



## CONDENSED FINANCIAL STATEMENTS

THIRD QUARTER ENDED 31 DECEMBER 2023

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# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year To Date 31.12.2023 RM'000	Preceding Year To Date 31.12.2022 RM'000
<b>Gross revenue</b>				
- Realised	24,575	25,029	73,556	75,489
- Unrealised (in relation to unbilled lease rental receivable)	755	755	2,266	2,266
	25,330	25,784	75,822	77,755
Property expenses	(11,164)	(11,353)	(33,113)	(34,576)
<b>Net property income</b>	14,166	14,431	42,709	43,179
Interest income	10	33	31	67
Other income	16	1	34	27
Loss on disposal of investment property	-	(4,652)	-	(4,652)
Change in fair value of investment properties	(755)	(755)	(2,266)	(2,266)
Reversal of impairment loss on fair value of non-current asset held for sale	-	4,652	-	-
Unrealised loss on revaluation of derivative	(1,556)	(517)	(805)	257
Unrealised loss on financial liabilities measured at amortised cost	(185)	(17)	(171)	555
	11,696	13,176	39,532	37,167
<b>Administrative expenses</b>				
Manager's fee	(1,626)	(1,651)	(4,881)	(5,012)
Trustee's fee	(80)	(80)	(240)	(241)
Valuation fee	(36)	(14)	(107)	(185)
Auditors' remuneration	(18)	(13)	(51)	(41)
Tax agent's fee	-	(4)	(8)	(12)
Reversal/(Allowance) of ECL	33	558	(211)	827
Others expenses	(111)	(580)	(674)	(997)
Interest expense	(8,632)	(8,375)	(25,714)	(23,121)
	(10,470)	(10,159)	(31,886)	(28,782)
<b>Profit before taxation</b>	1,226	3,017	7,646	8,385
Taxation	-	-	-	-
<b>Profit for the financial period</b>	1,226	3,017	7,646	8,385
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	1,226	3,017	7,646	8,385
<b>Total comprehensive income for the period is made up as follows:</b>				
- Realised	2,967	(1,101)	8,622	7,573
- Unrealised	(1,741)	4,118	(976)	812
	1,226	3,017	7,646	8,385
<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	0.43	(0.16)	1.26	1.10
- Unrealised	(0.25)	0.60	(0.14)	0.12
	0.18	0.44	1.12	1.22

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As At 31.12.2023 (Unaudited) RM'000	As At 31.3.2023 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	1,543,112	1,543,421
Right-of-use assets	932	669
Accrued unbilled lease receivables	32,045	29,780
	1,576,089	1,573,870
<b>Current Assets</b>		
Receivables	5,422	8,529
Other receivables, deposits and prepayments	3,625	6,052
Deposits with financial institution	1,574	1,551
Cash and bank balances	860	1,656
	11,481	17,788
<b>TOTAL ASSETS</b>	<b>1,587,570</b>	<b>1,591,658</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Rental deposits	16,434	15,238
Borrowings	640,723	309,823
Deferred tax liability	1,261	1,261
Lease liabilities	691	585
	659,109	326,907
<b>Current Liabilities</b>		
Payables	6,705	7,199
Lease liabilities	274	91
Rental deposits	7,240	8,283
Borrowings	118,058	444,304
	132,277	459,877
<b>TOTAL LIABILITIES</b>	<b>791,386</b>	<b>786,784</b>
<b>NET ASSET VALUE</b>	<b>796,184</b>	<b>804,874</b>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	636,625	636,625
Undistributed income - Realised	5,475	13,189
Undistributed income - Unrealised	154,084	155,060
	<b>796,184</b>	<b>804,874</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	1.1599	1.1726
- After income distribution	1.1599	1.1570

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements statements for the financial year ended 31 March 2023 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

