

AmFIRST Real Estate Investment Trust
Annual Report 2010



Manager
Am ARA REIT Managers Sdn Bhd (730964-X)

> Menara Merais



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AmFIRST is one of the larger Malaysia-based commercial REIT with exposure to the office, retail and hotel sector in the Klang Valley and currently manages over 2.3 million sq ft of real estate space.



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FINANCIAL HIGHLIGHTS

Fund Performance

Summary of portfolio composition of the Trust for the last three (3) financial years are as follow:-

	2010	2009	2008
Investment properties (%)	97.81	97.37	98.11
Cash and others (%)	2.19	2.63	1.89
	100.00	100.00	100.00

The abovementioned percentages are based on the total market value of investment properties plus cash.

Summary of performance of the Trust for the last three (3) financial years are as below:-

BALANCE SHEET as at 31 March

	2010	2009	2008
Asset Under Management (AUM) (RM'000)	1,008,000	980,000	835,990
Total Asset Value (RM'000)	1,044,202	1,022,747	876,714
Net Asset Value (RM'000)	580,645	568,415	426,873
Units in Circulation (Units) ('000)	429,001	429,001	429,001
Borrowings (RM'000)	413,000	402,000	395,606
Gearing Ratio (%)	39.55	39.31	45.12
Net Asset Value per Unit (RM)			
- As at 31 March	1.35	1.32	1.00
- Highest NAV during the year	1.35	1.32	1.00
- Lowest NAV during the year	1.32	1.00	1.00
Market Value per Unit (RM)			
- As at 31 March	1.10	0.85	0.87
- Highest Traded Price for the year (RM)	1.11	0.95	1.00
- Lowest Traded Price for the year (RM)	0.85	0.74	0.83

INCOME STATEMENT for the financial year ended 31 March

	2010	2009	2008
Gross Income (RM'000)	98,188	93,081	57,853
Property Expenses (RM'000)	34,549	31,788	17,209
Net Rental Income (RM'000)	63,639	61,293	40,644
Interest/Other Income (RM'000)	649	284	416
Changes in fair value of investment properties (RM'000)	12,142	141,534	-
	76,430	203,111	41,060
Non-Property Expenses (RM'000)	22,373	24,040	9,747
Net Income (RM'000), consisting of :	54,057	179,071	31,313
- Realized income after taxation	41,915	37,537	31,313
- Unrealized income after taxation	12,142	141,534	-
Earnings per Unit (EPU) (sen)	12.60	41.74	7.30
- Realized	9.77	8.75	7.30
- Unrealized	2.83	32.99	-
Distribution per Unit (DPU) (sen)	9.75	8.75	7.30
- Interim	4.88	4.27	3.62
- Final	4.87	4.48	3.68

FINANCIAL HIGHLIGHTS (CONT'D)

Fund Performance

INCOME STATEMENT for the financial year ended 31 March (Cont'd)

	2010	2009	2008
Distribution yield (based on closing market price) (%)	8.86	10.29	8.39
DPU Growth (%)	11.43	19.86	3.84
EPU yield (based on closing market price) (%) - Realized	8.86	10.29	8.39
Management Expense Ratio (MER) (%)	1.63	1.56	0.88
Portfolio Turnover Ratio (PTR) (Times)	0.03	-	0.80
TOTAL RETURN			
Total return (%)	39.41	7.88	6.05
- <i>Capital Growth</i>	29.41	(2.30)	(2.25)
- <i>Income Distribution</i>	10.00	10.18	8.30

AVERAGE ANNUAL RETURN

One year

Since listing date (21 December 2006)

%
39.41
12.45

AUM has increased from RM980,000,000 as at 31 March 2009 to RM1,008,000,000 as at 31 March 2010.

The calculation of MER is based on total fees of AmFIRST incurred, including the Manager's fees, Trustee's fees, audit fees, tax agent's fees and administrative expenses, to the average net asset value during the financial year.

The calculation of PTR is based on the average of total acquisition and total disposal of investments in AmFIRST for the financial year calculated to the average net asset value during the financial year.

Total return is based on the actual gross income distribution and net change in average market price at the beginning and end of the financial year, over the average market price of AmFIRST for the respective financial years.

Average Annual Return is computed based on total return per unit for the period averaged over number of years.

Past performance is not necessarily indicative of future performance, unit prices and investment returns may fluctuate.

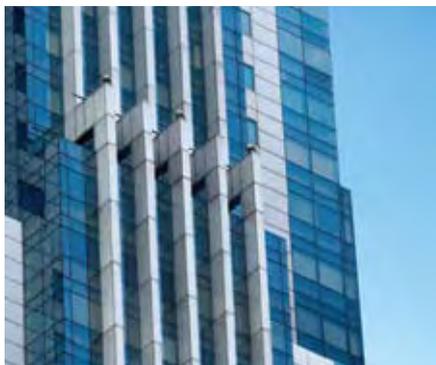
FINANCIAL HIGHLIGHTS (CONT'D)

2009 - 10 Achievement At A Glance

+11.4%
Distribution Per Unit



Total Revenue
+5.5%



+2.1%
Net Asset Value



Asset Under Management
+2.9%



-0.6%
Gearing



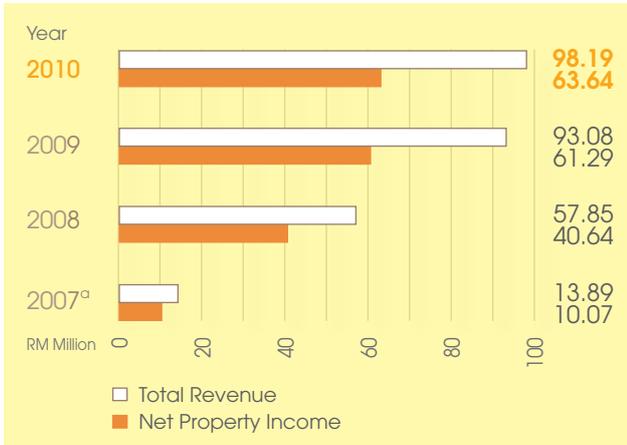
+2.1%
Total Asset Value



FINANCIAL HIGHLIGHTS (CONT'D)

2009 - 10 Achievement At A Glance

TOTAL REVENUE AND NET PROPERTY INCOME

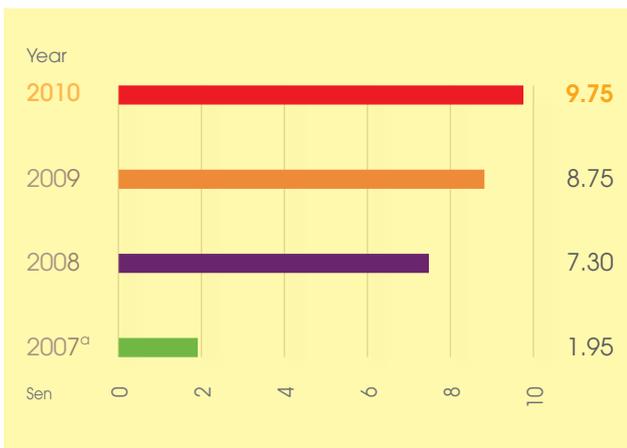


a - For the period from 21 December 2006 to 31 March 2007.

