2018, the MC and MTB applied to the High Court to strike out the Plaintiffs’ claim (“Striking Out Applications”).

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

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

The Plaintiffs filed four (4) Appeals to the Court of Appeal against the decision of the Striking Out Applications (“Appeals”). All four (4) Appeals were heard on 26 October 2021 and dismissed with costs on 9 December 2021 in favour of the MC and MTB.

On 7 January 2022, the 2<sup>nd</sup> Plaintiff in the Swan Property Group namely Looi Seow Leng (“Looi”) filed an application in the Federal Court for leave to appeal against the decision of the Court of Appeal (“Leave Application”).

Leave Applications were fixed for case management before the Federal Court on 25 February 2022.

On 3 March 2022, the Plaintiffs’ Civil Suit before the High Court against MTB was struck out by the Court with liberty to be reinstated subject to the final decision of the Federal Court above.

**B16. 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 – contd.**

On 15 September 2022, the Federal Court allowed both of Looi's Leave Applications against the MC and MTB on the same questions of law. Both appeals are now registered under Federal Court Civil Appeals and the first case management for both appeals was on 7 November 2022. Looi has now filed an Application in her Appeals to consolidate both the Appeals.

On 18 January 2023, Federal Court dismissed the Appellant's consolidation application and further ordered both appeals by the Appellant against the Management Corporation and MTB be heard on the same day with a common core bundle filed.

The Appeals came up for hearing on 10 April 2023 and the Federal Court allowed both appeals, set aside the Order of the Court of Appeal and remitted the matter back to the High Court for trial as it did not deem it proper to answer the questions of law posed by the Appellant on an Order 18 Rule 19, Rules of Court, 2012 striking out application.

The Federal Court in arriving at its decision was of the opinion that on 23 September 2022, the Strata Management Tribunal had struck out the MC's claims filed by them on or about 20 December 2017 and pursuant to Section 106 of the Strata Management Act, 2013, as the MC's claims had been struck out by the Tribunal, the Claim filed by the Appellant via High Court Suit could proceed in filing afresh to the High Court pursuant to the Order of the High Court dated 12 December 2018.

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

On 30 April 2021, the Plaintiffs filed the 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.

**B16. 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” or “MC”) – contd.**

- (c) An order under Section 76 of the SMA that an administrator for the 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 (“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 Defendants.

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. At 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.

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. On 17 August 2022 the Court dismissed the MC’s stay application.

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

The hearing of the Notice of Application for Intention to cross-examine Deponents is fixed on 19 May 2023.

**B17. 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 2023 and of its financial performance and cash flows for the year ended 31 March 2023 and duly authorized for release by the Board of Directors of the Manager on 14 April 2023.