	← Undistributed Income →			
	Unitholders' Capital RM'000	Realised Income RM'000	Unrealised Income RM'000	
<b><u>Current Year To Date</u></b>				
<b>As at 1 April 2023</b>	636,625	13,189	155,060	804,874
Total comprehensive income for the period	-	8,622	(976)	7,646
<u>Unitholders' transactions</u>				
Income distribution to Unitholders				
- FY2023 Final	-	(10,708)	-	(10,708)
- FY2024 Interim	-	(5,628)	-	(5,628)
<b>As at 31 December 2023</b>	<b>636,625</b>	<b>5,475</b>	<b>154,084</b>	<b>796,184</b>
<b><u>Preceding 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	-	7,573	812	8,385
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 December 2022</b>	<b>636,625</b>	<b>7,887</b>	<b>154,549</b>	<b>799,061</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 2023 and the accompanying explanatory notes.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Period To Date 31.12.2023 RM'000	Preceding Period To Date 31.12.2022 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,646	8,385
<i>Adjustment for :-</i>		
Unbilled lease receivable	(2,266)	(2,266)
Interest income from placement with financial institution	(31)	(67)
Interest on lease liability	28	6
Interest expense	25,684	23,115
Depreciation of right-of-use assets	217	151
Allowance/(Reversal) of ECL	211	(827)
Impairment loss on non-current asset held for sale	-	4,652
Change in fair value of investment properties	2,266	2,266
Loss/(gain) on financial liabilities measured at amortised cost	171	(555)
Unrealised fair value gain loss/(gain) on derivatives	805	(257)
Operating profit before working capital changes	34,731	34,603
<b>Changes in working capital</b>		
Decrease in receivables	4,720	6,761
Increase in payables	(814)	(420)
Decrease in rental deposits	(18)	(1,461)
<b>Net cash generated from operating activities</b>	38,619	39,483
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net proceeds from disposal of investment property	-	59,948
Enhancement of investment properties	(1,957)	(596)
Acquisition of right-of-use assets	(480)	-
Interest income	31	67
<b>Net cash (used in)/generated from investing activities</b>	(2,406)	59,419
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(25,564)	(22,944)
Distributions paid to Unitholders	(16,336)	(21,073)
Drawdown of borrowings (net)	4,654	(56,690)
Payment of lease liabilities	260	(160)
<b>Net cash used in from financing activities</b>	(36,986)	(100,867)
<b>Net decrease in cash and cash equivalents</b>	(773)	(1,965)
<b>Cash and cash equivalents at the beginning of the year</b>	3,207	5,430
<b>Cash and cash equivalents at the end of the period</b>	<b>2,434</b>	<b>3,465</b>
<b>Cash and cash equivalents included in the statement of cash flows comprise of the following:</b>		
Deposits with financial institution	1,574	1,543
Cash and bank balances	860	1,922
	<b>2,434</b>	<b>3,465</b>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes.

## **AmFIRST REAL ESTATE INVESTMENT TRUST**

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

**For the Third Quarter Ended 31 December 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 2023.

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 2023 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 2023.

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 2023 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 Third Quarter Ended 31 December 2023**

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#### **A7. SEGMENTAL INFORMATION**

No segmental information was prepared as the Trust's activities are predominantly in one operating 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 under review.

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

During the quarter under review, the Trust had on 28 December 2023, paid an interim income distribution of 0.82 sen per unit, amounting to RM5,628,495 for the six-month period from 1 April 2023 to 30 September 2023.

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

The carrying value of investment properties as at 31 December 2023 was based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 March 2023 and subsequent capital expenditure incurred up to the reporting date.

#### **A11. CHANGES IN THE COMPOSITION OF THE TRUST**

There were no changes in the composition of the Trust during the quarter under review and the fund size stands at 686,401,600 units as at 31 December 2023.