NAV AND UNIT PRICE

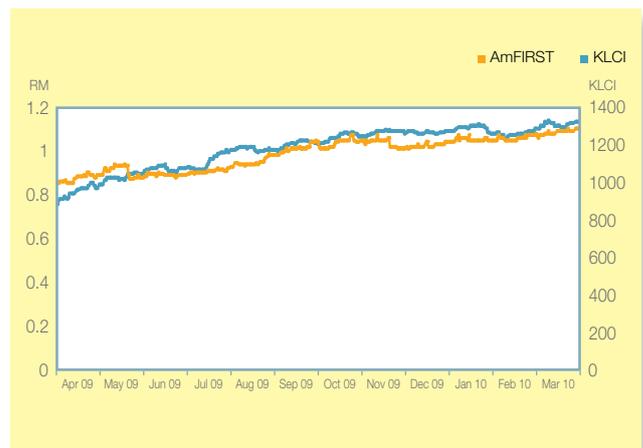


REALIZED DISTRIBUTION PER UNIT

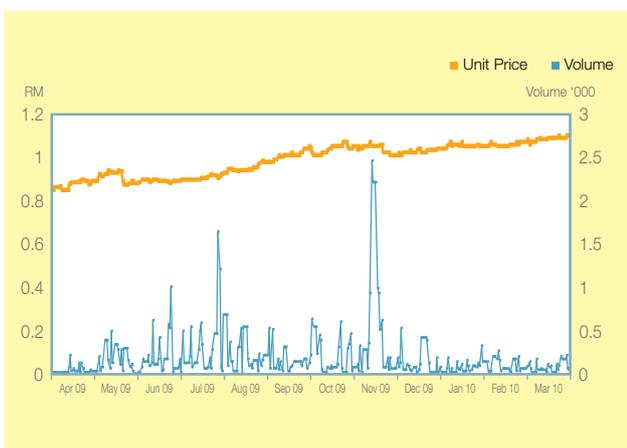


a - For the period from 21 December 2006 to 31 March 2007.

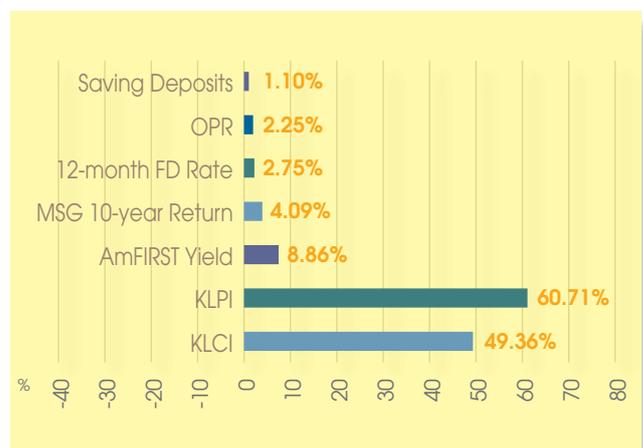
AmFIRST VS KLCI



UNIT PRICE VS VOLUME



COMPARABLE RETURNS



SALIENT FEATURES

Item	Brief Description
Name of Fund	AmFIRST
Category of Fund	Real Estate
Type of Fund	Income and growth
Investment Objective	The key objective for AmFIRST is to own and invest in real estate whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate and real estate-related assets
Investment Strategies	<p>The principal strategies are as follows:-</p> <ul style="list-style-type: none"> invest in income-producing real estate and real estate-related assets directly and/or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate; active asset management; improve rental rates while maintaining high occupancy rates; attract new tenants and explore expansion needs of existing tenants; raise the profile and visibility of the portfolio of properties through proactive marketing, advertising and promotional efforts; develop close tenant-landlord relationships to optimize tenant retention; monitor and minimize property expenses; enhance the overall portfolio through the acquisition of properties that meet the Manager's investment criteria; and employ an appropriate conservative capital structure with debt and equity financing policies
Authorized Investments	<ul style="list-style-type: none"> invest in real estates, single-purpose companies, real estate-related assets, non-real estate-related assets and liquid assets; at least 50% of AmFIRST's total assets must be invested in real estate and/or single-purpose companies at all times; and investment in non-real estate-related assets and/or liquid assets must not exceed 25% of AmFIRST's total assets
Borrowing Limit	Up to 50% of the total assets value of AmFIRST at the time the borrowings are incurred
Investors' Profile	AmFIRST may appeal to investors with a long term investment horizon seeking sustainable distribution of income and long term capital growth
Approved Fund Size	429,001,000 units
Distribution Policy	<p>Distributions will be paid on a semi-annual basis (or such other intervals as the Manager shall determine) within two (2) months after AmFIRST book closure date. The Manager intends to distribute at least 90% of the distributable income for each year or such other intervals as determined by the Manager at their discretion.</p> <p>For the financial period/years ended 31 March 2007 to 31 March 2010, the Manager has distributed almost 100% of the distributable income to all unitholders.</p>
Revaluation Policy	The properties will be revalued annually pursuant to Financial Reporting Standard ("FRS") 140 and at least once every three (3) years from the date of last valuation pursuant to Clause 10.03 of the Securities Commission ("SC") on revised Guidelines on Real Estate Investment Trust.



Board of Directors & Management Team

PROFILE OF DIRECTORS



Y. Bhg. Dato' Azlan Hashim

Non-Independent Non-Executive Chairman

Dato' Azlan Hashim, a Malaysian, aged 68, joined the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. Dato' Azlan is a Fellow of the Institute of Chartered Accountants (Ireland), Economic Development Institute (World Bank, Washington) and Institute of Bankers, Malaysia.

Dato' Azlan, a qualified Chartered Accountant, served with the Malayan Railways from 1966 to 1971, and was its Chief Accountant for two years. In 1972, he became a partner of a public accounting firm, Azman Wong Salleh & Co. and was a Senior Partner of the firm prior to joining the board of AMDB Berhad in 1982.

He is the Deputy Chairman of AMMB Holdings Berhad, Chairman of AmInternational (L) Limited and PT AmCapital Indonesia. He is currently the Non-Executive Director of AmFraser Securities Pte Ltd and AmFraser International Pte Ltd. He is also an Executive Chairman of Global Carriers Berhad.

He also sits on the Board of Kumpulan Perangsang Selangor Berhad, Kumpulan Hartanah Selangor Berhad, Paramount Corporation Berhad, Sapura Industrial Berhad, Kesas Holdings Berhad, Metrod (M) Berhad and Syarikat Permodalan & Perusahaan Selangor Berhad.



Mr. Cheah Tek Kuang

Non-Independent Non-Executive Director

Mr. Cheah Tek Kuang, a Malaysian, aged 63, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. He is currently the Group Managing Director ("Group MD") of AMMB Holdings Berhad and a member of Group Information Technology Committee.

