

AmFIRST Real Estate Investment Trust

ANNUAL REPORT 2013

Progressive
Growth



AmFIRST

Real Estate Investment Trust



COVER RATIONALE

Our Annual Report cover symbolizes AmFIRST's journey to grow the Fund and to meet the challenges ahead through continuous evolution whilst remains steadfast to our vision and objective to deliver superior returns to our Unitholders.

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A red circle containing text, set against a background of a spider web on green foliage. The spider web is made of thin, golden threads and is positioned on the right side of the image. The background is a soft-focus green, suggesting a natural setting. A thin red horizontal line extends from the left edge of the circle across the page.

Our Strategies and Vision

This is our prudent, conservative and value-focused strategy to create and maintain value for our investors in line with our objective. Each step we take as we move forward to build our base has gone through an immaculate and meticulous process, like the spinning of a spider web.



ABOUT AmFIRST REIT

AmFIRST REIT

AmFIRST Real Estate Investment Trust ("AmFIRST" or the "Trust") is a real estate investment trust listed on Bursa Malaysia Securities Berhad on 21 December 2006. AmFIRST is one of the largest Malaysian-based commercial real estate investment trust ("REIT") and owns a diverse portfolio of nine (9) properties located in Klang Valley (including Cyberjaya) and Melaka, with a total net lettable area of 2.8 million sq.ft.

THE MANAGER

AmFIRST is managed by Am ARA REIT Managers Sdn Bhd ("Am ARA" or the "Manager") which is responsible for the management and administration of AmFIRST, as well as the implementation of AmFIRST's investment and business strategies.

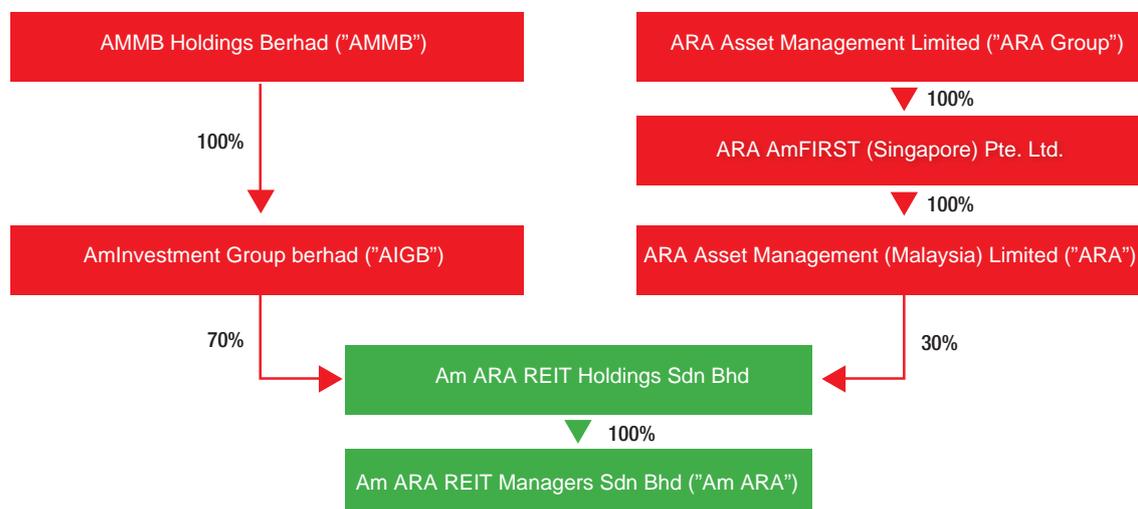
Am ARA was incorporated in Malaysia on 20 April 2006 and is wholly-owned by Am ARA REIT Holdings Sdn Bhd, and in turn is 70% owned by AmInvestment Group Berhad ("AIGB") and 30% owned by ARA Asset Management (Malaysia) Limited ("ARA").

AIGB is a wholly owned subsidiary of AMMB Holdings Berhad ("AMMB"). AMMB is listed on Bursa Malaysia Securities Berhad. The principal activity of AMMB is that of investment holding and whose subsidiaries provide a wide range of retail banking, business banking, investment banking, corporate and institutional banking and related financial services which also include Islamic banking business, underwriting of general, life insurance and family takaful insurance, stock and share-broking, futures broking, investment advisory and asset, real estate investment trust and unit trust management services.

ARA is a wholly owned subsidiary of Singapore-based ARA AmFIRST (Singapore) Pte Ltd; which in turn is a wholly owned subsidiary of ARA Asset Management Limited ("ARA Group"), an affiliate of the Cheung Kong Group based in Hong Kong.

ARA Group is the first real estate fund management company to be listed on the Singapore Exchange on 2 November 2007 and as at 31 December 2012 has total Assets Under Management ("AUM") of S\$22.1 billion. ARA Group's business is geographically diversified across Asia Pacific, and is focused on the following segments:-

- REITs – ARA Group is one of the largest REIT Managers in Asia ex-Japan and currently manages six (6) 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 and Hui Xian REIT listed in Hong Kong, and AmFIRST listed in Malaysia;
- Private Real Estate Funds;
- Real Estate Management Services; and
- Corporate Finance Advisory Services



MISSION AND CORE VALUES

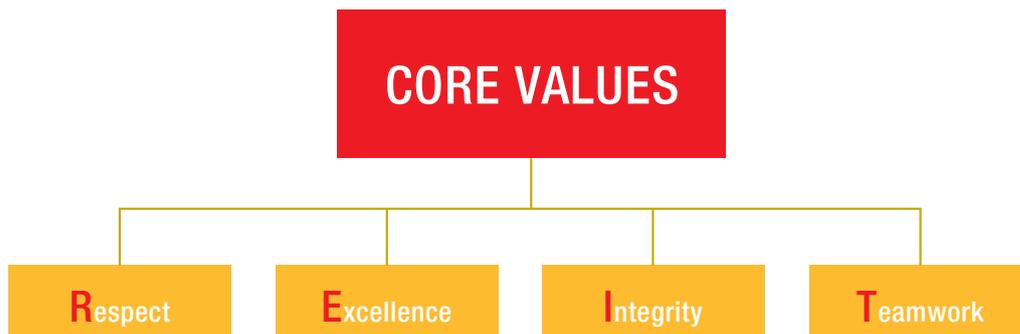
OUR MISSION

In everything we do, we are focused on delivering sustainable long-term income distributions and investment performance of our diversified portfolio of commercial real estate. In accomplishing and looking beyond our mission, we embrace the following attributes and deliverables to meet our objectives.

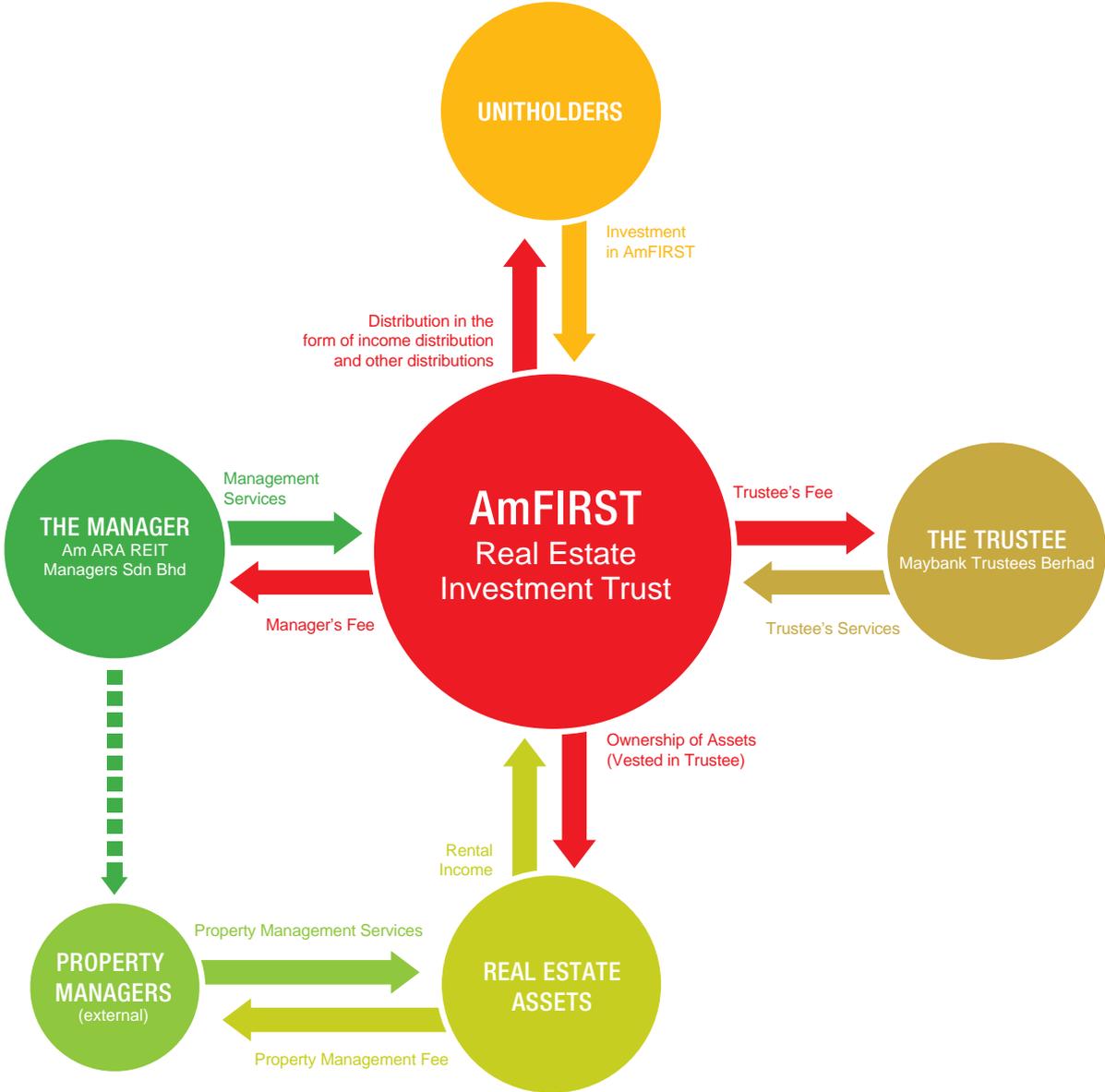


OUR CORE VALUES

The following 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 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.