#### **A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Third Quarter Ended 31 December 2023

### A13. REALISED AND UNREALISED INCOME DISCLOSURE

The breakdown of undistributed income into realised and unrealised as at 31 December 2023 was summarised as below:

	As at 31.12.2023 RM'000	As at 31.3.2023 RM'000
<b><u>Realised</u></b>		
Distributable undistributed income	10,765	18,479
Capital loss from disposal of investment properties	(4,652)	(4,652)
Cumulative net change in fair value of investment property	(638)	(638)
	5,475	13,189
<b><u>Unrealised</u></b>		
Cumulative net change in fair value of investment properties	132,188	134,455
Unrealised gain on revaluation of derivatives	(202)	603
Unrealised gain on financial liabilities measured at amortized cost	1,381	1,552
Unrealised income - Unbilled lease receivable	21,978	19,711
Provision for deferred tax on change in fair value of investment properties	(1,261)	(1,261)
	154,084	155,060
<b>Total</b>	<b>159,559</b>	<b>168,249</b>



# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Third Quarter Ended 31 December 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 : 3Q FY2024 vs 3Q FY2023

	Current Year Quarter	Preceding Year Quarter	Changes	
	31.12.2023	31.12.2022	RM'000	%
<b>Gross revenue</b>				
Realised - Existing 8-Properties	24,575	24,481	94	0.4%
Realised - Menara AmFIRST	-	548	(548)	-100%
Unrealised (unbilled lease rental receivable)	755	755	-	0%
	<b>25,330</b>	<b>25,784</b>	<b>(454)</b>	<b>-1.8%</b>
Property expenses	(11,164)	(11,353)	189	1.7%
<b>Net property income</b>	<b>14,166</b>	<b>14,431</b>	<b>(265)</b>	<b>-1.8%</b>
Interest and other income	26	34	(8)	-23.5%
Loss on disposal of investment property	-	(4,652)	4,652	100%
Change in fair value of investment properties	(755)	(755)	-	0%
Reversal of Impairment loss on fair value of non-current asset held for sale	-	4,652	(4,652)	-100%
Unrealised loss on revaluation of derivatives	(1,556)	(517)	(1,039)	-201%
Unrealised loss on financial liabilities measured at amortised cost	(185)	(17)	(168)	-988%
	11,696	13,176	(1,480)	-11.2%
Non-property expenses	(1,871)	(2,342)	471	20.1%
Reversal of ECL on trade receivables	33	558	(525)	-94.1%
Interest expense	(8,632)	(8,375)	(257)	-3.1%
<b>Profit before taxation</b>	<b>1,226</b>	<b>3,017</b>	<b>(1,791)</b>	<b>-59%</b>
Taxation	-	-	-	0%
<b>Profit after taxation</b>	<b>1,226</b>	<b>3,017</b>	<b>(1,791)</b>	<b>-59%</b>
<b>Profit after taxation is made up as follow:</b>				
- Realised net income from operation	2,967	3,551	(584)	-16.4%
- Realised capital loss from disposal of investment properties	-	(4,652)	4,652	100%
- Unrealised	(1,741)	4,118	(5,859)	-142%
	<b>1,226</b>	<b>3,017</b>	<b>(1,791)</b>	<b>-59%</b>

For the current quarter under review, the Trust registered higher gross revenue from the existing 8 properties by 0.4% attributed by higher average occupancy at The Summit Retail and Office including Jaya 99. However, the increase in gross revenue above was negated by the absence of gross revenue from Menara AmFIRST following its disposal on 15 November 2022 coupled with lower average occupancy at Wisma AmFIRST and Menara AmBank due to non-renewal and downsizing of tenancies.

Property expenses were lower by 1.7% primarily attributed to the disposal of Menara AmFIRST and lower repair and maintenance expenses from the implementation of cost containment initiatives.

Interest expenses rose by 3.1% due to a higher cost of debts resulted from increase in OPR in November 2022 and May 2023, each by 25 basis points.

Overall, the Trust recorded a realised net income from operations of RM3.0 million for the current quarter under review, compared to RM3.5 million in the same period of last financial year.