He joined AmInvestment Bank Berhad ("AmInvestment Bank") in 1978 and held various senior positions before being promoted to Managing Director in 1994. He became the Group MD of AmInvestment Bank from January 2002 to December 2004 before assuming the office of Group MD in AMMB Holdings Berhad. He remains a Non-Independent Non-Executive Director of AmInvestment Bank.

He is an Investment Panel Member of Kumpulan Wang Persaraan. He also currently serves as a Council Member of the Association of Banks in Malaysia and is the Alternate Chairman of the Malaysian Investment Banking Association.

Mr. Cheah has a Bachelor of Economics (Honours) degree from the University of Malaya and is a Fellow of the Institute of Bankers Malaysia.

Dato' Teo Chiang Quan

Independent Non-Executive Director

Dato' Teo Chiang Quan, a Malaysian, aged 61, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. Dato' Teo joined Paramount Corporation Berhad ("PCB") as a Director on 19 January 1977. He started to play an active role in the management of PCB when he first served as Chief Executive of the Group's insurance division from 1981 to 1991.

Under his stewardship, the insurance division grew from a company with a single branch to a respectable and well-capitalized insurance company with 11 branches. He was also instrumental in ensuring the successful merger of the Group's insurance operations with Jerneh Insurance Berhad ("JIB").

Dato' Teo assumed the position of Group Managing Director and Group Chief Executive Officer of PCB from 1989 to 2008, when he relinquished the post to assume the position of Executive Deputy Chairman. He also serves as a Director in ECS ICT Berhad.

Dato' Teo has participated in the Harvard Business School Owner / President Program, OPM 33, a three weeks per year Executive Education Program from 2002 to 2004. He also completed the "HEC/Oxford University Executive Program" in October 2006. He holds an Honorary Doctorate from Middlesex University, United Kingdom.



Tuan Haji Mohd Salleh Akram

Independent Non-Executive Director

Tuan Haji Mohd Salleh Akram, a Malaysian, aged 61, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. He is a Member of the Royal Institution of Chartered Surveyors, United Kingdom since 1974.

He had, in 1973 obtained the Diploma in Land Use Control from the North-East London Polytechnic (now part of East London University) and is a Fellow of The Royal Institution of Chartered Surveyors, United Kingdom as well as a Fellow of the Institution of Surveyors, Malaysia. He is also a Registered Valuer & Estate Agent with the Board of Valuers, Appraisers & Estate Agents, Malaysia as well as a Life Member of the Institute of Director, Malaysia.

As a professional graduate and Federal scholar, he served as a Valuation Officer in the Valuation Division, Federal Treasury, Ministry of Finance from April 1974 and saw postings in Selangor, Penang and Johor. He became the Kelantan State Director of Valuation in 1975 until 1977 followed by a stint as the Deputy Regional Director of Valuation Selangor Region.

In April 1980, he left the Treasury to join a chartered valuation firm and later became one of the founder directors upon its incorporation as a private limited professional company. On 1 July 1988, he commenced AKRAM & Co., a chartered surveying firm providing professional services in valuation of properties including plant and machinery, real estate agency, property management and property consultancy.

Mr. Lim Hwee Chiang

Non-Independent Non-Executive Director

Mr. Lim Hwee Chiang, a Singaporean, aged 53, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. Mr. Lim is the Group Chief Executive Officer and an Executive Director of Singapore-listed ARA Asset Management Limited, ARA Asset Management Limited (Singapore) Limited – the manager of Singapore-listed Fortune REIT, ARA Trust Management (Suntec) Limited – the manager of Singapore listed Suntec REIT and ARA Asset Management (Prosperity) Limited, the manager of Hong Kong-listed Prosperity REIT. Mr. Lim is also a Chairman of APM Property Management Pte. Ltd. and Suntec Singapore International Convention & Exhibition Services Pte. Ltd.

In addition, Mr. Lim is an Independent Director and Member of the Audit Committee of Teckwah Industrial Corporation Limited. He is also the Vice President of the Hong Kong-Singapore Business Association and a Board Member of the Asian Public Real Estate Association as well as the Valuation Review Board of the Ministry of Finance, Singapore.

Mr. Lim has close to 30 years of experience in real estate. Prior to founding ARA, from 1997 to 2002, he was an Executive Director of GRA (Singapore) Private Limited, a wholly-owned subsidiary of Prudential (US) Real Estate Investors. From 1996 to 1997, he founded and was the Managing Director of The Land Managers (S) Pte. Ltd., a Singapore-based property and consulting firm specializing in feasibility studies, marketing and leasing management in Singapore, Hong Kong and China. He was the General Manager of the Singapore Pte. Ltd. from 1991 to 1995, and was with DBS Land Limited (now part of CapitalLand Limited) from 1981 to 1990.

Mr. Lim holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering, a Master of Science in Industrial Engineering as well as a Diploma in Business Administration, each from the National University of Singapore.



Ms. Pushpa Rajadurai

Alternate Director to Mr. Cheah Tek Kuang

Ms. Pushpa Rajadurai, a Malaysian, aged 52, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. Ms. Pushpa joined AmInvestment Bank in May 1989 and has more than 20 years experience in corporate finance and financial consultancy related work.

She is currently the Managing Director, Relationship Banking and Regional Business of AmBank Group. She is responsible for corporate and institutional banking, group corporate strategy and group regional business.

She was the Executive Director of AmInvestment Bank Berhad since 1 January 2005. Prior to that, she was the Director/Head of Corporate Finance involved in both the equity and equity-linked business of the investment bank.

She is a Fellow of the Chartered Association of Certified Accountants and a Member of the Malaysian Institute of Accountants. Prior to joining AmInvestment Bank Berhad, she was attached with PricewaterhouseCoopers.

She is presently on the Board of AmInvestment Bank Berhad, Malaysian Ventures Management Incorporated Sdn Bhd, AmCapital (B) Sdn Bhd, AmInternational (L) Ltd, PT AmCapital Indonesia, AmPrivate Equity Sdn Bhd and AmTrustee Berhad. She also holds the position of chairperson for the Corporate Finance Committee of the Malaysian Investment Banking Association. She is actively involved in the capital market development in the industry and work extensively with all the regulatory bodies in the country at consultative forums.

Mr. Anthony Ang Meng Huat

Alternate Director to Mr. Lim Hwee Chiang

Mr. Anthony Ang Meng Huat, a Singaporean, aged 55, was re-appointed to the Board of Am ARA REIT Managers Sdn Bhd on 1 August 2009. He is the Chief Executive Officer of ARA Asset Management (Fortune) Limited and a Responsible Officer of the Prosperity REIT Manager. He is also an Independent Non-Executive Director of Armstrong Industrial Corporation Limited, a precision engineering group listed on the Singapore Stock Exchange.