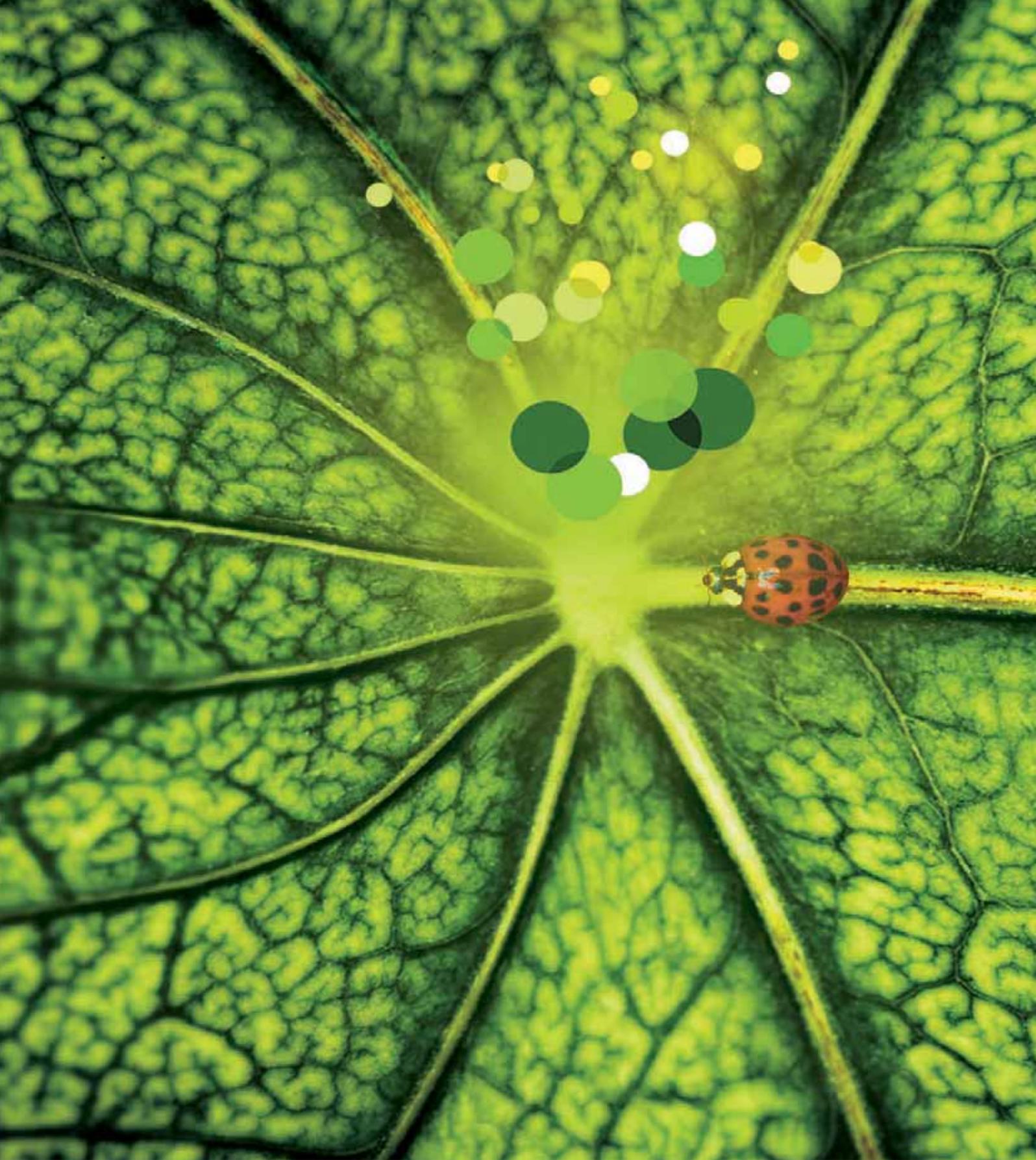


AmFIRST'S STRUCTURE



FUND INFORMATION

Item	Brief Description
Name of Fund	AmFIRST Real Estate Investment Trust
Category of Fund	Real Estate Investment Trust
Type of Fund	Income and growth
Investment Objective	<p>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 of real estate and real estate-related assets in order to:-</p> <ul style="list-style-type: none"> • deliver regular and stable distribution to unitholders; and • achieve long-term growth in the net asset value per unit.
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 of 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 properties portfolio 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 acquisition of properties that meet the Manager's investment criteria; and • Employ prudent capital management strategy via optimizing capital structure with debt and equity financing policies.
Authorized Investments	<p>Invest in real estates, single-purpose companies, real estate-related assets, non-real estate-related assets and liquid assets:-</p> <ul style="list-style-type: none"> • 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 asset 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	686,401,600 units
Distribution Policy	<p>Income distributions will be paid on a semi-annual basis (or such other intervals as the Manager shall determine).</p> <p>The Manager intends to distribute at least 90% of the distributable income for each financial year.</p>
Revaluation Policy	The properties will be revalued annually pursuant to Malaysian Financial Reporting Standard ("MFRS") 140 and at least once every three (3) years from the date of last revaluation pursuant to Clause 10.03 of the Guidelines on Real Estate Investment Trust issued by Securities Commission.
Bursa Securities Stock Code	5120





Achievements and Milestones

We are proud of our achievements and will continue to track our performance and always be prepared to face challenges and turn them into valuable propositions for the benefit of and value creation for our Unitholders.

CHAIRMAN'S STATEMENT



// 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 am pleased to present to you the Annual Report and Audited Financial Statements of the Trust for the financial year ended 31 March 2013. //

We are pleased to announce the successful completion of AmFIRST's Renounceable Rights Issue of 257,400,600 new units which was listed on 7 August 2012. This has indeed been a great milestone for FYE 2013. The market capitalization of AmFIRST as at 31 March 2013 is RM741.3 million, an increase of 45.2% from a year ago. With gearing at 32.9%, AmFIRST has ample permissible debt headroom to continue to grow its portfolio.

OPERATION REVIEW

Consistent with our strategy to progressively grow and diversify our portfolio, AmFIRST announced the proposed acquisition of Kompleks Tun Sri Lanang (also known as Jaya 99) in Melaka on 16 August 2012 for a cash consideration of RM86.0 million. The acquisition was completed on 1 November 2012. Jaya 99 is the first property outside the Klang Valley to be acquired by AmFIRST. It is a prime property of modern design located prominently in the City Centre of Melaka. The property has been substantially leased to large multinational companies such as Prudential Assurance Malaysia Berhad and the SingTel Group of Singapore.

The Trust currently has nine (9) investment properties in its portfolio, with a net lettable area of 2.8 million sq.ft. and 5,577 car park bays. The average occupancy as at 31 March 2013 has marginally improved to 89.3% from 89.0% compared to a year ago. With the current overall decline in office market occupancy in the Klang Valley, maintaining a high occupancy in our office properties has been challenging, with demand and supply imbalance as well as downward pressure on rental rates. We will continue to work hard on active leasing management and marketing programmes in order to achieve over 90.0% level of occupancy in our portfolio. In addition, we have carried out various asset enhancement initiatives (AEI's) to upgrade some of the properties and improve their competitiveness in retaining existing tenants and



attracting new tenants. Wisma AmFIRST is currently undergoing its final phase of refurbishment involving the common corridors, food court, external façade, repainting and landscaping. We have also planned major AEI's for four (4) of our properties for the next financial year; they are The Summit Subang USJ, Menara AmBank, AmBank Group Leadership Centre and Bangunan AmBank Group.

The Trust conducted a revaluation of its portfolio at the close of the financial year ended 31 March 2013, and registered a total value of asset under management of RM1.28 billion compared to RM1.18 billion from a year ago. Except for Jaya 99, in Melaka which was acquired on 1 November 2012, the Trust registered a net fair value gain on revaluation for the remaining properties of RM5.1 million, attributed to the increase in occupancies and positive rental reversions.

FINANCIAL REVIEW

AmFIRST recorded a strong operating performance for the financial year ended 31 March 2013 and delivered a distributable income consistent with expectations, taking into account the effects of dilution from the rights issue exercise, which was completed on 7 August 2012.

During the financial year ended 31 March 2013, the Trust's Total Gross Revenue rose 12.1% to RM109.8 million whilst realized distributable earnings increased by 17.3% to RM46.9 million as compared to previous year. The positive results were mainly attributed to the new acquisition, interest savings arising from the rights issue and improvement in overall occupancies of the properties.

DISTRIBUTIONS TO UNITHOLDERS

On April 29, 2013, the Board of Directors of Am ARA REIT Managers Sdn Bhd declared a final income distribution of 3.65 sen per unit for the period from 1 October 2012 to 31 March 2013 to be paid on 31 May 2013. The final income distribution, coupled with the interim income distribution of 3.16 sen, paid on 12 December 2012, represent a total distribution per unit ("DPU") of 6.81 sen per unit for the financial year ended 31 March 2013. The total DPU of 6.81 sen per unit translates to a distribution yield of 6.31% based on AmFIRST's closing price of RM1.08 per unit as at 31 March 2013. The DPU was lower as compared to the preceding year due to the dilution effect of the enlarged units in circulation post rights issue. Notwithstanding this, the Trust achieved a Total Return of 8.7% for the financial year ended 31 March 2013. The Trust will continue to maintain an income distribution policy of at least 90% of the distributable income for each year.

MARKET OVERVIEW

Malaysia achieved a remarkable economic growth of 5.6% for 2012. For 2013, the Malaysian Gross Domestic Product ("GDP") is expected to grow from between 5.0% to 6.0% driven by strong domestic demand and consumption, particularly with the implementation of projects under the Economic Transformation Programme ("ETP"). Private investments have also picked up substantially, which in turn have helped raised potential output and contributed to Malaysia's GDP growth.

With sentiment for the broader market staying cautious, Malaysia REIT ("M-REITs") remain an attractive option for investors, especially for those looking for safer investments. Average yields among M-REITs are above prevailing bank deposits rates. At the same time, valuations for the underlying properties held by M-REITs have also been trending higher over the past few years, offering investors a buffer against inflation. With the listing of KLCCP Stapled Security REIT, the largest by AUM and market capitalization, M-REITs are progressively becoming a distinct and desired asset class.



PROSPECTS

Notwithstanding the challenging office market in terms of demand-supply imbalance in the Klang Valley, the outlook remains stable, but we expect some consolidation of rental rates in the next financial year. As part of our internal growth strategies, AmFIRST will focus on maximizing returns of its properties by endeavouring to maintain high occupancy levels with competitive rental rates and cost containment via proactive leasing management and enhancing operating efficiency. We will also continue with selective AEI's across the portfolio.

Moving forward, we will continue to focus on strengthening the financial position of the Trust. We will actively pursue a growth strategy through accretive acquisitions from the many opportunities that may arise from the property cycle as the Malaysian economy continues to register positive growth in the years ahead.



ACKNOWLEDGMENTS

I would like to take the opportunity to thank all our employees for their efforts during the year. I am confident our team will continue to create sustainable value for investors.

I wish to express our gratitude to Mr. Cheah Tek Kuang who retired from the Board on 1 April 2013. He had been instrumental in the formation of AmFIRST in 2006 and we appreciate his significant contributions to the Trust.

I also wish to thank our Trustee and fellow Directors for their counsel and dedication as well as tenants, business associates, bankers and consultants for their continued support for AmFIRST.

I look forward to another year of growth for AmFIRST.

Sincerely,

Dato' Azlan Hashim

Chairman

15 May 2013

MESSAGE FROM CEO



AmFIRST has made a number of significant achievements for the year. It was the 1st Malaysian REIT to undertake and complete the 1st Rights Issue exercise in August 2012, raising RM215 million, based on the 3 for 5 renounceable rights, with a 98.0% valid acceptance and 13.5% oversubscription. The Fund size is now 686,401,600 units and based on the unit price of RM1.08 as at 31 March 2013, the market capitalization of AmFIRST stands at RM741.3 million. This is a testament to the support provided by our loyal unitholders. This transformative transaction will enable AmFIRST to embark on its "Progressive Growth" trajectory. With a stronger Balance Sheet post rights issue, and a gearing of 32.9%, the Trust has greater financial capacity to continue to pursue growth opportunities through accretive acquisitions and asset enhancements.

Upon completion of the Rights Issue exercise, the Trust proceeded to complete another new accretive acquisition of Kompleks Tun Sri Lanang (also known as Jaya 99) in Melaka for a cash consideration of RM86 million. This again demonstrates Management's ability to grow the Trust via injection of quality assets that enhances returns to unitholders. To-date, the Trust has nine (9) properties in its portfolio, with an AUM of RM1.28 billion as at 31 March 2013.

STRATEGY

The Board has set a clear strategic vision for AmFIRST:

"To be a leading Commercial REIT" embracing the following key strategic objectives:-

- Proactive leasing management;
- Accretive acquisitions targeting strategic and high growth locations;
- Operational excellence – through our talented Management team, quality systems and processes, our strong relationships and sustainability measures; and
- Capital management – aiming to deliver optimal capital structure, cost and term of debt facilities through prudent and conservative balance sheet management.

It is through the delivery of these objectives that AmFIRST aims to provide superior and sustainable returns to our unitholders.

MESSAGE FROM CEO (cont'd)

PERFORMANCE REVIEW

The Trust has delivered a set of strong results for financial year ended 31 March 2013, registering net realized earnings available for distribution of RM46.9 million, and a distribution of 6.81 sen per unit. This was achieved through strong operating performance of the underlying assets, contribution from the newly acquired asset and interest savings from lower borrowings as a result of the paring down of borrowings arising from the rights issue proceeds, which was completed on 7 August 2012.

The total DPU per unit for FYE 2013 was 6.81 sen per unit equivalent to a distribution yield of 6.3% based on the closing unit price of RM1.08 as at 31 March 2013. For FYE 2013, the Trust has yet to neutralize the impact on the earnings dilution resulting from the rights issue since it was only completed in August 2012. We have adjusted the Opening Cum Rights Unit Price to RM1.055 at 1 April 2012 from RM1.19 to take into account the cum-rights which was priced at RM0.83 sen per unit to reflect a Total Return of 8.7% achieved by the Trust for FYE 2013.

To maintain this positive earnings growth momentum in FYE 2014, we will continue to pursue potential accretive acquisitions and organic growth strategies vis-à-vis operational optimization of the portfolio and opportunities to achieve savings on financing costs, as well as other operational efficiency.