# AmFIRST REAL ESTATE INVESTMENT TRUST

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Third Quarter Ended 31 December 2023

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

#### Financial Year to Date Results (YTD) : 9-month financial period ended 31 December 2023 vs 9-month financial period ended 31 December 2022

	Current Year To Date	Preceding Year To Date	Changes	
	31.12.2023	31.12.2022	RM'000	%
<b>Gross revenue</b>				
Realised - Existing 8-Properties	73,556	72,753	802	1.1%
Realised - Menara AmFIRST	-	2,736	(2,736)	-100%
Unrealised (unbilled lease rental receivable)	2,266	2,266	-	0%
	<b>75,822</b>	<b>77,755</b>	<b>(1,933)</b>	<b>-2.5%</b>
Property expenses	(33,113)	(34,576)	1,463	4.2%
<b>Net property income</b>	<b>42,709</b>	<b>43,179</b>	<b>(470)</b>	<b>-1.1%</b>
Interest and other income	65	94	(29)	-30.9%
Loss on disposal of investment property	-	(4,652)	4,652	-100%
Change in fair value of investment properties	(2,266)	(2,266)	-	0%
Unrealised (loss)/gain on revaluation of derivatives	(805)	257	(1,062)	-413%
Unrealised (loss)/gain on financial liabilities measured at amortised cost	(171)	555	(726)	-131%
	39,532	37,167	2,365	6.4%
Non-property expenses	(5,961)	(6,488)	527	8.1%
(Allowance)/Reversal of ECL on trade receivables	(211)	827	(1,038)	-126%
Interest expense	(25,714)	(23,121)	(2,593)	-11.2%
<b>Profit before taxation</b>	<b>7,646</b>	<b>8,385</b>	<b>(739)</b>	<b>-8.8%</b>
Taxation	-	-	-	0%
<b>Profit after taxation</b>	<b>7,646</b>	<b>8,385</b>	<b>(739)</b>	<b>-8.8%</b>
<b>Profit after taxation is made up as follow:</b>				
- Realised net income from operation	8,622	12,225	(3,603)	-29%
- Realised capital loss from disposal of investment properties	-	(4,652)	4,652	100%
- Unrealised	(976)	812	(1,788)	-220%
	<b>7,646</b>	<b>8,385</b>	<b>(739)</b>	<b>-9%</b>

The Trust reported a higher realised gross revenue of RM73.6 million from the existing 8 properties, an increase by 1.1% compared to RM72.8 million reported in the same period of last financial year. The increase was contributed by higher gross revenue from The Summit Office and Retail, Prima 9 and Jaya 99, driven by higher average occupancy. However, the increase was partly offset by the absence of gross revenue from Menara AmFIRST following its disposal and lower gross revenue from Wisma AmFIRST and Menara AmBank due to lower average occupancy resulted from non-renewal and downsizing of tenancies.

Property expenses were lower by 4.2% mainly due to the exclusion of property expenses from Menara AmFIRST following its disposal on 15 November 2022 as well as lower repair and maintenance expenses. The aforementioned decrease was partially offset by higher electricity expenses resulted from higher electricity surcharge.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the Third Quarter Ended 31 December 2023

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

##### Financial Year to Date Results : 9-month financial period ended 31 December 2023 vs 9-month financial period ended 31 December 2022 – contd.

Interest expense was higher by 11.2% mainly due to increase in cost of debts as a result of various hikes in OPR from May 2022 to May 2023. The weighted average interest cost as at 31 December 2023 was 4.42% against 4.31% as at 31 December 2022.

Overall, the Trust recorded lower realised net operation income of RM8.6 million during the current period compared to RM12.2 million recorded in the same period of last financial year.