Prior to joining Am ARA REIT Managers, Mr. Ang held various senior positions with GIC Real Estate Pte. Ltd., Armstrong Industrial Corporation Limited, Vertex Management Pte. Ltd., a Singapore-based global venture capital company and Majulah Connection Limited, a global business networking and consulting organization.

Mr. Ang began his career with the Singapore Economic Development Board on 1979 where he served for 14 years, including 6 years in the United States as the regional director of the North American operations.

Mr. Ang holds a Bachelor of Science degree (Mechanical Engineering) with First Class Honours from the Imperial College, London University, and obtained a Master of Business Administration from the European Institution of Business Administration (INSEAD) in 1982 on a scholarship from the Singapore and French governments. He is also a fellow of the Chartered Management Institute (United Kingdom) and the vice chairman of the Chartered Management Institute Singapore.

LETTER TO UNITHOLDERS

Dear Unitholders,

On behalf of the Board of Directors of Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST or the Trust"), I have the great pleasure of presenting to you the Annual Report and Audited Financial Statements of the Trust for the financial year ended 31 March 2010.



AmFIRST ended the financial year 2009/2010 with a positive note, as a result of active asset management and prudent cost management during the year under review.

OVERVIEW

In view of the global financial crisis that has impacted worldwide economies, 2009 proved to be a challenging year for the Malaysian economy. The Malaysian economy was not spared by the negative developments globally and this resulted in a technical recession in the first quarter of 2009. However, with the accelerated implementation of fiscal measures, lower inflation, continued easy access to financing and the accommodative monetary policies, Malaysia's economy improved in the third quarter of 2009.

Current economic data and indicators suggest that the worst of the global financial crisis is behind us. The strengthening of Ringgit coupled with the recent increase of overnight policy rate, from 2.00% to 2.25%, announced by Bank Negara in February 2010, indicates that Malaysian economy is on track to recovery. Foreign funds have begun to flow in, albeit at a lower rate, demonstrates the return of positive sentiments in the domestic economy. In April 2010, the Bank Negara forecast that Gross Domestic Product (GDP) growth for 2010 could achieve 6.0% from the earlier estimate of 4.5% to 5.5%.

OPERATIONS REVIEW

AmFIRST's property tenants are diversified and of high quality resulting in stable and attractive yields. Our investment assets are continuously upgraded to ensure that we retain and attract good quality tenants.

During the year under review, AmFIRST revalued its six properties, five of which namely Bangunan AmBank Group, Menara AmBank, AmBank Group Leadership Centre, Kelana Brem Towers and Menara Mercaris were in compliance with the Financial Reporting Standard ("FRS") 140 and The Summit Subang USJ in accordance with Clause 10.03 of the SC's Guidelines on REIT.

Following the revaluation exercise, the value of asset under management ("AUM") has increased from RM980 million as at 31 March 2009 to RM1.008 billion as at 31 March 2010, making us the second largest REIT in terms of AUM in Malaysia.

The year also saw our continuous active efforts in our asset management strategies, whereby various enhancement works have been undertaken to further enhance and improve the quality of the assets. Major enhancement works were done on Menara Mercaris, transforming this property into an iconic landmark in the Petaling Jaya area. We will also be repositioning and upgrading the retail podium at The Summit Subang USJ, into a vibrant and dynamic shopping destination in the neighborhood in Subang. We have initiated enhancement works on this property in stages which will be completed by the end of 2011.



Kelana Brem Towers >

FINANCIAL PERFORMANCE

AmFIRST has achieved a commendable performance in the financial year 2009/2010 with an increase by 11.7% in realized income after taxation to RM41.9 million from RM37.5 million recorded in the previous year largely due to contribution of income from new lettings and positive rental reversion on renewals during the financial year.

On the performance of asset value, the total revaluation gain incorporated in the current year financial statements was RM12.1 million which enhanced the net asset value by 3 sen to RM1.35 from RM1.32 in the previous year.

DISTRIBUTION TO UNITHOLDERS

On 23 April 2010, the Board of Directors of Am ARA REIT Managers Sdn Bhd declared a final income distribution of 4.88 sen per unit for the period from 1 October 2009 to 31 March 2010, which will be paid on 27 May 2010. The final income distribution, coupled with the interim income distribution of 4.87 sen per unit, paid on 30 November 2009, represents a total DPU of 9.75 sen per unit for the financial year ended 31 March 2010, which exceeded previous year's DPU of 8.75 sen by 11.4%. The total DPU of 9.75 sen represents distribution yield of 8.86%, based on AmFIRST's closing price of RM1.10 per unit on 31 March 2010.

PROSPECTS

Moving forward, we are positive that the financial year ending 2010/2011 will be another solid year for AmFIRST due to improved world economic environment as well as stronger Malaysian economy. AmFIRST will continue to focus on its core strategy of pro-active asset management of its existing property portfolio to maximize earnings for our unitholders. Pro-active asset management and new investment opportunities will be our main focus for the current financial year ending 31 March 2011.

APPRECIATION

On behalf of the Board, I would like to thank our unitholders, tenants, regulatory bodies, analysts, fund managers, bankers, advisers and consultants for their continuing support to AmFIRST. I also wish to express my earnest gratitude to my fellow Directors and staff for their contribution.



Menara Merals >

During the financial year under review, the Manager witnessed the departure of Mr. Michael Lim Poh Kok, an alternate Director to Mr. Lim Hwee Chiang, who resigned on 1 August 2009. On behalf of the Board of Directors, I wish to thank him for all his contributions and effort in building AmFIRST's portfolios.

In addition, I would like to welcome Mr. Anthony Ang Meng Huat as the new alternate Director. He brings with him a wealth of experience in the property and regional REIT industry.

Sincerely

Dato' Azlan Hashim

Chairman
21 May 2010

MESSAGE FROM CEO

AmFIRST achieved a milestone with its AUM breaching the RM 1 billion mark for the financial year ended 31 March 2010 ("FYE 09/10"). The Trust also declared an income distribution of 9.75 sen per unit, up 11.4% from the 8.75 sen per unit paid in the previous year.

Unit price rose from RM 0.85 sen per unit over the year to close at RM 1.10 per unit, and this translated into a dividend yield of 8.86%.

HIGHLIGHTS FOR 2009/2010:-

- Gross revenue increased by 5.5% to RM 98,188,000;
- Realized income available for distribution increased to RM41,915,000 from RM37,537,000, representing an increase of 11.7%;
- DPU growth, year-on-year increased by 11.4%, from 8.75 sen to 9.75 sen per unit;
- Unit price rose by 29.4% from RM 0.85 as at 31 March 2009 to RM1.10 as at 31 March 2010 and there was a significant improvement in liquidity with 47 million units transacted compared to 19 million units the previous financial year;
- Unit price discount to NAV was reduced from 36% to 18%;
- Completion of the acquisitions of three (3) office floors at Menara Summit, in June and September 2009, totaling RM11.4 million;
- Completion of the refurbishment of Menara Merais at a cost of RM6.7 million during the last quarter of 2009/2010;
- Asset Under Management breached the RM1.0 billion mark;
- Compulsory acquisition of 159 surface car park bays at The Summit Subang USJ by the authorities due to the extension of the LRT, resulting in a gain of RM 89,096, which is tax exempt;
- Successfully initiated the formation of the Malaysian REIT Managers Association ("MRMA"), jointly with Axis REIT Managers;
- Renewal of a fixed rate term loan of RM 57 million (representing 14% of total borrowings) for a further 3 years at 4.5% pa (down from 5.00% pa) during the last quarter of 2009/2010 and a further conversion of RM90 million (representing 22% of total borrowings) revolving credit facilities at short term rates into a fixed term of 1 year at 3.45% pa to mitigate any possible interest rate spikes during the coming financial year;
- Commencement of the refurbishment exercise of The Summit Subang USJ, to be completed in stages by end 2011.