OUTLOOK

As our Balance Sheet has strengthened, we have significant opportunities to invest in our current portfolio of properties via asset enhancements to boost yields and capital values. Concurrently, we are identifying opportunities for future growth through new acquisitions via adopting a disciplined approach.

Amidst the current supply-demand imbalance in the commercial office sector, it is imperative to remain both focused and flexible. We have seen improvements in our overall occupancies this year and we target to raise occupancies rates further in the future. In anticipation of a full year income contribution from the recent acquisition and continuous solid performance from the other investment properties, we anticipate to register higher income and growth prospects across the portfolio.



REGULATORY CHANGES

During the year, we have also observed strong market interest in Malaysian REIT and positive changes in the regulations including the updated Securities Commission REIT Guidelines and Capital Markets and Services Act which will be positive for the Malaysian REIT industry.

As Vice Chairman of the Malaysian REIT Managers Association ("MRMA") and Chairman of the Finance Sub-Committee, we have taken a proactive approach to disseminate regulatory changes and related accounting and tax issues impacting the M-REITs industry for the benefit of MRMA members.

I look forward to another exciting year ahead.

Lim Yoon Peng
Chief Executive Officer
15 May 2013

YEAR IN REVIEW

APRIL

2012

Obtained unitholders' approval on all resolutions pertaining to the rights issue tabled at the Unitholders' Meeting held on 30 April 2012.



MAY

2012

Payment of Final Income Distribution for the FYE 31 March 2012 of RM20.7 million or 4.83 sen per unit.

AUGUST

2012

- Completion of Rights Issue with successful listing of and quotation for 257,400,600 Rights Units on the Main Market of Bursa Malaysia Securities Berhad.
- Signing of Sale and Purchase Agreement of Kompleks Tun Sri Lanang (also known as Jaya 99) for a purchase consideration of RM86 million.

NOVEMBER

2012

Completed the acquisition of Kompleks Tun Sri Lanang (also known as Jaya 99).

DECEMBER

2012

- Payment of Interim Income Distribution for the FYE 31 March 2013 of RM21.7 million or 3.16 sen per unit.
- Implemented electronic payment of income distribution (e-Dividend).
- Successfully called for the 1st AGM of the Management Corporation ("MC") and formed the MC of The Summit Subang USJ.
- Obtained approval from all joint owners for the repositioning of the retail mall during the 1st AGM of the MC.

MARCH

2013

Completed the revaluation exercise of the investment properties under the portfolio and registered a fair value gain of RM5.1 mil.

PERFORMANCE HIGHLIGHTS



AUM
grown in value by **+8.2%**

Increased the number of properties
from 8 to 9 and AUM to

RM 1.28^{*} bil

Net Lettable Area

under management increased to

2.8^{*} mil sq.ft.



Market Capitalization

at

RM 741.3^{*} mil



Gross Revenue
+12.0%

Net Property Income
+12.6%

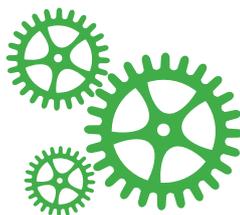
Realized Net Income
+17.3%

Total DPU

6.81[#] sen

Gearing reduced

from **45.9%** to **32.9%**^{*}



Total Returns

8.72[#]%

Successfully completed

Rights Issue and listing of

257,400,600 units

on 7 August 2012

DPU Yield

6.31%

* As at 31 March 2013

For the financial year ended 31 March 2013

FINANCIAL REVIEW

Statement of Financial Position As At 31 March

	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
Investment Properties	1,277,226	1,179,844	1,024,000	1,008,000	980,000
Total Asset Value	1,297,589	1,198,542	1,045,262	1,044,202	1,022,747
Net Asset Value (NAV)	836,903	617,765	605,985	601,580	587,635
Borrowings	426,400	550,000	407,000	413,000	402,000
Gearing (%)	32.86	45.89	38.94	39.55	39.31
Units in Circulation (Units) ('000)	686,402	429,001	429,001	429,001	429,001
NAV per Unit (RM)					
- Before proposed final distribution	1.2193	1.4400	1.4125	1.4023	1.3698
- After proposed final distribution	1.1828	1.3917	1.3631	1.3535	1.3250
- Highest NAV during the year (ex-distribution)	1.3941	1.3917	1.3631	1.3535	1.3250
- Lowest NAV during the year (ex-distribution)	1.1755	1.3617	1.3533	1.3250	1.0000

Statement of Comprehensive Income For The Financial Year Ended 31 March

	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
Gross Revenue	109,784	97,980	88,539	98,188	93,081
Property Expenses	(35,616)	(32,100)	(32,011)	(34,549)	(31,788)
Net Rental Income	74,168	65,880	56,528	63,639	61,293
Interest/Other Income	317	210	5,955	649	284
Changes in fair value of investment properties	5,053	12,241	3,248	12,142	141,534
(Loss)/Gain arising from measuring non-current financial liabilities measured at amortized cost	(176)	(42)	364	-	-
Non-Property Expenses	79,362	78,289	66,095	76,430	203,111
	(27,565)	(26,097)	(20,733)	(22,373)	(24,040)
Net income for the year	51,797	52,192	45,362	54,057	179,071
Net Income for the year, consisting of:					
- Realized	46,920	39,994	41,750	41,915	37,537
- Unrealized	4,877	12,198	3,612	12,142	141,534
	51,797	52,192	45,362	54,057	179,071
Earnings per Unit (EPU) (sen)					
- Realized	7.87*	9.32	9.73	9.77	8.75
- Unrealized	0.82*	2.85	0.84	2.83	32.99
	8.69*	12.17	10.57	12.60	41.74
Distribution per Unit (DPU) (sen)					
- Interim	3.65	4.48	4.81	4.88	4.27
- Final	3.16	4.83	4.94	4.87	4.48
	6.81	9.31	9.75	9.75	8.75
Distribution Yield (based on respective closing market price) (%)	6.31	7.82	8.41	8.86	10.29
Management Expense Ratio (MER) (%) ¹	1.00	1.06	0.95	1.63	1.56
Portfolio Turnover Ratio (PTR) (Times) ²	0.11	0.22	0.01	0.03	-

* Based on weighted average number of units in circulation.

Unit Price Performance

	2013	2012	2011	2010	2009
Unit Price per Unit (RM)					
- As at 31 March	1.08	1.19	1.16	1.10	0.85
- Highest Traded Price during the year	1.23	1.22	1.24	1.11	0.95
- Lowest Traded Price during the year	1.02	1.11	1.10	0.85	0.74
- Average Traded Price during the year ³	1.14	1.18	1.13	0.98	0.86
- Average Volume Traded per day ('000)	435	235	279	191	81



Annual Total Return (%) ⁴

	2013	2012	2011	2010	2009
Capital Growth	2.34	2.56	5.31	25.64	(2.30)
Income Distribution	6.38	7.92	8.63	10.00	10.18
Total Return	8.72	10.48	13.94	35.64	7.88

Average Annual Return (%) ⁵

	2013
One year	8.72
Three years	11.05
Since listing date (21 December 2006)	12.49

1 The calculation of MER is based on total fees incurred by AmFIRST, 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.

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

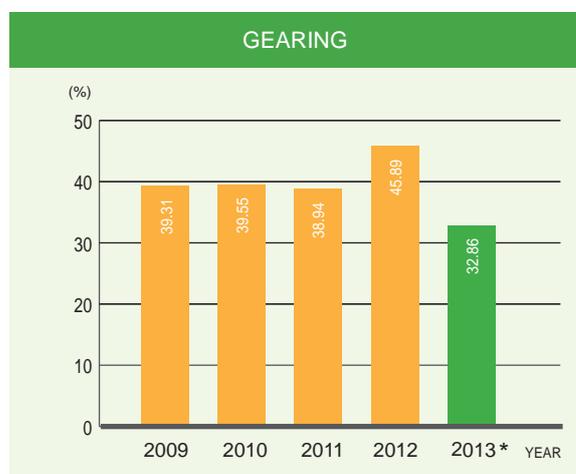
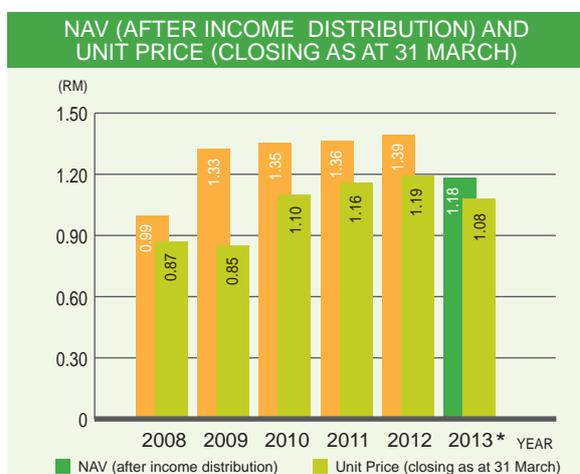
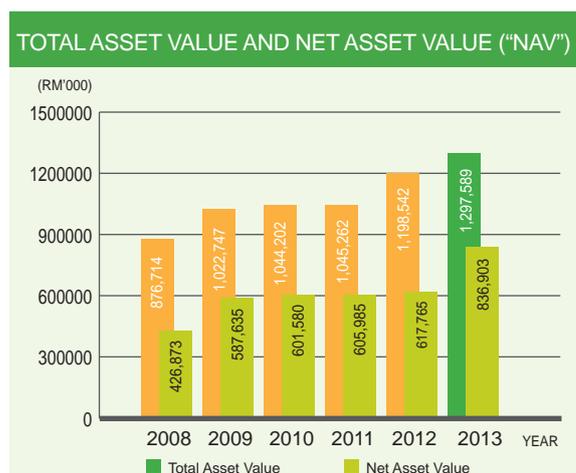
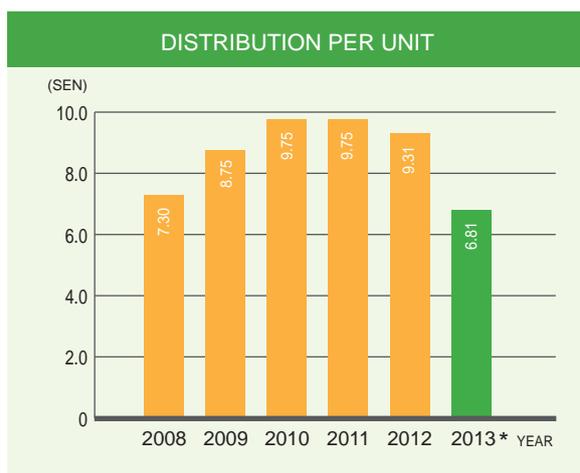
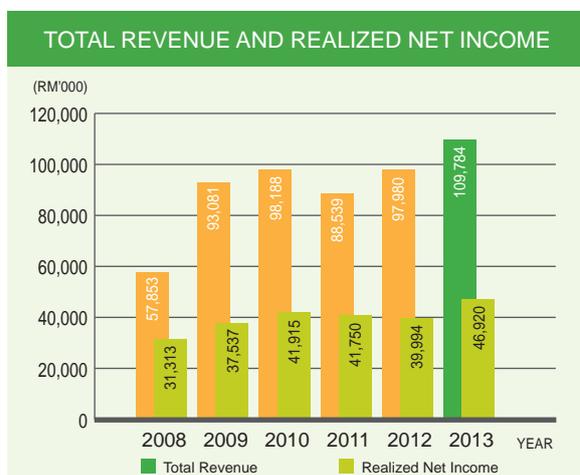
3 Average traded price during the year is calculated based on average of opening price and closing price for the financial year.

4 Total Return is based on the actual gross income distribution and net change in unit price at the opening and closing of the financial year, over the average unit price of the opening and closing of the respective financial year. However, for FYE 2013, the opening unit price as at 1 April 2012 was restated from RM1.19 to cum rights at RM1.06 to reflect the effects of Rights Issue that was completed in August 2012.