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

##### Quarterly Results : 3Q FY2024 vs 2Q FY2024

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	31.12.2023	30.9.2023	RM'000	%
<b>Gross Revenue</b>				
Realised - Existing 8-Properties	24,575	24,939	(364)	-1.5%
Unrealised (unbilled lease rental receivable)	755	755	-	0%
	<b>25,330</b>	<b>25,694</b>	<b>(365)</b>	<b>-1.4%</b>
Property Expenses	(11,164)	(11,060)	(104)	-0.9%
<b>Net Property Income</b>	<b>14,166</b>	<b>14,634</b>	<b>(467)</b>	<b>-3.2%</b>
Interest and other income	26	16	10	63.4%
Change in fair value of investment properties	(755)	(755)	-	0%
Unrealised (loss)/gain on revaluation of derivatives	(1,556)	887	(2,444)	-275%
Unrealised loss on financial liabilities measured at amortised cost	(185)	(28)	(157)	-567%
	11,696	14,754	(3,058)	-20.7%
Non-property expenses	(1,871)	(2,110)	240	11.4%
Reversal of ECL on trade receivables	33	69	(36)	-52%
Interest expense	(8,632)	(8,747)	115	1.3%
<b>Profit before taxation</b>	<b>1,226</b>	<b>3,966</b>	<b>(2,740)</b>	<b>-69.1%</b>
Taxation	-	-	-	0%
<b>Profit after taxation</b>	<b>1,226</b>	<b>3,966</b>	<b>(2,740)</b>	<b>-69.1%</b>
<b>Profit after taxation is made up as follow:</b>				
- Realised net income from operation	2,967	3,106	(140)	-4.5%
- Realised capital loss from disposal of investment properties	-	-	-	0%
- Unrealised	(1,741)	860	(2,600)	-302%
	<b>1,226</b>	<b>3,966</b>	<b>(2,740)</b>	<b>-69.1%</b>

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

**Quarterly Results : 3Q FY2024 vs 2Q FY2024 – contd.**

Realised gross revenue for the current quarter under review was lower by 1.5% compared to the immediate preceding quarter mainly due to lower average occupancy at Bangunan AmBank Group a one- off reversal of provision for carpark income for The Summit Subang USJ.

Property expenses were higher by 0.9% mainly due to higher repair and maintenance expenses and lower assessment rebate.

Interest expenses decreased by 1.3% due to the lower interest rate quoted by the respective financier.

Overall, the Trust recorded a marginally lower realised net income of RM3.0 million in the current quarter compared to RM3.1 million in immediate preceding quarter.

**B3. PROSPECTS**

The office market remains competitive amidst widening imbalances between supply and demand. More organisations, especially MNCs, continue to re-evaluate their workplace strategies, placing emphasis on flexible spaces.

Meanwhile, the retail sector is forecasted to grow, at a moderate level amidst headwinds in the global economy and consumer demand.

At the Trust's level, overall occupancy has improved, but higher electricity tariff hike and interest rate is expected to reduce the Trust's net realised income.

The Manager will continue to adopt appropriate strategies and operational measures to improve revenue and mitigate the impact of rising costs to sustain the financial performance of the Trust.

**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 Third Quarter Ended 31 December 2023

#### B5. CHANGES IN PORTFOLIO COMPOSITION

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

	Cost of Investment <sup>1</sup> As At 31.12.2023 RM'000	Valuation As At 31.12.2023 RM'000	% Valuation to Net Asset Value As At 31.12.2023 %
Bangunan AmBank Group	201,545	266,782	33.5%
Menara AmBank	264,472	322,887	40.6%
Wisma AmFIRST	95,503	114,163	14.3%
The Summit Subang USJ	380,719	360,398	45.3%
Prima 9	73,524	72,095	9.1%
Prima 10	62,555	61,674	7.7%
Kompleks Tun Sri Lanang (Jaya 99)	88,549	101,157	12.7%
Mydin HyperMall, Bukit Mertajam	254,124	276,000	34.7%
	<b>1,420,992</b>	<b>1,575,156</b>	
Accrued unbilled rental income <sup>2</sup>	-	(32,045)	
	<b>1,420,992</b>	<b>1,543,112</b>	

<sup>1</sup> Cost of investment comprised purchase consideration paid, incidental cost of acquisition and capital expenditure incurred since acquisition.

<sup>2</sup> 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 units in circulation as at 31 December 2023 was 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 Third Quarter Ended 31 December 2023

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

	As at 31.12.2023	As at 31.3.2023
Net Asset Value ("NAV") (RM'000)	796,184	804,874
NAV Per Unit (RM)		
- Before income distribution	1.1599	1.1726
- After income distribution	1.1599	1.1570
Closing Unit Price Per Unit (RM)	0.320	0.330

The NAV per Unit after income distribution was calculated after taking into consideration the income distribution of the realised distributable income at the end of the current quarter.