THE MANAGER

Am ARA REIT Managers Sdn Bhd was incorporated in Malaysia on 20 April 2006 and is wholly-owned by Am ARA REIT Holdings Sdn Bhd, which in turn is 70% owned by AmInvestment Group Berhad ("AIGB") and 30% owned by ARA Asset Management (Malaysia) Limited.

AIGB is a wholly-owned subsidiary of AMMB Holdings Berhad while ARA Asset Management (Malaysia) Limited is a wholly owned subsidiary of Singapore-based ARA AmFIRST (Singapore) Pte Ltd; a wholly-owned subsidiary of ARA Asset Management Limited ("ARA") and an affiliate of the Cheung Kong Group based in Hong Kong.

HISTORY & BACKGROUND OF AmFIRST

AmFIRST was listed on Bursa Malaysia Securities Bhd on 21 December 2006 on the reconstitution of AmFirst Property Trust ("AMFPT") into a REIT with the injection of three (3) existing properties and on the same day completed the acquisition of Menara AmBank ("MAB").

AMFPT was the 1st Listed Property Trust ("LPT") established on 28 September 1989 (out of 4) to be listed on Bursa Malaysia with one (1) property, Bangunan AmBank Group ("BAG"). The 2nd property, AmBank Group Leadership Centre ("AGLC") was acquired in December 1994 and this was followed by the acquisition of Menara Merais ("Merais") in June 2006.

OUR PARTNER & SKILL SET – ARA ASSET MANAGEMENT LIMITED

ARA is an Asian real estate fund management company listed on the main board of the Singapore Stock Exchange. ARA's total asset under management as at 31 March 2010 was SGD 14.2 billion.

ARA's business is focused on the following primary segments:-

- REITs – The ARA Group is one of the largest REIT managers in Asia ex-Japan and currently manages five REITs listed in three countries namely, Fortune REIT dual listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Prosperity REIT listed in Hong Kong and AmFIRST listed in Malaysia;
- Private Funds – The ARA Group manages several private funds investing in real estate and real estate-related securities in Asia;

- Real estate management services – The ARA Group provides property management services and manages the award-winning Suntec Singapore International Convention & Exhibition Centre; and
- Corporate finance advisory services – The ARA Group has an in-house advisory arm providing corporate finance advisory services to related corporations.

PROSPECTS & STRATEGIC DIRECTION

We have been through a difficult twelve months but we have remained resilient and managed to produce a set of remarkable financial results. Our future performance will once again be tested against the current global economic uncertainties and any significant volatility that may impact our goals and objectives. We strongly believe that so long we are innovative and adaptive to external changes including redefining our strategies, we will overcome challenges in achieving our vision.

As the Malaysian economic recovery picks up momentum in the coming year, we hope to benefit from the revitalization of the property markets. With our diverse asset portfolio in 3 different property segments, AmFIRST is confident of maintaining sustainable growth and returns to its investors.

The commercial office sector is likely to be challenging due to increase in new supply coming on-stream in the next couple of years, which will dampen office rents and increase competition. We are fortunate that as our anchor tenant, AmBank Group - whose offices are in all the 3 buildings in Kuala Lumpur City Centre, continues to expand, we will be able to grow and accommodate their space requirements. Currently, AmBank Group accounts for 37% and 39% respectively of the total net lettable area and gross rental revenue of AmFIRST. We have on-going programs to ensure that all our properties are well maintained and replacement/upgrade/enhancement programs are in place to ensure retention and attraction of tenants.

We have completed the makeover of Merais in Petaling Jaya in the last quarter and we are working to fill up the space in the coming months. This facelift will ensure that Merais keep pace with the quality of the new commercial offices launched in the area in the past year. Our other suburban office property, Kelana Brem Towers is presently 100% occupied.

The Summit Subang USJ ("The Summit") is a mixed development, consisting of a hotel, office block and suburban retail mall. The up and coming LRT will pass right in front of this property and this will boost traffic and connectivity. The Summit Hotel continues to enjoy high occupancy and we have also put in place a refurbishment program to ensure its 4-star status is maintained.

The repositioning of the Summit Mall was deferred for almost a year due to the uncertainty arising from the compulsory land acquisition by the authorities to facilitate the construction of the LRT, which has been targeted to be completed in 2012/2013. The property has lost 159 surface car park bays and some common areas due to this land acquisition, but there will be suitable compensation from the Selangor State Government. The repositioning is necessary to give the retail mall a new image and its transformation entails decisions relating to retailers and merchandise mix. We may lose some tenants and turn away those that do not align into our overall repositioning plans, and we expect rental revenues to be affected, but not very significantly. Pending our further appeal for injurious affection to the compulsory land acquisition, we believe the initial award will adequately mitigate any loss in future revenue over the next 2 years. This is, however, a temporary problem and we are positive and determined in our effort to transform this neighborhood mall into a vibrant and dynamic shopping centre serving the needs of the middle to higher income population in the the Subang USJ and surrounding areas. With the repositioning, there will be good potential upside. The repositioning exercise is currently undertaken in stages, and will be completed over the next 12 months. We expect the Menara Summit Office Tower to benefit from the repositioning exercise as occupancy and demand will likely follow in tandem.

In addition, to making strategic acquisitions within The Summit, AmFIRST is planning to make new yield accretive acquisitions in the coming year. We will stay focused on commercial properties in Kuala Lumpur City Centre and Klang Valley as the primary target that provides quality and attractive yields and develop partnerships with developers/owners to identify and create a supply pipeline. AmFIRST plans to raise capital to pare down debt and leverage up for future acquisitions, and target a gearing ratio of about 35%. The Manager will continue to focus on stringent risk management and compliances, and the development of talents for the management team.

We are positive that we can maintain the good performance of the Trust in the coming financial year through positive rental reversions, tenant retention, enhancement and repositioning of our various properties, as well as on-going cost containment initiatives.

OUR MISSION

We aspire to distribute sustainable and superior income distributions to all our unitholders through our diversified portfolio of income-producing real estate focusing on commercial office buildings and the retail mall through proactive asset management, prudent capital and risk management and continually enhancing the capital value of the portfolio.