5 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 REVIEW (cont'd)



Based on weighted average number of units in circulation

* After adjustment for rights issue

OPERATION REVIEW

ASSET MANAGEMENT

Asset management involves developing strategies across the investment portfolio of the Trust and these include:

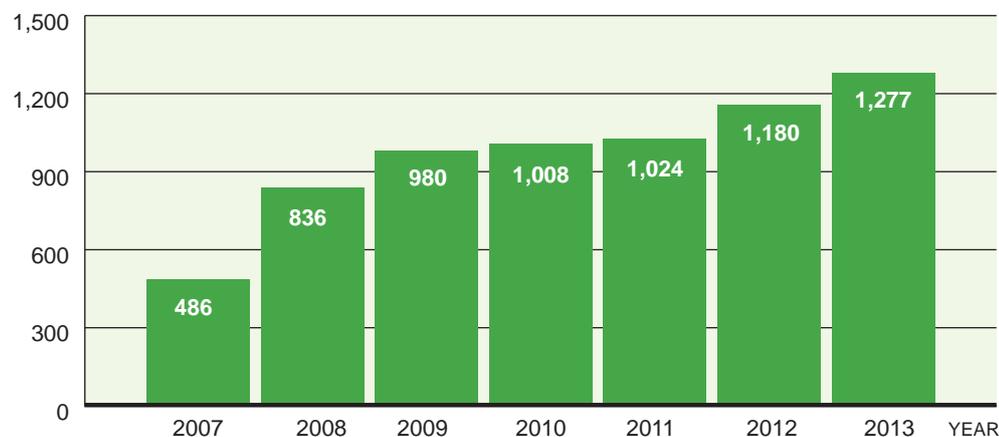
- Asset Enhancements
- Leasing
- Property Management
- Lease Terms

As the Manager of AmFIRST, we focus on the operational activities of the properties via the implementation of short to medium term objectives and supervise the Property and Facility Managers in the implementation of the set objectives. Our investment portfolio consists of eight (8) commercial office buildings and a mixed development comprising of office block, a retail mall and a hotel. The Summit Hotel is leased to an operator who is responsible for the maintenance except for the structural and common facility.

Asset management involves leveraging on and enhancing the competitive strengths of the underlying properties and undertaking proactive steps to boost the property yields such as active leasing and proactive marketing of vacancies taking into account renewing and replacing expiring leases as well. These are executed upon undertaking comprehensive research to identify areas for value adding that will benefit our existing and potential tenants. Cost containment is also another important strategy to boost property returns. This would include implementing systematic and regular maintenance programs as well as asset enhancements to reposition the relevancy and competitiveness of the properties as well as extending the economic lifespan and functionality.

Asset Under Management (“AUM”)

(RM' Million)



AUM
Grew by
8.2%

Since the listing of AmFIRST on 21 December 2006, the Trust has grown its AUM from RM486 million by one and half times to RM1.277 billion. The increase was attributed by the new acquisitions of five (5) new properties post IPO as well as capitalizing asset enhancements expenditure and fair value gains arising from the revaluation of properties over the years since the Trust's inception.

For the current financial year, with the acquisition of Jaya 99 in Melaka, the investment portfolio grew to nine (9) properties as well as increasing the total net lettable area to 2.8 million sq.ft. and 5,577 car park bays from 2.52 million sq.ft. and 4,988 car parks bays respectively as compared to a year ago. In term of AUM, it grew by 8.2% during the financial year ended 31 March 2013.

The nine (9) properties are situated at diverse and strategic locations within the Kuala Lumpur City Centre, Petaling Jaya, Subang Jaya, Cyberjaya and Melaka.

OPERATION REVIEW (cont'd)

Portfolio Occupancy

Year	AGLC	BAG	MAB	MA	WA	The Summit (Office)	The Summit (Retail)	Prima 9	Prima 10	Jaya 99	Overall Portfolio
2008	92.2%	99.4%	95.8%	68.0%	100.0%	-	-	-	-	-	94.4%
2009	92.2%	100.0%	94.4%	64.8%	98.9%	69.9%	84.3%	-	-	-	89.6%
2010	100.0%	100.0%	94.6%	55.5%	100.0%	66.0%	82.8%	-	-	-	88.2%
2011	100.0%	100.0%	96.1%	53.2%	60.2%	58.3%	87.6%	-	-	-	83.6%
2012	100.0%	100.0%	97.1%	67.0%	73.5%	50.1%	93.7%	100.0%	100.0%	-	89.0%
2013	100.0%	100.0%	97.1%	72.5%	69.7%	71.3%	91.1%	80.4%	100.0%	88.6%	89.3%

The average occupancy of the Trust's portfolio as at 31 March 2013 has marginally improved to 89.3% from 89.0% as compared to a year ago. Our three (3) properties in Kuala Lumpur City Centre continue to enjoy close to 100% occupancy and achieved marked improvement in occupancies for The Summit (Office) and Menara AmFIRST. Prima 10 in Cyberjaya is wholly occupied by RBC Investor Services (Malaysia) Sdn Bhd and its lease is locked in till 2015 whereas Prima 9 is 80.4% occupied by Hewlett Packard Multimedia Sdn Bhd whose tenancy has been renewed till 2016. Occupancy at Wisma AmFIRST has dropped marginally to 69.7% which we are confident of filling up the remaining space when the on-going refurbishments are fully completed. Although Jaya 99's occupancy is at 88.6%, there is an income guarantee top up by the vendor for the period of 6 years from date of acquisition. Notwithstanding, the on-going disruption in the construction of the LRT along Jalan Kewajipan in Subang USJ, The Summit (Retail) was able to maintain an occupancy level of 91.1%.

We will continue to actively market the remaining vacancies and target to raise overall average occupancies to 95% over the coming years.

Portfolio Occupancy **89.3%**

Top Ten (10) Largest Tenants By Rental Income

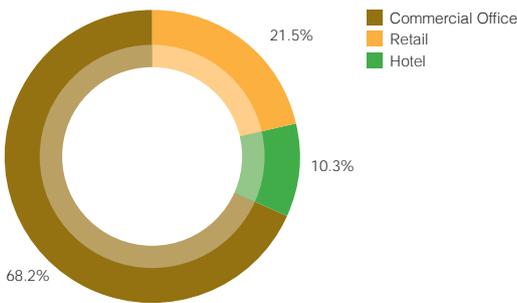
Name	Trade Sector	%
AmBank Group	Banking & Financial Institutions	42.1%
Xperential Dynamics Sdn Bhd	Hospitality	7.3%
RBC Investor Services (Malaysia) Sdn Bhd	Services	5.0%
Hewlett-Packard Multimedia Sdn Bhd	IT	5.0%
Shook Lin & Bok	Advocates & Solicitors	2.3%
Kimberly-Clark Group	Trading	1.5%
Germanischer Lloyd GLM Sdn Bhd	Oil & Gas	1.4%
Pantai Medical College	Education	1.1%
Prudential Assurance Malaysia Berhad	Service	1.0%
Gapurna Group	Real Estate	0.9%
Total		67.6%

The top 10 tenants in the portfolio contributed 67.6% to the total rental income of the Trust in the financial year ended 31 March 2013, majority of which are reputable multinational corporations and professional firms. The AmBank Group continues to remain as our top tenant, accounting for 42.1% of the total rental income. With AmBank Group continued expansion, we envisaged their need for additional office space and we are geared up to meet their expectations. Since the AmBank Group is a related party to the Manager, the rental rates charged are guided by the recommendation of an independent valuer appointed by the Trustee, based on comparable current market rental rates, to ensure transparency and rental rates are fair and pegged at arm's length.

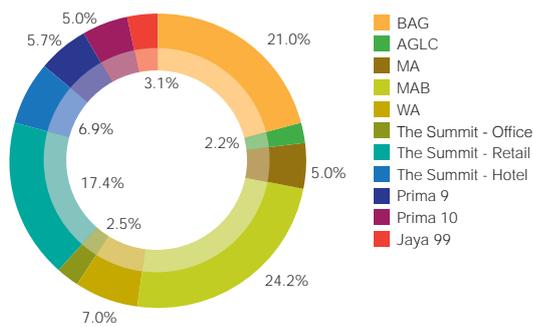
OPERATION REVIEW (cont'd)

Portfolio Diversification

Portfolio Asset Diversification



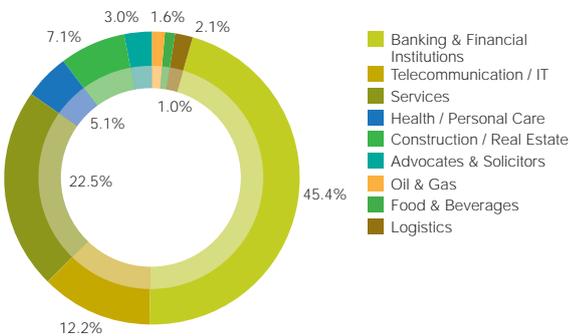
Revenue By Property



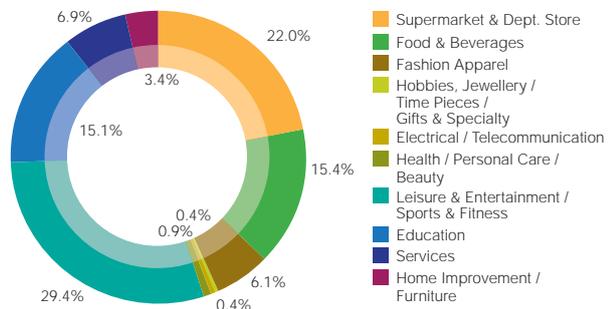
AmFIRST's portfolio consists of Office, Retail and Hotel. With the acquisition of Jaya 99 during the financial year, which is a commercial office building, we have increased the Commercial Office portfolio from 67.0% to 68.2% whilst the Retail and Hotel segment stand at 21.5% and 10.3% respectively.

On the Gross Revenue contribution by each of the investment properties in the portfolio, the three (3) buildings in KL City Centre contribute 47.4% of the Gross Revenue and AmBank Group's tenancies account for 42.1% of it.

Portfolio Trade Sector Diversification (Office)



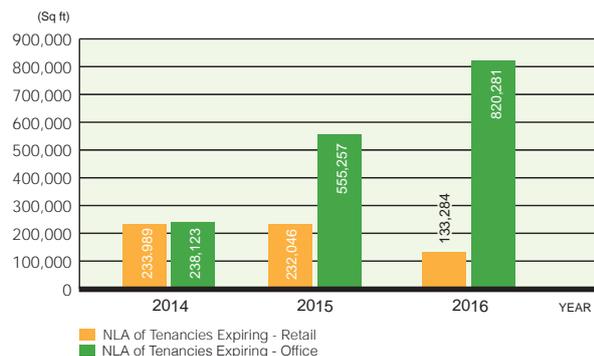
Portfolio Trade Sector Diversification (Retail)



We have a diverse tenants' base across various business sectors with Banking & Financial Institutions being the major component. We will continue to monitor the tenancy mix taking into account our planned upgrading works to come forth with tailor-made space solutions to meet our tenants' needs. We are also mindful of potential relocations by tenants to offices outside KL City Centre as a result of better logistics connectivity and will focus on marketing our spaces to tap into this influx of tenants.

Portfolio Tenancy Expiry Profile

The typical tenancies of the Trust are of 3 years with option to renew with certain anchor tenants having multiple renewal terms. As at 31 March 2013, those leases expiring in 2014 accounted for 14.7% of the office leases and 39.7% for retail of the respective total NLA. The Asset Management Team will continue with the proactive leasing strategies to deliver improved results. We have excluded The Summit Hotel from this expiry profile because it is leased to an operator on a 9 years lease, based on 3 years term with renewal options at the end of every 3 years. The first term is expiring on 30 September 2013.



OPERATION REVIEW (cont'd)

Asset Enhancement Initiatives (“AEIs”)

AmFIRST constantly strengthens its portfolio through carrying out asset enhancements as part of its organic growth strategy to generate higher rental yields, maintaining occupancy, create a better operating business environment for our tenants as well as to enhance property value. We have an on-going AEI program in place for all our properties across the portfolio, in which we plan and commit capital expenditure for upgrading and refurbishment works.

Wisma AmFIRST

We commenced upgrading of Wisma AmFIRST last financial year and have completed some basic amenities works including the toilets for RM2.0 million. For the current financial year, we have commenced to upgrade the lift lobbies, common corridors, cafeteria and pantries areas in December 2012. For external works, we are repainting the façade, waterproofing the exterior windows and rooftop. In addition, we are installing more CCTVs to enhance our security surveillance system. The approximate cost is RM4.0 million and this is expected to complete by end July 2013.