#### B9. BORROWINGS AND DEBT SECURITIES

	Non-current RM'000	Current RM'000	Total RM'000
<b>As at 31 December 2023</b>			
<b>Secured</b>			
Term Loan	500,850	-	500,850
Revolving Credit	140,000	118,400	258,400
	640,850	118,400	759,250
<b>Unsecured</b>			
Loan transaction costs subject to amortisation	(127)	(342)	(469)
<b>Total Borrowings</b>	<b>640,723</b>	<b>118,058</b>	<b>758,781</b>
<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)	(146)	(323)
<b>Total Borrowings</b>	<b>309,823</b>	<b>444,304</b>	<b>754,127</b>

All the bank borrowings were denominated in Ringgit Malaysia.

The Trust's gearing ratio stood at 47.8% with total borrowings of RM758.8 million.

The weighted average interest cost (including the cost of hedging of the interest rate swap contract of RM150.0 million) was 4.42%.

The weighted average debt maturity was approximately 3.5 years.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Third Quarter Ended 31 December 2023

#### B10. DERIVATIVE

	As at 31 December 2023		
	Notional Value	Fair Value	
	RM'000	Asset RM'000	Liability RM'000
<b><u>Maturity of Interest Rate Swap contract</u></b>			
- Less than 1 year	-	51	-
- 1 year to 3 years	-	-	290
- More than 3 years	150,000	37	-

- (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 3.9 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 December 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 December 2023, the Trustee's fee was calculated based on 0.03% per annum of the net asset value.

## AmFIRST REAL ESTATE INVESTMENT TRUST

### NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS For the Third Quarter Ended 31 December 2023

#### B13. UNITS HELD BY RELATED PARTIES

As at 31 December 2023, the Manager and all the directors did not hold any units in AmFIRST REIT. Below were 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	58,717
Yayasan Azman Hashim	77,947	24,943
Azman bin Hashim	849	272
AmGroup Foundation	3	1

The market value was determined by multiplying the number of units with the closing unit price of RM0.32 per unit as at 31 December 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 ending 31 March 2024.

	Current Year 31.12.2023 RM’000	Preceding Corresponding Year 31.12.2022 RM’000
Income before taxation	7,646	8,385
Income tax using Malaysian tax rate of 24% (2022 : 24%)	1,835	2,012
Effects of non-deductible expenses	1,194	3,497
Effects of fair value adjustment on investment properties not subject to tax	544	544
Effects of income exempted from tax	(3,573)	(6,053)
Deferred tax from origination of temporary difference	-	-
<b>Tax expense</b>	<b>-</b>	<b>-</b>



**B15. INCOME DISTRIBUTION**

During the current quarter under review, the Trust had on 28 December 2023, paid an interim income distribution of 0.82 sen per unit amounting to RM5,628,495 representing 100% of the realised distributable net income for the six-month period from 1 April 2023 to 30 September 2023.

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 Kuala Lumpur High Court Suit (“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 applications dated 10 April 2018 and 17 April 2018, the MC and MTB respectively applied to the High Court to strike out the Plaintiffs’ claim (“Striking Out Applications”).

After hearing the parties on the Striking Out Applications, on 12 December 2018 the High Court decided 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 three (3) appeals to the Court of Appeal against the decision of the Striking Out Applications (“Appeals to the CA”). All three (3) Appeals to the CA were heard on 26 October 2021 and dismissed with costs on 9 December 2021 (“Court of Appeal’s Decisions”). As a result, the High Court’s decision at (a), (b) and (c) above were maintained.

**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 7 January 2022, only the 2nd Plaintiff, namely one Looi Seow Leng (“Looi”) pursued the matter further and filed applications in the Federal Court for leave to appeal against the decision of the Court of Appeal in respect of (a) and (c) above (“Looi’s FC Leave Applications”).