OUR CORE VALUES

Respect

Excellence

Integrity

Teamwork

The above core values demonstrate that we are proactive and resourceful in developing investment and asset management strategies for the benefit of all unitholders. We believe in transparency and respect to go far in creating long-term, trusting relationships with all our stakeholders. We always believe in maintaining our integrity in order to uphold our good reputation in the REIT industry. As a team, we are collaborative, working together as an efficient and dynamic unit to deliver exceptional service that others will benchmark against us.

MANAGEMENT TEAM



1. MR. LIM YOON PENG

Chief Executive Officer

Mr. Lim Yoon Peng was appointed as Chief Executive Officer of Am ARA REIT Managers Sdn Bhd on 15 August 2008. He is responsible for the strategic direction, investment objectives and operations of AmFIRST. Prior to joining Am ARA REIT, he was the Chief Financial Officer of Axis-REIT Managers Berhad, responsible for the finance and risk management functions including business and investment strategies, regulatory compliance, acquisition analysis as well as capital management.

YP Lim has over 30 years of extensive financial management and accounting experience and has held senior positions in various multinational companies from UK, Australia and Malaysia. He spent four years as the Financial Controller cum Company Secretary of Victoria Investment and Properties Pty Ltd, a group of companies involved in property investment and development in Melbourne, Australia before returning to Malaysia in 2005.

Being one of the pioneers in Malaysian REIT industry, Mr. Lim is a speaker at a number of regional and international REITs conferences. He has also contributed a series of articles on the development of Malaysian REITs in several accountancy and other trade journals.

Mr. Lim is a Fellow Member of The Chartered Association of Certified Accountants, UK and a Member of the Malaysian Institute of Accountants, and a Fellow Member of CPA Australia. In September 2007, he was featured by ACCA Malaysia as one of the 50 Malaysian CFOs holding strategic position in a leading industry in Malaysia. He is also the Protem Vice-Chairman of the Malaysian REIT Managers Association.

- > Other directorship of Public Companies
Mr. Lim has no other directorship with any public companies.
- > Family relationship with any Director and/or substantial unitholders
Mr. Lim has no relationship with any Director or substantial unitholders.
- > Conflict of Interest
No conflict of interest has arisen during the financial year under review.
- > Conviction of Offences
Mr. Lim has not been convicted of offences within the past 10 years.

2. PANNEER SELVAM NARAYANAN

Head of Finance

Panneer was appointed as Head of Finance of Am ARA REIT Managers Sdn Bhd in 2007. Prior to that, he was the Finance Manager responsible for financial matters relating to AmFIRST namely the review of financial and management reporting, capital management, treasury and risk management. He is also the designated Compliance Officer for statutory and regulatory matters.

He was also instrumental in the reconstitution of AmFirst Property Trust subsequent to the listing of AmFIRST. Prior to joining Am ARA REIT, he was the Accounts Manager of AmProperty Trust Management Berhad, the Manager of AmFirst Property Trust. During his tenure with the Trust, he had discussions with the Ministry of Finance and Inland Revenue Board in relation to taxation issues of the REIT industry. He has also been a speaker in the Retail REIT Roadshow.

Panneer holds a Bachelor of Commerce (Hons) degree in Accounting from University of Tasmania, Australia. He is also a Member of National Institute of Accountants (Australia), a Member of International Federation of Accountants.

3. ZUHAIRY MD. ISA

Head of Asset Management

Zuhairy joined Am ARA REIT Managers Sdn Bhd on 15 April 2008. He graduated from the University of Newcastle Upon-Tyne, United Kingdom with Postgraduate Diploma and Bachelor of Arts (Hons) degrees, both in Town Planning where he also had a stint as a Trainee Planner with the South Tyneside Metropolitan Borough Council, United Kingdom.

He has more than 15 years of related working experience prior to joining Am ARA REIT. His last position was Assistant Vice-President II with MIDF Property Berhad, heading the Leasing and Marketing Department for Klang Valley region. He was also responsible in handling the land development matters throughout Malaysia as well as Indonesia. He also served as Director for the subsidiaries involved in logistics in Malaysia and property development in Indonesia.

Zuhairy is responsible for overseeing the management, leasing and the implementation of organic growth strategies to enhance the performance of AmFIRST's portfolio as well as the asset enhancement and upgrading projects.

4. CARRIE CHUA MOOI CHU

Tenancy Manager

Carrie Chua Mooi Chu was appointed as Tenancy Manager of Am ARA REIT Managers Sdn Bhd on 3 October 2008. She is responsible for the marketing and leasing of space in the AmFIRST's portfolio as well as overseeing the Tenants Care Program. In addition, she is also involved in tenancy related matters, and supervising the appointed Property Managers.

She has more than 10 years of related working experience, ranging from sales and marketing, and managing retail mall. Prior to joining Am ARA REIT, she was the Complex Manager of The Summit Subang USJ. She was responsible for the planning and implementation of creative and effective leasing strategies to ensure greater leasing of promotion space, better retail mix and effective shopping programs to enhance revenue. Her duty also includes ensuring timely collections to achieve target.

Carrie holds an LCCI in Business Accounting and Diploma in Secretarial from Systematic College, and has worked in several public listed companies, mainly in marketing division.

5. ZETY FAZILAH BAHARUDDIN

Investor Relations Manager

Zety Fazilah was appointed as Investor Relations Manager of Am ARA REIT Managers Sdn Bhd on 15 May 2007. She graduated from University of Wollongong, Australia with Master of Arts (Hons) in International Relations (Diplomacy & Politics), and holds a Bachelor of Mass Communications in Journalism from Universiti Teknologi MARA.

She has more than 12 years of related working experience prior to joining Am ARA REIT. Her last position was Corporate Communications Manager with Telekom Malaysia Berhad, Malaysian Business sector (TM Net). She started her career as Journalist with The New Straits Times Press (M) Berhad in 1996 before joining Petronas Dagangan Berhad as Assistant Manager of the Group's Brand Communications Department.

Zety Fazilah is responsible for coordinating, communicating and liaising with unitholders, potential unitholders, fund managers, analysts and media to create value on AmFIRST.

6. LUM YOUK LEE

Operations & Complex Manager

Lum Youk Lee joined Am ARA REIT Managers Sdn Bhd on 2 February 2010. An Engineer by profession, Lum holds a Master in Business Administration from Charles Stuart University, Australia and a Bachelor of Science degree in Mechanical Engineering from University of South Alabama, USA, a Member of Board of Engineers Malaysia (BEM) and Advisor to Mechanical Engineering Technical Division (METD) of The Institution of Engineers Malaysia (IEM). At the invitation of these associations, he holds regular speaking engagement on their behalf.

He has 13 years of extensive work experience in high-rise property construction and excellent knowledge and skills in the management of commercial, retail and residential properties. He brings with him a wealth of experience that will blend seamlessly into the range of AmFIRST diverse property portfolio and this includes design, construction, leasing and marketing, asset refurbishment, building due diligence and facility and energy efficiency management.