The Summit Subang USJ

We experienced a delay in the implementation of the repositioning of The Summit Retail Mall resulting from an unexpected delay in the completion of the LRT construction along Jalan Kewajipan, which has impacted the access into The Summit. Target completion is now revised to year 2015. We have successfully formed the Management Corporation (“MC”) of The Summit Subang USJ and held the 1st AGM on 15 December 2012. During the AGM, we obtained approval from all other joint owners to proceed with the repositioning of the retail mall at an estimated cost of RM68 million. With this certainty and commitment from all joint owners, the planned repositioning will kick off in the next financial year. The Trust's share based on 'share units' is RM48 million and the timeframe for completion is 18 months from the award of contract works.

Menara AmBank

We are embarking on an exciting makeover for MAB and we envisage a capital expenditure of RM25 million. Major works include changes to the main lobby and changing the entire lift systems. For security and surveillance upgrading, we will install new turnstiles and enhance CCTVs coverage involving Visitors Management System (“VMS”). To further create a more conducive operating environment, we are changing all cooling towers and accessories. Others include upgrading of the mechanical and electrical systems, common areas, basic amenities as well as cafeteria. We expect to complete this by last quarter of 2015.

AmBank Group Leadership Centre

We have planned for a RM5 million capital expenditure at AGLC aims towards upgrading its services to fulfill tenants' expectations and transforming its present look and feel amid surrounding new properties. These include replacing the lifts system and cooling towers, upgrading the toilets, car park systems and external façade repainting etc. Works will commence in August 2013 and target completion by end February 2014.

Revaluation of investment properties

The Manager conducted the year end revaluation of its investment properties and registered a new fair value gain of RM5.05 million. The valuation methodology is using comparison and investment method.

	Net Book Value As At 31/3/2013 (RM)	Valuation As At 31/3/2013 (RM)	Fair Value Gain / (Loss) (RM)
BAG	238,385,879	238,000,000	(385,879)
MAB	306,145,592	310,000,000	3,854,408
AGLC	20,767,688	22,000,000	1,232,312
MA	67,800,000	68,000,000	200,000
WA	113,752,848	110,000,000	(3,752,848)
The Summit	303,451,169	305,000,000	1,548,831
Prima 9	72,897,514	75,000,000	2,102,486
Prima 10	61,746,610	62,000,000	253,390
TOTAL	1,184,947,300	1,190,000,000	5,052,700

Revaluation Gain
RM 5.1 mil

Fully Integrated Accounting and Tenancy Management Software

Due to the rapid expansion of the assets portfolio, the Manager recognized the importance of investing in new reporting technology in managing the Trust. During the year, the Manager invested in a new fully integrated Financial Accounting and Tenancy Management software. This integrated system enable the Manager to enhance the efficiency for the timely and accurate reporting functions of the Trust. This system was commissioned at end October 2012.

ACCRETIVE ACQUISITION

The Trust completed the acquisition of Jaya 99 on 1 November 2012 for a cash consideration of RM 86 million. This yield accretive acquisition in Melaka is the first acquisition post rights issue and marked a milestone for AmFIRST's geographical diversification of its portfolio outside the Klang Valley.



Purchase Consideration
RM 86.0 mil

Jaya 99 is an 18-storey purpose-built commercial building comprising of two (2) office towers (9-floors & 10-floors) sitting atop a 7-level podium block with a mezzanine floor and was completed in mid 2011. The frontage of the building is located on a prime site along the busy Jalan Tun Sri Lanang and is also easily accessible by many other trunk roads leading into the city centre of Melaka. At the back of the property lies the scenic Melaka River and the elevated Melaka Monorail. These are added attractions which will add visible prominence to this property.

Melaka, although the second smallest state in Malaysia enjoys a strong and unprecedented economic growth comparable with other states. Over the last seven (7) years it achieved an average GDP growth of nearly 6%. Awarded the UNESCO World Heritage City status in 2008, tourist arrivals in Melaka has increased significantly over the last few years, from 7.8 million visitors in 2009 to 12 million in 2012, and still growing. Tourism constitutes a substantial portion towards the Melaka's GDP's growth. Melaka has attracted a sizeable amount of foreign direct investments, about US\$2.5 billion in 2012, especially in the manufacturing sector. These two main factors are the main economic drivers for Melaka and it was accorded the Developed State Status back in 2010. There is still a shortage of quality office properties in Melaka and Jaya 99 is by far one of the modern office buildings completed recently to cater for the thriving economic growth of Melaka due to its strategic location.

Jaya 99 has two (2) principal tenants, Prudential and Singtel Communications who have committed long leases and this is a testament to their choice of office premises in Melaka. Other tenants include Ernst & Young, PricewaterhouseCoopers and Suruhanjaya Perkhidmatan Awam.

Salient features:-

Land Area (sq ft)	78,168	Major Tenants/Leases	Prudential Assurance Malaysia Berhad
Net Lettable Area (sq ft)	227,432		SingTel Communication Group
Tenure	Leasehold		Ernst & Young
Age of Building	2 years		PricewaterhouseCoopers
			Suruhanjaya Perkhidmatan Awam

CAPITAL MANAGEMENT

The Manager actively and prudently manages the capital of the Trust in order to optimize the Trust's capital structure and cost of capital by using a combination of debt and equity funding for acquisitions and assets enhancements. The ongoing capital management strategy involves undertaking stress test of cash flows and risks associated with interest rate exposure as well as maintaining an optimize gearing level.

As at 31 March 2013, the total borrowings of the Trust stood at RM426,400,000 with a gearing of 32.9% and average interest rate maintained at of 4.37% per annum. A summary of AmFIRST's borrowings are shown as below:

	2013		2012	
	RM'000	%	RM'000	%
Term Loan (fixed rate)	117,000	27.4%	57,000	10.4%
Term Loan (floating rate)	41,000	9.6%	101,000	18.3%
Revolving Credit (floating rate)	268,400	63.0%	392,000	71.3%
Total Borrowings	426,400	100.0%	550,000	100.0%
Gearing*	32.9%		45.9%	
Average Interest Rate	4.37%		4.31%	
Interest Cover #	3.36 times		3.02 times	

* Ratio of total borrowings over total asset value

Ratio of Realized Net Income before interest over interest expenses

Optimizing Capital Structure

In August 2012, the Trust completed the rights issue exercise and raised a net proceeds of RM210 million equity funds, which were utilized to pare down those borrowings that were incurred more than one (1) year. This has enabled the Manager to further improve its debt funding structure by reducing the gearing from 45.9% to 28.7%.

Healthy Gearing
32.9%

Thereafter, the Trust completed a new acquisition, Jaya 99 on 1 November 2012 for RM86.0 million which was fully funded by bank borrowing. Post this acquisition and funding of asset enhancement expenditure undertaken during the year, amounting to RM5.1 million, gearing rose to 32.9% as at 31 March 2013.

The current gearing of 32.9% provides the Trust with additional debt headroom of approximately RM440.0 million to fund any potential acquisitions and asset enhancements expenditure before it exceeds the gearing threshold of 50% permitted under the SC REIT Guidelines. Strategically, the Manager intends to maintain an ideal gearing between 35% - 40% and will consider fresh equity raising when this level is reached.

Interest Rate Management

Out of the total borrowings, 27.4% or RM117.0 million are Term Loans with fixed interest rates between 4.45% - 4.50% per annum over tenures of 3 to 4 years. The balance of 72.6% or RM309.4 million comprised of Term Loan and Revolving Credit Facilities with average floating interest rate of 4.33% per annum. With the lower gearing post-rights issue, the interest cover had improved to 3.36 times for the financial year ended 31 March 2013.

The Manager closely monitors the interest rate environment and will proactively manage the proportion of fixed and floating interest bearing borrowings to mitigate any possible adverse movement of interest rates to ensure the Trust keeps its interest cost at a minimal and manageable level.

INVESTOR RELATIONS

Investor Relations and Communications

As the Manager for AmFIRST, we maintain a timely and consistent communication with stakeholders including unitholders, prospective investors, analysts and the media. We strive towards enhancing investor relations practices, transparency and corporate governance leading to raising the level of awareness and understanding of the Trust's financial performance and business strategies.

We engage in multiple communication platforms to keep our investment community well informed and regularly updated, including:

A. Bursa Malaysia

We make timely disclosures, including quarterly financial results, annual reports, media releases, corporate presentations and other material announcements to Bursa Malaysia under its listing requirements.

B. Unitholders' Meeting

On 30 April 2012, we held our first Unitholders' Meeting to seek unitholders' approval for the Proposed Rights Issue and Proposed Increased in Fund Size. Prior to the Unitholders' Meeting, the Management team held several group presentations and face-to-face meetings with our existing unitholders, both institutional and retail investors, throughout West and East Malaysia. At the Unitholders' Meeting held at Kuala Lumpur, we received unanimous support from unitholders for both the proposals, attended by 343 unitholders, in persons or by proxies.

The forthcoming Annual General Meeting is scheduled on 9 July 2013. It is opportune for the Manager to engage with unitholders for any enquiries and discussions about the Trust's performance and strategies.

C. Website

The Trust's website is consistently updated with current financial and corporate information including quarterly financial results, annual reports, media releases, corporate presentations and other key information and announcements made. Users can access the website at www.amfirstreit.com.my for any updated information of the Trust.



Proposed 2013 / 2014 Calendar

JULY 2013	- Annual General Meeting
AUGUST 2013	- Announcement of first quarter results for FYE 2014
NOVEMBER 2013	- Announcement of second quarter results for FYE 2014 - Book closure date for interim income distribution
FEBRUARY 2014	- Announcement of third quarter results for FYE 2014
MAY 2014	- Announcement of fourth quarter results for FYE 2014 - Book closure date for final income distribution

Feedback and Enquiries

We welcome feedback from our investors so that we can further improve our interaction with our investing community. Please feel free to contact us via the followings:

Lim Yoon Peng
Chief Executive Officer
Email: yplim@ambankgroup.com

Chong Hong Chuon
Head, Finance
Email: chong-hong-chuon@ambankgroup.com

Our Assets

We have steadily built up our investment portfolio size and demonstrated our ability to acquire high quality assets. This is our pillar of strength. Active asset management and consistent rental cash flows will boost capital values and appreciation of our investment portfolio.



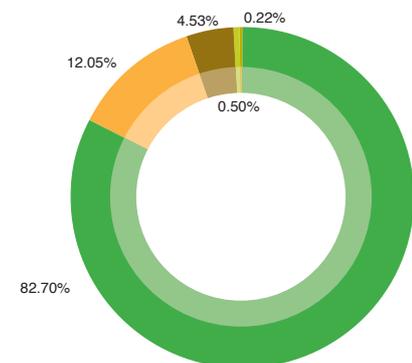
ASSET PROFILE

BANGUNAN AmBANK GROUP (“BAG”)



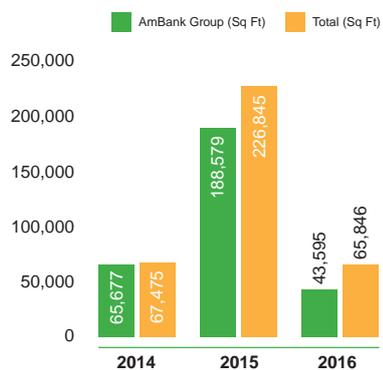
ASSET PROFILE (cont'd)

TENANT TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Banking & Financial Institutions	297,851	82.70
Advocates & Solicitors	43,407	12.05
Food & Beverages	16,330	4.53
Services	1,798	0.50
Health	780	0.22
TOTAL	360,166	100.00

TENANCY RENEWAL PROFILE



FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2014	65,677	97.34	67,475	18.74
2015	188,579	83.13	226,845	62.98
2016	43,595	66.21	65,846	18.28
TOTAL	297,851	82.70	360,166	100.00

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 71 years)

ENCUMBRANCES

Nil

YEAR OF COMPLETION

1987

AGE OF BUILDING

26 years

NET LETTABLE AREA

360,166 sq. ft.