Looi’s Federal Court Appeals were heard on 10 April 2023. After hearing the parties, the Federal Court allowed Looi’s Federal Court Appeals and set aside the Court of Appeal’s Decisions in respect of (a) and (c). The Federal Court also remitted the matter back to the High Court for trial as it did not deem it proper that the questions of law posed by Looi be answered by way of an Order 18 Rule 19, Rules of Court 2012 striking out application.

The Federal Court in arriving at its decision noted that on 23 September 2022, the Strata Management Tribunal had struck out the MC’s claims filed on 20 December 2017. In view thereof, the Federal Court ordered the case be remitted to the High Court for the full trial of the action, thereby, allowed Looi’s Federal Court Appeals.

Following the outcome of Looi’s Federal Court Appeals, Looi’s case at the High Court was first called up for case management before the High Court on 2 May 2023. Looi and the MC had respectively filed applications to amend their pleadings.

The Plaintiffs in the above suit added MTB as the 2<sup>nd</sup> Defendant. At the Case Management on 11 December 2023, the plaintiffs indicated that they intend to withdraw the aforesaid suit with liberty to file afresh.

On 11 January 2024, at the case management, parties entered into a consent judgement and the plaintiffs discontinued the suit filed on 27 February 2018 with liberty to file afresh and the Defendants were also given liberty to file fresh defences.

On 08 February 2024, the Plaintiff’s Solicitors served on us the sealed consent order.

- (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 of the Strata Titles Act 1985 (“STA”) and Strata Management Act 2013 (“SMA”), unlawful, null and void ab initio.

**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 the “MC”) – contd.**

- (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; and
- (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.

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 2023, the MC and MTB filed a Notice of Application for Intention to Cross-Examine Deponents of the Affidavits.

The 1<sup>st</sup> Plaintiff was cross examined on the averments in her Affidavits with regards to prayers of the OS and upon completion of the cross-examination, the Court gave the following directions :

- (i) Both parties are to file their main submissions by 28 July 2023;
- (ii) Both parties are to file their respective submissions in reply by 18 August 2023;
- (iii) The decision on prayers of the OS is on 23 August 2023 .

**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 the “MC”) – contd.**

On 23 August 2023 prior to the learned High Court Judge delivering his decision, two (2) recent Court of Appeal cases namely “SCP Assets” and “Pearl Suria” were brought to the attention of the Learned High Court Judge. The High Court judge then proceeded to postpone the decision to 25 October 2023 pending written grounds of the Court of Appeal in the above 2 cases and the conversion appeal fixed for 18 September 2023.

On 18 September 2023, Court of Appeal decided as follows:

- (i) The appeal was dismissed;
- (ii) But parties are given liberty to cross examine all deponents of affidavits and on its full contents; and
- (iii) Court of Appeal fixed a case management date before the High Court of Shah Alam.

On 26 September 2023, during case management before Shah Alam High Court, following our update on the Court of Appeal’s decision, the Judge instructed parties to vary the Court of Appeal order dated 18 September 2023.

On 29 September 2023, during case management the learned High Court Judge once again instructed parties to vary the order of 18 September 2023.

On 12 October 2023, the MC filed the Application to the Court of Appeal to vary the order of 18 September 2023.

The hearing to vary the order of 18 September 2023 is fixed before The Court of Appeal on 30 November 2023 and the case management before the High Court of Shah Alam is fixed on 14 December 2023 to update on the outcome of the Court of appeal hearing.

On 30 November 2023 the Court of Appeal allowed the variation application and fixed a case management before the High Court on 14 December 2023. The court then fixed trial dates on 1<sup>st</sup> February 2024 and 19 February 2024.

The Court ordered for the main submissions to be filed on 30 April 2024, the submissions in reply on 17 May 2024 and fixed for oral submissions on 30 May 2024.

**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 December 2023 and of its financial performance and cash flows for the financial period ended 31 December 2023 and duly authorized for release by the Board of Directors of the Manager on 21 February 2024.