His oversees both the commercial and retail components of AmFIRST's properties including repositioning, upgrading and transformation initiatives. In addition, he will participate in the technical analysis of new assets acquisition and in the maintenance and cost containment of existing properties.

7. ABDUL RAHMAN MOHD JONED

Assistant Manager, Finance

Abdul Rahman was appointed as Assistant Manager, Finance of Am ARA REIT Managers Sdn Bhd in June 2007. He is responsible for the financial related matters relating to AmFIRST and involved in the preparation of financial and management reports.

Abdul Rahman has more than 10 years of related working experience prior to joining Am ARA REIT. His last position was Assistant Accountant with Chase Perdana Berhad. He started his career as Audit Assistant with Abu Bakar Rajudin & Co and was responsible in auditing, accounting, taxation and due diligence work.

He graduated from Universiti Teknologi MARA with a Degree in Accountancy (Hons). He is also a member of the Malaysian Institute of Accountants.

8. ANUAR HUSIN

Senior Executive, Asset Management

Anuar joined Am ARA REIT Managers Sdn Bhd as its Property Executive on 15 April 2007. He holds both a Master of Science in Property Investment and a Bachelor of Science (Hons) in Estate Management from Universiti Teknologi MARA.

He begun his career in 2002 as a Valuer with MN Associates Sdn Bhd undertaking real estate valuations relating to mortgages, insurance and for auction purposes. In 2003, he joined Raine & Horne International Zaki & Partners Sdn Bhd as Senior Valuer at their Subang Jaya branch. He later left to join Malaysia Building Society Berhad ("MBSB") as its Senior Property Executive taking charge of the management and maintenance of MBSB's property assets nationwide as well as the set-up of new branches until he left in early 2007.

Currently Anuar reports to our Head of Asset Management and is responsible for overseeing AmFIRST's investment properties operational and tenancy management including undertaking acquisition analysis relating to valuation.

PROPERTY PORTFOLIO



BANGUNAN AmBANK GROUP (“BAG”)



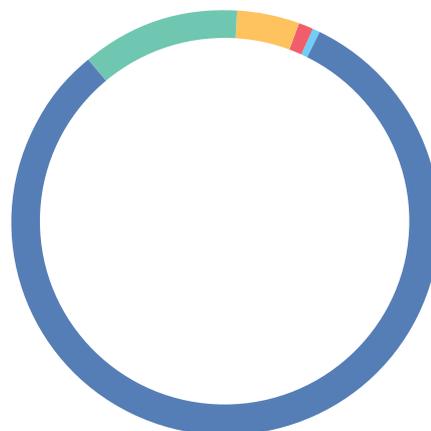
Bangunan AmBank Group is located within the prime commercial centre of the Kuala Lumpur Golden Triangle, which is predominantly characterized by modern high-rise office buildings, international class hotels, exclusive shopping complexes and luxury condominiums/service apartments. The 26-storey office building is situated at Jalan Raja Chulan and it is easily accessible from all parts of Kuala Lumpur.

PROPERTY PORTFOLIO (CONT'D)

BANGUNAN AmBANK GROUP

Location	: Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur
Description of Property	: 26-storey office building comprising of a 21-storey office tower block, a 1-level cafeteria, gymnasium and a multi-purpose hall 4-upper level car park and 3-basement car park
Land Title	: Title No. Pajakan Negeri 4512 Lot No. 1200, Section 57 Town and District of Kuala Lumpur State of Federal Territory of Kuala Lumpur
Tenure	: Leasehold 99 years expiring on 3 June 2084 (unexpired term of approximately 74 years)
Encumbrances	: Nil
Year Of Completion	: 1987
Age Of Building	: 24 years
Net Lettable Area	: 360,166 sq ft
Existing Use	: Commercial Office
Car Park	: 522 bays
No. Of Tenants	: 11
Acquisition Cost	: RM180.15m
Latest Revaluation	: RM230.00m
Date Of Revaluation	: 1 March 2010
Occupancy Rate	: 100.00%
Gross Revenue	: RM22.33m
Net Property Income	: RM16.10m
Major Capital Expenditure	: Nil
Average Lease Period	: 3 years
Valuer	: WTW International C H William Talhar & Wong Sdn Bhd

TENANT TRADE MIX ANALYSIS



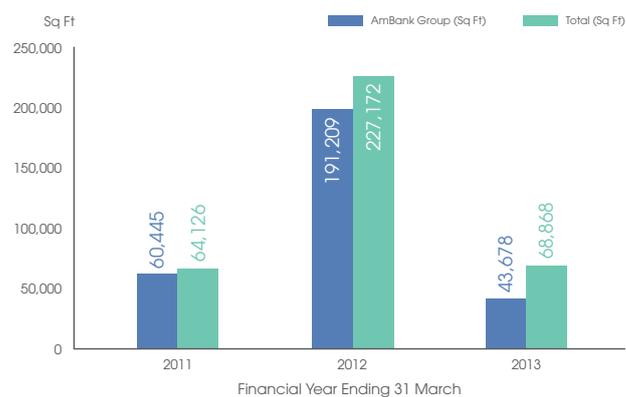
Major Tenants

1. AmBank Group
2. Shook Lin & Bok
3. Syed Alwi, Ng & Co

■	BANKING & FINANCIAL INSTITUTIONS
■	ADVOCATES & SOLICITORS
■	FOOD & BEVERAGES
■	SERVICES & OTHERS
■	HEALTH

CATEGORY	SQ FT	%
Banking & Financial Institutions	295,332	82.00
Advocates & Solicitors	43,407	12.05
Food & Beverages	16,330	4.53
Services & Others	4,317	1.20
Health	780	0.22
TOTAL	360,166	100.00

TENANCY RENEWAL PROFILE



FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2011	60,445	16.78	64,126	17.80
2012	191,209	53.09	227,172	63.08
2013	43,678	12.13	68,868	19.12
TOTAL	295,332	82.00	360,166	100.00



AmBANK GROUP LEADERSHIP CENTRE (“AGLC”)



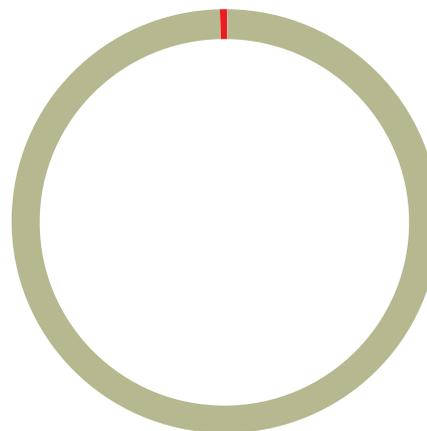
AmBank Group Leadership Centre is a 13-storey office building located at Lorong P. Ramlee within the prime business district of Kuala Lumpur Golden Triangle. It is situated within a short walking distance to one of Kuala Lumpur’s famous tourist attraction, the KL Tower. The surrounding is developed with multi-storey office towers, shopping complexes, hotels and high-rise high-end condominiums. It is easily accessible via Jalan Raja Chulan or Jalan Sultan Ismail and Jalan P. Ramlee.