EXISTING USE

Commercial Office

CAR PARK

522 bays

DATE OF ACQUISITION

21 December 2006

NUMBER OF TENANTS

9

ACQUISITION COST

RM180.15 million

LATEST REVALUATION

RM238.00 million

DATE OF REVALUATION

7 March 2013

OCCUPANCY RATE

100.00%

GROSS REVENUE

RM23.04 million

NET PROPERTY INCOME

RM17.72 million

MAJOR CAPITAL EXPENDITURE

RM0.9 million

AVERAGE TENANCY PERIOD

3 years

VALUER

Rahim & Co Chartered Surveyors
Sdn Bhd

MAJOR TENANTS

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

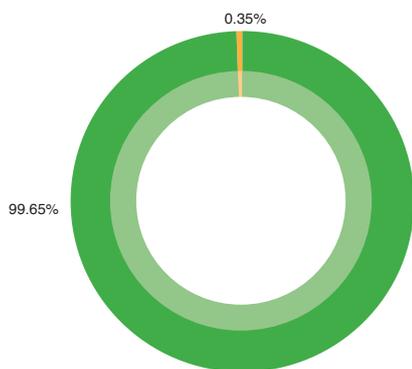


AmBANK GROUP LEADERSHIP CENTRE (“AGLC”)



ASSET PROFILE (cont'd)

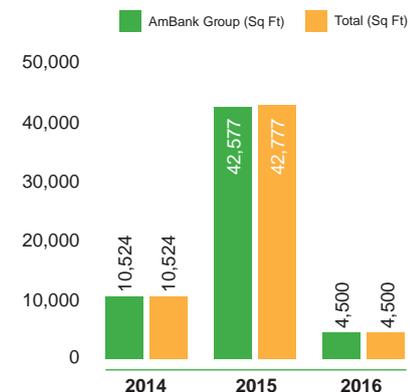
TENANT TRADE MIX ANALYSIS



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)	%
2014	10,524	100.00	10,524	18.21
2015	42,577	99.53	42,777	74.01
2016	4,500	100.00	4,500	7.78
TOTAL	57,601	99.65	57,801	100.00

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. GRN 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

23 years

NET LETTABLE AREA

57,801 sq. ft.

EXISTING USE

Commercial Office

CAR PARK

57 bays

NUMBER OF TENANTS

2

DATE OF ACQUISITION

21 December 2006

ACQUISITION COST

RM19.05 million

LATEST REVALUATION

RM22.00 million

DATE OF REVALUATION

5 March 2013

OCCUPANCY RATE

100.00%

GROSS REVENUE

RM2.38 million

NET PROPERTY INCOME

RM1.30 million

MAJOR CAPITAL EXPENDITURE

Nil

AVERAGE TENANCY PERIOD

3 years

VALUER

Rahim & Co Chartered Surveyors Sdn Bhd

MAJOR TENANTS

AmBank Group
Juara Saji

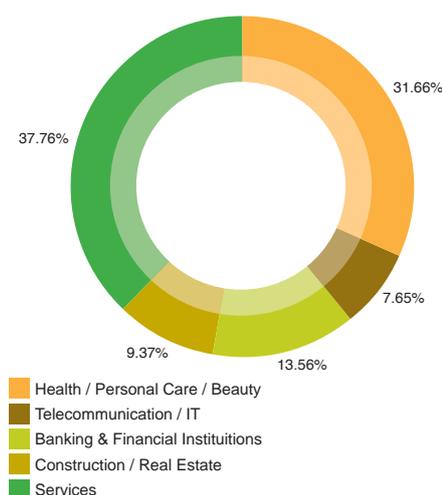


MENARA AmFIRST (“MA”)



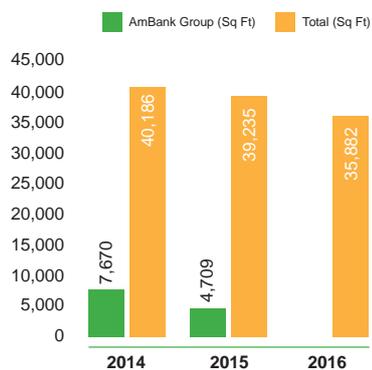
ASSET PROFILE (cont'd)

TENANT TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Health / Personal Care / Beauty	36,514	31.66
Telecommunication / IT	8,817	7.65
Banking & Financial Institutions	15,631	13.56
Construction / Real Estate	10,802	9.37
Services	43,539	37.76
TOTAL	115,303	100.00

TENANCY RENEWAL PROFILE



FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2014	7,670	19.09	40,186	34.85
2015	4,709	12.00	39,235	34.03
2016	-	0.00	35,882	31.12
TOTAL	12,379	10.74	115,303	100.00

MENARA AmFIRST

LOCATION

Menara AmFIRST
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 Buluh
District of Petaling
State of Selangor

TENURE

Freehold

ENCUMBRANCES

Lien Holder's Caveat

YEAR OF COMPLETION

1994

AGE OF BUILDING

19 years

NET LETTABLE AREA

159,001 sq. ft.

EXISTING USE

Commercial Office

CAR PARK

324 bays

NUMBER OF TENANTS

25

DATE OF ACQUISITION

21 December 2006

ACQUISITION COST

RM57.08 million

LATEST REVALUATION

RM68.00 million

DATE OF REVALUATION

11 March 2013

OCCUPANCY RATE

72.52%

GROSS REVENUE

RM5.45 million

NET PROPERTY INCOME

RM3.46 million

MAJOR CAPITAL EXPENDITURE

Nil

AVERAGE TENANCY PERIOD

1-3 years

VALUER

Rahim & Co Chartered Surveyors
Sdn Bhd

MAJOR TENANTS

KAO (M) Sdn Bhd
Groupon Sdn Bhd
United Group Infrastructure
(M) Sdn Bhd
Perfect Pentagon Sdn Bhd
AmTrustee Berhad

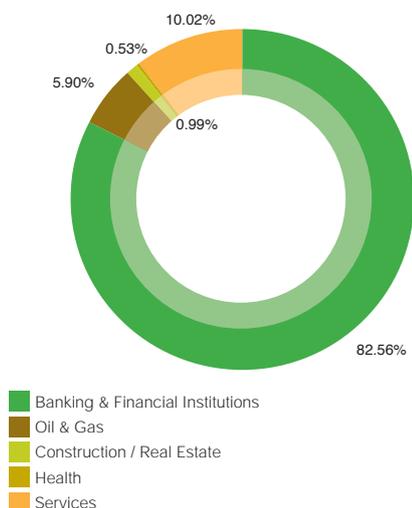


MENARA AmBANK (“MAB”)



ASSET PROFILE (cont'd)

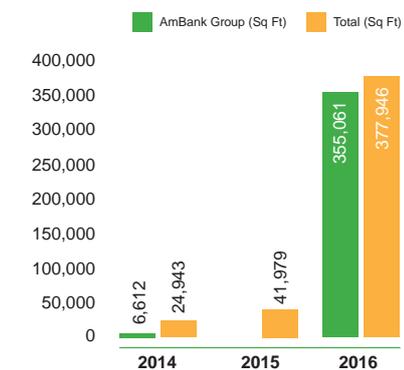
TENANT TRADE MIX ANALYSIS



TENANT TRADE MIX ANALYSIS

CATEGORY	SQ FT	%
Banking & Financial Institutions	367,289	82.56
Oil & Gas	26,251	5.90
Construction / Real Estate	4,415	0.99
Health	2,349	0.53
Services	44,564	10.02
TOTAL	444,868	100.00

TENANCY RENEWAL PROFILE



FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2014	6,612	26.51	24,943	5.60
2015	-	0.00	41,979	9.44
2016	355,061	93.94	377,946	84.96
TOTAL	361,673	81.30	444,868	100.00

MENARA AmBANK

LOCATION

No. 8, Menara AmBank
Jalan Yap Kwan Seng
50450 Kuala Lumpur

DESCRIPTION OF PROPERTY

46-storey office building comprising of a 38-storey office tower block, a 1-level canteen and a 7-level car park

LAND TITLE

Title No. Geran 52468
Lot No. 140, Section 44
Town and District of Kuala Lumpur
State of Federal Territory of Kuala Lumpur

TENURE

Freehold

ENCUMBRANCES

First Party First Legal Charge

YEAR OF COMPLETION

1997

AGE OF BUILDING

16 years

NET LETTABLE AREA

458,187 sq. ft.

EXISTING USE

Commercial Office

CAR PARK

776 bays

NUMBER OF TENANTS

17

DATE OF ACQUISITION

21 December 2006

ACQUISITION COST

RM230.16 million

LATEST REVALUATION

RM310.00 million

DATE OF REVALUATION

11 March 2013

OCCUPANCY RATE

97.09%

GROSS REVENUE

RM26.58 million

NET PROPERTY INCOME

RM18.07 million

MAJOR CAPITAL EXPENDITURE

RM0.1 million

AVERAGE TENANCY PERIOD

3 years

VALUER

Rahim & Co Chartered Surveyors
Sdn Bhd

MAJOR TENANTS

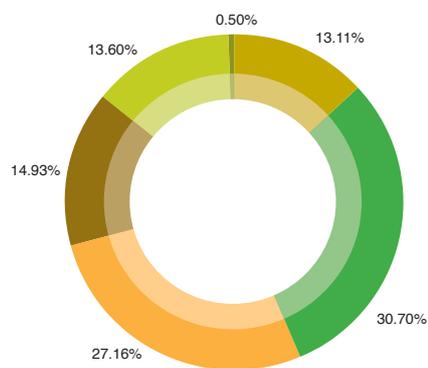
AmBank Group
Germanischer Lloyd GLM Sdn Bhd
Acer Sales & Services Sdn Bhd



WISMA AmFIRST (“WA”)



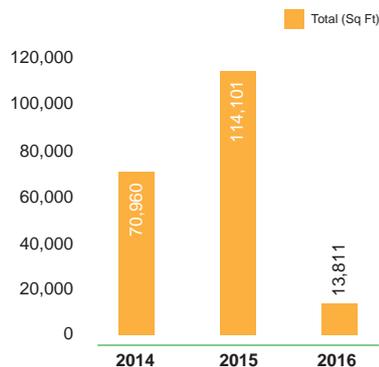
TENANT TRADE MIX ANALYSIS



- Telecommunication / IT / Electronic / Electrical
- Trading & Services
- Construction/ Real Estate
- Logistics
- Health / Personal Care
- Advocates & Solicitors

CATEGORY	SQ FT	%
Telecommunication / IT / Electronic / Electrical	26,070	13.11
Trading & Services	61,040	30.70
Construction/ Real Estate	54,011	27.16
Logistics	29,696	14.93
Health / Personal Care	27,055	13.60
Advocates & Solicitors	1,000	0.50
TOTAL	198,872	100.00

TENANCY RENEWAL PROFILE



FYE	Total (sq ft)	%
2014	70,960	35.68
2015	114,101	57.37
2016	13,811	6.95
TOTAL	198,872	100.00

WISMA AmFIRST

LOCATION

Wisma AmFIRST
Jalan SS 7/15 (Jalan Stadium)
47301 Kelana Jaya
Selangor Darul Ehsan

NUMBER OF TENANTS

29

DATE OF ACQUISITION

21 June 2007

DESCRIPTION OF PROPERTY

16-storey office building comprising of 2 towers, a 5-storey podium block and 1-level basement car park and a 1-level cafeteria

ACQUISITION COST

RM86.05 million

LATEST REVALUATION

RM110.00 million

DATE OF REVALUATION

8 March 2013

LAND TITLE

Title No. HSM 8547
Lot No. PT 5135
Mukim of Damansara
District of Petaling
State of Selangor

OCCUPANCY RATE

69.67%

GROSS REVENUE

RM7.74 million

TENURE

Leasehold 99 years expiring on 19 February 2094 (unexpired term of approximately 81 years)

NET PROPERTY INCOME

RM5.04 million

MAJOR CAPITAL EXPENDITURE

RM2.80 million

ENCUMBRANCES

Lien Holder's Caveat

AVERAGE TENANCY PERIOD

2-3 years

YEAR OF COMPLETION

2001

VALUER

Rahim & Co Chartered Surveyors Sdn Bhd

AGE OF BUILDING

12 years

NET LETTABLE AREA

285,461 sq. ft.

MAJOR TENANTS

Kimberly-Clark Group
LG Electronics (M) Sdn Bhd
Gapurna Group
Welch Allyn (M) Sdn Bhd
Swisslog Malaysia Sdn Bhd

EXISTING USE

Commercial Office

CAR PARK

645 bays

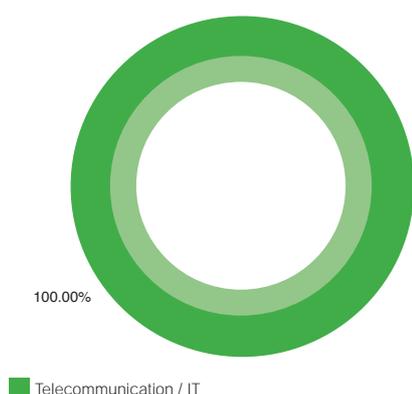


PRIMA 9



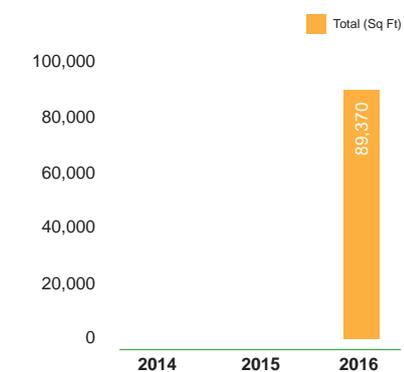
ASSET PROFILE (cont'd)

TENANT TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Telecommunication / IT	89,370	100.00
TOTAL	89,370	100.00

TENANCY RENEWAL PROFILE



FYE	Total (sq ft)	%
2016	89,370	100.00
TOTAL	89,370	100.00

PRIMA 9

LOCATION

Prima 9
Prima Avenue II, Block 3547
Persiaran Apec
63000 CyberJaya
Selangor Darul Ehsan

DESCRIPTION OF PROPERTY

A 7-storey office tower with
2 levels of basement car park

LAND TITLE

Title No. GRN 207783
Lot 23582
Mukim of Dengkil
District of Sepang
State of Selangor

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

2009

AGE OF BUILDING

4 years

NET LETTABLE AREA

111,224 sq. ft.

EXISTING USE

Commercial Office

CAR PARK

414 bays

NUMBER OF TENANT

1

DATE OF ACQUISITION

30 November 2011

ACQUISITION COST

RM72.89 million

LATEST REVALUATION

RM75.00 million

DATE OF REVALUATION

7 March 2013

OCCUPANCY RATE

80.35%

GROSS REVENUE

RM6.28 million

NET PROPERTY INCOME

RM5.10 million

MAJOR CAPITAL EXPENDITURE

Nil

AVERAGE TENANCY PERIOD

3 years

VALUER

CH Williams Talhar & Wong Sdn Bhd

MAJOR TENANT

Hewlett-Packard Multimedia
Sdn Bhd



PRIMA 10



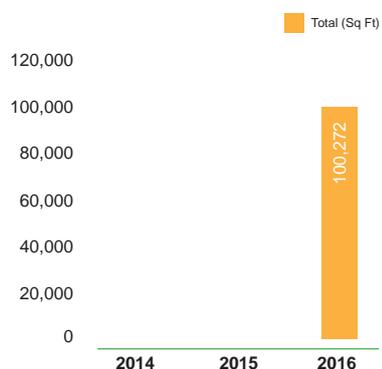
ASSET PROFILE (cont'd)

TENANT TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Services & Others	100,272	100.00
TOTAL	100,272	100.00

TENANCY RENEWAL PROFILE



FYE	Total (sq ft)	%
2016	100,272	100.00
TOTAL	100,272	100.00

PRIMA 10

LOCATION

Prima 10, Prima Avenue II
Block 3544, Persiaran Apec
63000 Cyberjaya
Selangor Darul Ehsan

NUMBER OF TENANT

1

ACQUISITION COST

RM61.75 million

DESCRIPTION OF PROPERTY

A 7-storey office tower with
2 levels of basement car park

DATE OF ACQUISITION

30 November 2011

LATEST REVALUATION

RM62.00 million

LAND TITLE

Title No. GRN 207774
Lot 23589
Mukim of Dengkil
District of Sepang
State of Selangor

DATE OF REVALUATION

7 March 2013

OCCUPANCY RATE

100.00%

TENURE

Freehold

GROSS REVENUE

RM5.50 million

ENCUMBRANCES

Nil

NET PROPERTY INCOME

RM4.71 million

YEAR OF COMPLETION

2010

MAJOR CAPITAL EXPENDITURE

Nil

AGE OF BUILDING

3 years

AVERAGE LEASE PERIOD

5 years

NET LETTABLE AREA

100,272 sq. ft.

VALUER

CH Williams Talhar & Wong Sdn Bhd

EXISTING USE

Commercial Office

MAJOR TENANT

RBC Investor Services (Malaysia)
Sdn Bhd

CAR PARK

322 bays

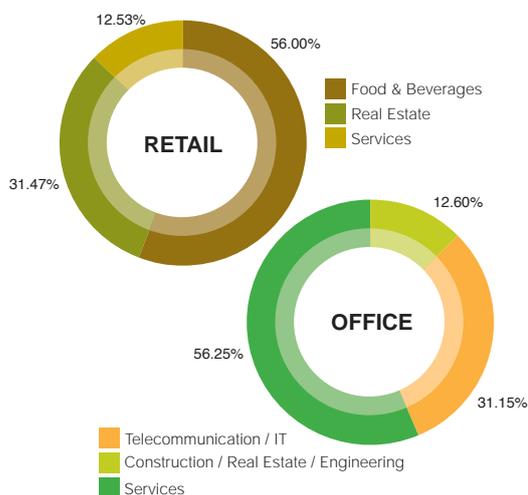


KOMPLEKS TUN SRI LANANG (also known as Jaya 99)



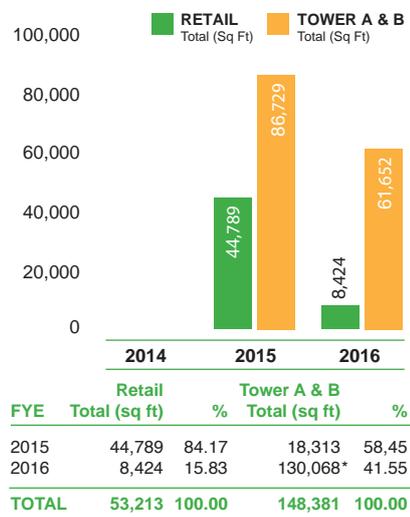
ASSET PROFILE (cont'd)

TENANT TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
RETAIL		
Food & Beverages	29,798	56.00
Real Estate	16,746	31.47
Services	6,669	12.53
TOTAL	53,213	100.00
OFFICE		
Construction / Real Estate / Engineering	18,696	12.60
Telecommunication / IT	46,220	31.15
Service	83,465	56.25
TOTAL	148,381	100.00

TENANCY RENEWAL PROFILE



* Included rent review for two leases expiring in 2017 and 2020.

KOMPLEKS TUN SRI LANANG (also known as Jaya 99)

LOCATION

Kompleks Tun Sri Lanang
(also known as Jaya 99)
No. 99, Jalan Tun Sri Lanang
75100 Melaka

DATE OF ACQUISITION

1 November 2012

ACQUISITION COST

RM87.23 million

DESCRIPTION OF PROPERTY

An 18-storey office building consisting of two (2) office towers (9-level & 10-level), sitting atop a 7-level podium block with a mezzanine floor.

LATEST VALUATION

RM86.20 million

VENDOR

Johan Kembara Sdn Bhd

DATE OF VALUATION

20 July 2012

LAND TITLE

Title No. HSD 68894
Lot No. PT 45
Kawasan Bandar XVIII
District of Melaka Tengah
State of Melaka

OCCUPANCY RATE

88.64%

GROSS REVENUE

RM3.36 million (5 months)

NET PROPERTY INCOME

RM2.64 million (5 months)

MAJOR CAPITAL EXPENDITURE

Nil

TENURE

Leasehold 99 years expiring on 7 October 2109 (unexpired term of approximately 96 years)

AVERAGE TENANCY PERIOD

2-3 years

ENCUMBRANCES

Nil

YEAR OF COMPLETION

2011

AVERAGE LEASE PERIOD

6 years

AGE OF BUILDING

2 years

VALUER

Rahim & Co Chartered Surveyors
Sdn Bhd

NET LETTABLE AREA

227,432 sq. ft.

EXISTING USE

Commercial Office

MAJOR TENANTS

Prudential Assurance Malaysia
Berhad
SingTel Communication Group
PricewaterhouseCoopers

CAR PARK

551 bays

NUMBER OF TENANTS

17

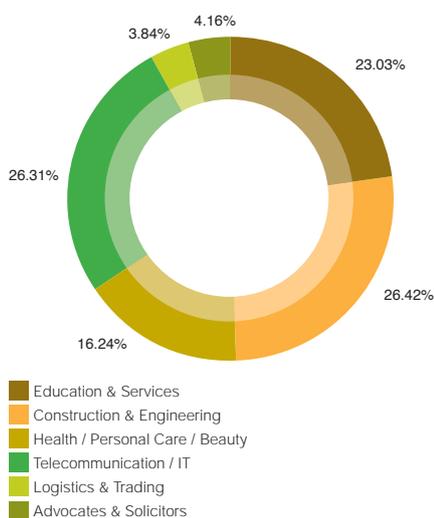


THE SUMMIT SUBANG USJ (“THE SUMMIT”)



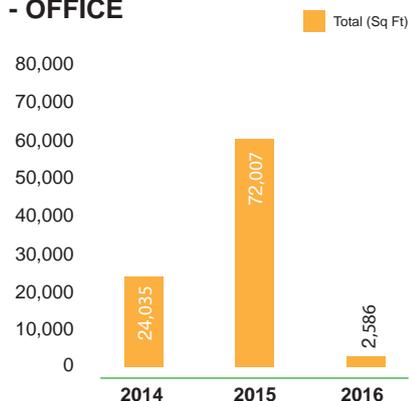
ASSET PROFILE (cont'd)

TENANT TRADE MIX ANALYSIS - OFFICE



CATEGORY	SQ FT	%
Education & Services	22,713	23.03
Construction & Engineering	26,061	26.42
Health / Personal Care / Beauty	16,019	16.24
Telecommunication / IT	25,948	26.31
Logistics & Trading	3,783	3.84
Advocates & Solicitors	4,103	4.16
TOTAL	98,628	100.00

TENANCY RENEWAL PROFILE - OFFICE



FYE	Total (sq ft)	%
2014	24,035	24.37
2015	72,077	73.01
2016	2,586	2.62
TOTAL	98,628	100.00

THE SUMMIT SUBANG USJ

LOCATION

The Summit Subang USJ
Persiaran Kewajipan, USJ 1
47600 UEP Subang Jaya
Selangor Darul Ehsan

DESCRIPTION OF PROPERTY

A 13-storey office tower, a 6-storey retail podium, a 332-room 4 star rated hotel and 1,966 car park bays

LAND TITLE (PARENT LOT)

Title No. GRN 43528
Lot 14, Pekan Subang Jaya
District of Petaling
State of Selangor

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

1998

AGE OF BUILDING

15 years

NET LETTABLE AREA

Retail - 599,474 sq. ft.
Office - 138,431 sq. ft.
Hotel - 286,600 sq. ft.