PROPERTY PORTFOLIO (CONT'D)

AmBANK GROUP LEADERSHIP CENTRE

Location	: AmBank Group Leadership Centre Lorong P. Ramlee 50250 Kuala Lumpur
Description of Property	: 13-storey office building comprising of a 10-storey office tower block, a penthouse and a 3-level car park
Land Title	: Title No. Geran 6312 Lot No. 1153, Section 57 Town and District of Kuala Lumpur, State of Federal Territory of Kuala Lumpur
Tenure	: Freehold
Encumbrances	: Nil
Year Of Completion	: 1990
Age Of Building	: 20 years
Net Lettable Area	: 57,801 sq ft
Existing Use	: Commercial Office
Car Park	: 57 bays
No. Of Tenants	: 2
Acquisition Cost	: RM19.05m
Latest Revaluation	: RM20.00m
Date Of Revaluation	: 1 March 2010
Occupancy Rate	: 100.00%
Gross Revenue	: RM2.16m
Net Property Income	: RM1.24m
Major Capital Expenditure	: Nil
Average Lease Period	: 3 years
Valuer	: WTW International C H William Talhar & Wong Sdn Bhd

TENANT TRADE MIX ANALYSIS



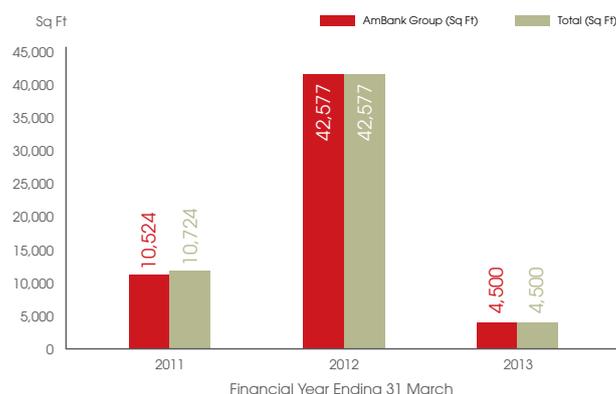
Major Tenants

1. AmBank Group
2. Juara Saji

■ BANKING & FINANCIAL INSTITUTIONS
■ FOOD & BEVERAGES

CATEGORY	SQ FT	%
Banking & Financial Institutions	57,601	99.65
Food & Beverages	200	0.35
Total	57,801	100.00

TENANCY RENEWAL PROFILE



FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2011	10,524	18.21	10,724	18.55
2012	42,577	73.66	42,577	73.66
2013	4,500	7.78	4,500	7.79
TOTAL	57,601	99.65	57,801	100.00



MENARA MERAIS (“MERAIS”)



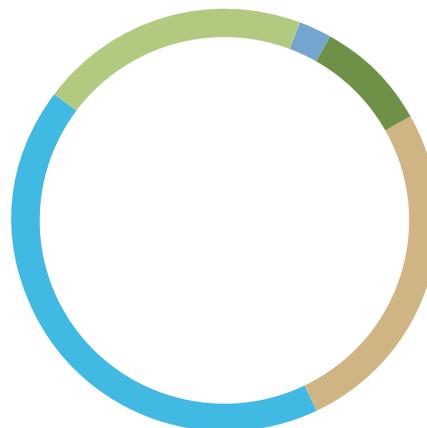
Menara Merais is a landmark building in Petaling Jaya, as it is the only high rise building in the area. It is located at Jalan 19/3, Section 19 Petaling Jaya, next to the Rothmans roundabout. Its immediate locality mainly purpose-built factories, warehouses and prominent showroom premises such as UMW Toyota, British American Tobacco, Ssangyong and Citroen. Over the past few years, the traditional industrial area of Petaling Jaya has been experiencing a shift from accommodating industrial based premises to limited commercial, office and service-based premises. Today, Menara Merais is surrounded by integrated commercial development such as Jaya 33, 32 Square and Jaya One. This 22-storey building is easily accessible from Kuala Lumpur, Subang Jaya, Shah Alam and Klang via the Federal Highway. It is also accessible from Kuala Lumpur via Jalan Duta, Jalan Semantan in Damansara and the Sprint Highway.

PROPERTY PORTFOLIO (CONT'D)

MENARA MERAIS

Location	: Menara Merais No. 1, Jalan 19/3 46300 Petaling Jaya Selangor Darul Ehsan
Description of Property	: 22-storey purpose-built office building comprising of a 3-level basement car park
Land Title	: Title No. HSM 9104 PT No 29649 Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan
Tenure	: Freehold
Encumbrances	: Lien Holder's Caveat
Year of Completion	: 1994
Age of Building	: 16 years
Net Lettable Area	: 159,001 sq ft
Existing Use	: Commercial Office
Car Park	: 324 bays
Number of Tenants	: 26
Acquisition Cost	: RM57.08m
Latest Revaluation	: RM64.00m
Date of Revaluation	: 1 March 2010
Occupancy Rate	: 55.46%
Gross Revenue	: RM4.14m
Net Property Income	: RM2.02m
Major Capital Expenditure	: Completed refurbishment and upgrading works
Average Lease Period	: 2-3 years
Valuer	: WTW International C H William Talhar & Wong Sdn Bhd

TENANT TRADE MIX ANALYSIS



Major Tenants

1. KAO (M) Sdn Bhd
2. Alliance Teamwork Marketing Sdn Bhd
3. AGFA Film (Asean) Sdn Bhd

HEALTH / PERSONAL CARE / BEAUTY
TELECOMMUNICATION/ IT/ ELECTRONIC ELECTRICAL
LOGISTIC
CONSTRUCTION & REAL ESTATE
SERVICES & OTHERS

CATEGORY	SQ FT	%
Health/Personal Care/Beauty	37,439	42.46
Services & Others	22,915	25.99
Telecommunication/ IT/ Electronic/ Electrical	17,964	20.37
Construction & Real Estate	7,671	8.70
Logistic	2,188	2.48
TOTAL	88,177	100.00

TENANCY RENEWAL PROFILE



FYE	Total (sq ft)	%
2011	42,357	48.04
2012	27,834	31.56
2013	17,985	20.40
TOTAL	88,176	100.00



MENARA AmBANK (“MAB”)



Menara AmBank is located along Jalan Yap Kwan Seng and within the heart of the Kuala Lumpur Golden Triangle. It is situated about 0.5km from the Kuala Lumpur City Centre (KLCC) and is easily accessible from city centre via Jalan Ampang and Jalan Yap Kwan Seng. Alternatively, it is accessible via Jalan Tun Razak. The nearest light rail transit station, Putra-KLCC Station is located within walking distance from the building. This 46-storey prominent office building (one of the top three winners in the 2007 Building Illumination and Decorative Competition) is surrounded by high-rise purpose built office building, prime retail complexes, luxurious high-rise condominiums and service apartments as well as international hotels.