EXISTING USE

Commercial Office,
Hotel and Retail Mall

CAR PARK

1,966 bays

NUMBER OF TENANTS

Retail - 106
Office - 22

DATE OF ACQUISITION

31 March 2008

ACQUISITION COST

RM278.72 million

LATEST REVALUATION

RM305.00 million

DATE OF REVALUATION

11 March 2013

OCCUPANCY RATE

Retail - 91.10%
Office - 71.25%
Hotel - 100.00% leased

GROSS REVENUE

RM29.45 million

NET PROPERTY INCOME

RM16.12 million

MAJOR CAPITAL EXPENDITURE

RM1.3 million

AVERAGE TENANCY PERIOD

1 to 3 years

VALUER

CH Williams Talhar & Wong Sdn Bhd

MAJOR TENANTS – OFFICE

Salcon Resources Sdn Bhd
Bakat Pintar Sdn Bhd
Teledynamics Sdn Bhd

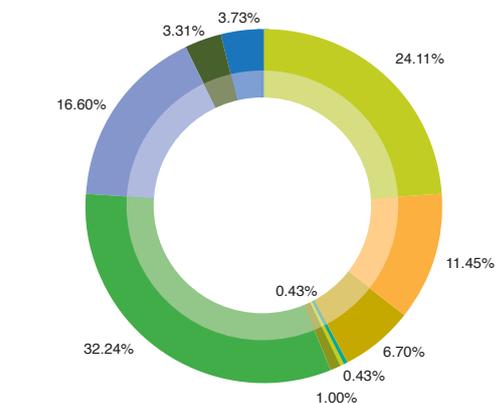
MAJOR TENANTS – RETAIL

Point B!
Giant Supermarket
Pantai Education Medical College
Fitness First
Golden Screen Cinemas
Ampang Superbowl
Ace Hardware
Graceful Lifestyle
Handi Arts Sdn Bhd



THE SUMMIT SUBANG USJ (“THE SUMMIT”) (cont'd)

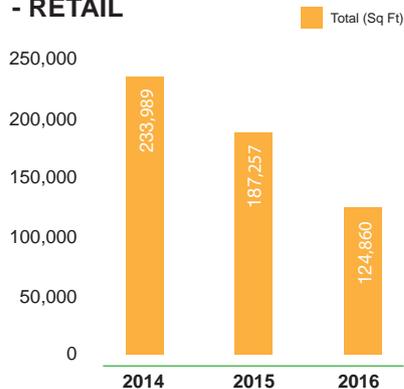
TENANT TRADE MIX ANALYSIS - RETAIL



- Supermarket & Dept. Store
- Food & Beverages
- Fashion Apparel
- Electrical / Telecommunication
- Hobbies / Jewellery / Time Pieces / Gifts & Speciality
- Health / Personal Care / Beauty
- Leisure & Entertainment / Sports & Fitness
- Education
- Services
- Home Improvement / Furniture

CATEGORY	SQ FT	%
Supermarket & Dept. Store	131,726	24.11
Food & Beverages	62,504	11.45
Fashion Apparel	36,614	6.70
Hobbies / Jewellery / Time Pieces / Gifts & Speciality	2,332	0.43
Electrical / Telecommunication	2,338	0.43
Health / Personal Care / Beauty	5,436	1.00
Leisure & Entertainment / Sports & Fitness	176,044	32.24
Education	90,656	16.60
Services	18,065	3.31
Home Improvement / Furniture	20,389	3.73
TOTAL	546,106	100.00

TENANCY RENEWAL PROFILE - RETAIL



FYE	Total (sq ft)	%
2014	233,989	42.85
2015	187,257	34.29
2016	124,860	22.86
TOTAL	546,106	100.00

THE SUMMIT HOTEL

DESCRIPTION	2012	2013
Rating	4-star	4-star
No. of Rooms	332	332
Net Rental Received p.a.	RM7.40mil	RM7.40mil

EVENTS AND PROMOTION - RETAIL MALL



17th Subang Jaya Children Coloring Contest



Chinese New Year Launching



Astro Jia Yu Reality Show



A Cinderella Magical Christmas Musical Showcase



Karnival Kecergasan Peringkat Kebangsaan 2012



1st The Summit Juniors Open Chess Tournament

THE SUMMIT SUBANG USJ (“THE SUMMIT”) (cont'd)

CORPORATE SOCIAL RESPONSIBILITY - RETAIL MALL



Raya 2012 Breaking Fast With Charity Homes

The Summit Subang USJ shared the Ramadhan festivity by hosting a breaking fast with 80 guests from two (2) charity homes who were feted to a sumptuous buffet spread. The children and single mothers each received goodies bag and raya packet worth more than RM100. In conjunction with Ramadhan, the mall was decked with a Moroccan theme, with Raya products on sale such as kuih raya, baju Melayu for the entire family, exclusive scarfs for the ladies, shoes and home décor.



Crime Prevention Awareness Campaign

Crime Awareness campaign was launched at The Summit Subang USJ jointly organised by the then Joint Management Body together with the Malaysia Crime Prevention Foundation and Subang Jaya Municipal Council (“MPSJ”). During the event, participants were given an insight into Rakan Cop programme as well as MyDistress facility initiated by the Selangor Police. This event was witnessed by more than thousands of peoples at The Summit Subang USJ.



“Flag Off” Kembara Muhibah In Conjunction With World Interfaith Harmony Week

- World Interfaith Harmony Week is an annual event to be observed during the first week of February 2011.
- YB Senator Tan Sri Dr. Koh Tsu Koon was invited to flag off the event at The Summit Subang USJ.
- More than 500 peoples from different faiths witnessed the flag off.



Pesta Tanglung 2012

- It was the first time The Summit Subang USJ collaborated with Balai Bomba SS17, Subang Jaya Police and MPSJ to hold the event outside the mall.
- More than 5,000 residents around Subang Jaya and USJ attended the Pesta Tanglung 2012.
- RM5,000 was donated to SRJK Chee Wen towards the school building fund.

1 RETAIL SECTOR

1.1 Kuala Lumpur

According to Malaysia Retailers Association (MRA), retail sales growth in 2012 was 6% y-o-y (or RM88.2 bil in value); lower than the 8.1% growth in 2011. The growth is projected to maintain at 6% (or RM93.5 bil in value) in 2013. Goodies handed out under Budget 2013 had helped spur domestic spending.

The resilient 2012 economy and favourable job prospects resulted in a higher Consumer Sentiment Index in Q4 2012 at 118.7 points compared to 106.3 in the same quarter the previous year.

The latest household income statistics for 2012 indicated that the average Malaysian household income has grown strongly by 7.2% per annum since 2009 to RM5,000 per month. Notwithstanding favourable income, consumers remained cautious in spending in view of moderate job stance and expected rise in inflation.

As at Q4 2012, the retail property market remained resilient with an average 91.3% occupancy rate, sustained by strong domestic demand. The retail property stock in Kuala Lumpur stood at 23.5 million sq ft with no major completion registered for five consecutive quarters since Q4 2011. Two major malls are expected to be added to the Kuala Lumpur's retail stock in 2013, i.e. Nu Sentral at KL Sentral and Cheras Sentral, a newly refurbished mall previously trading as Phoenix Plaza. Adding excitement to the retail market in Klang Valley will be the planned second factory outlet in the country, expected to be completed by 2014. Malaysia Airports Holdings Bhd (MAHB) and Mitsui Fudosan Co Ltd sealed an agreement to develop the largest factory outlet in Southeast Asia on a 50-acre site at the Kuala Lumpur International Airport in Sepang, with a total lettable area of about 505,700 sq ft. Mitsui Fudosan operates a chain of Outlet Parks in Japan.

There continues to be signs that the retail market is at or close to saturation point as some malls start cannibalising into each other's catchment areas, and a few of the new malls are experiencing relatively low take up rate upon completion. This have however not deters major new malls being planned and these include those at Tun Razak Exchange (TRX), Warisan Merdeka and KL Metropolis which are expected to come on stream in the next 3-5 years.

Table 1.1
Proposed New Malls in Kuala Lumpur

Building Name	Address	Net Floor Area
Cheras Sentral (Plaza Phoenix)	Cheras	500,000
Nu Sentral	Brickfields	680,000
Total in 2013		1,180,000
Glomac Damansara	Damansara	350,000
Sunway Putra Place(The Mall) (expansion)	Raja Laut	120,000
Total in 2014		470,000
Sunway Velocity	Jalan Peel	800,000
Total in 2015		800,000
Datum Jelatek	Jalan Jelatek	180,000
Total in 2016		180,000

Source : DTZ Consulting and Research, April 2013

1.1 Kuala Lumpur (cont'd)

Due to the success of retail REITs like IGB REIT and Pavilion REIT, there is another possible listing this coming May i.e. KLCC Stapled Group REIT which will include Suria KLCC. The REIT is set to become one of Asia's largest listed groups with RM15.4 billion in assets and nearly RM13 billion market capitalisation upon listing. Its portfolio size is expected to be three times that of the current leader, Sunway REIT.

In terms of sales transactions, two major malls were transacted in Kuala Lumpur in 2012. They are listed below:-

Table 1.2
Sales of Malls in 2012

Mall	Price (RM Mil)	NLA (sf)	Price (RM Per sq ft)
Midvalley Megamall	3,440	1,718,951	2,001
The Gardens Mall	1,160	817,053	1,420

Source : DTZ Consulting and Research, April 2013

Looking ahead, the gradual improving domestic economic climate is expected to support the retail sector throughout 2013. Various incentives given by the government such as 1Malaysia People's Aid (BR1M), bonuses for public servant and reduction of personal income tax will likely boost short term domestic private consumption. However, downside risks from the domestic political uncertainty and international environment may affect the retail sector growth. The likes of softening commodity prices, a worsening in the Eurozone crisis affecting the international economy or other unforeseen challenges could all cool growth in Malaysia.

1.2 Petaling Jaya / Subang Jaya

As at Q1 2013, the existing retail stock in the Klang Valley (Kuala Lumpur and outside of Kuala Lumpur) is 47.7 million sq ft and out of this, about 22% or 10.7 million sq ft are located in Petaling Jaya and Subang Jaya (PJ/SJ). These come from 22 major shopping centres and hypermarkets in PJ/SJ area. Two of them are regional shopping centres, namely Sunway Pyramid and 1 Utama.

1.2 Petaling Jaya / Subang Jaya (cont'd)

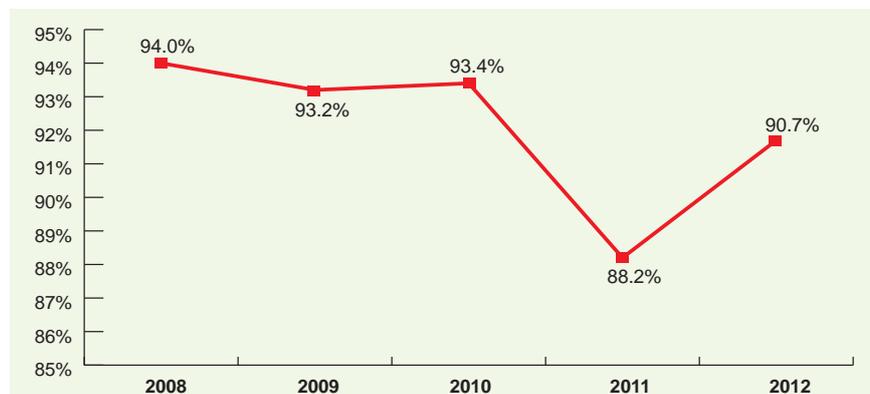
Table 1.3
Existing Stock

Name	Net Lettable Area (sf)
Subang Parade	495,000
Carrefour - SJ	170,000
1 Utama	1,618,000
Amcorp Mall	270,000
Sunway Pyramid	1,542,000
The Summit Subang USJ	800,000
Tesco Mutiara Damansara	198,000
Ikea & Ikano	770,000
Giant Kelana Jaya	165,000
The Curve	700,000
Cineleisure	230,000
Mydin Mall	308,000
The 19 USJ City Mall	250,000
Giant Kota Damansara	268,000
Tropicana City Mall	450,000
Subang Avenue	250,000
Empire Gallery	330,000
First Subang	140,000
SSTwo Mall	463,000
Citta Mall	424,400
The Paradigm	700,000
Giant USJ1	122,600
TOTAL	10,664,000

Source : DTZ Consulting and Research, April 2013

The average occupancy rate of shopping centres in PJ/SJ was relatively stable between 2008 and 2010 hovering around 93% and 94% but dropped to 88.2% in 2011 due to the challenges faced by some of the new malls (such as Citta Mall and SSTwo Mall) in securing tenants (Figure 1.1). Nevertheless, in 2012, the average occupancy rate increased to slightly above 90% as occupancy rate of these centres improved and aided by The Paradigm Mall which successfully obtained above 90% occupancy upon opening.

Figure 1.1
Occupancy Rate



Source : DTZ Consulting and Research, April 2013

1.2 Petaling Jaya / Subang Jaya (cont'd)

In terms of future stock, the PJ / SJ area is expecting another 569,000 sq ft by end of 2013 from two shopping centres i.e. Jaya Section 14 and The Strand Mall in Kota Damansara. We anticipate that these will not affect occupancy level significantly and thus will remain stable. However, by 2014, when another 2.7 million sq ft of retail space enter the market, it will put some pressure on the occupancy rate to go downwards. The table below lists down the upcoming shopping centres in PJ / SJ area.

Table 1.4
Shopping Centres in the Pipeline

No.	Building name	Address	Completion Year	Net Floor Area
1	Jaya Section 14	Sect 14 PJ	2013	260,000
2	The Strand Mall	Kota Damansara	2013	309,000
Total in 2013				569,000
3	Damen	Subang Jaya	2014	400,000
4	Empire City	Damansara Perdana	2014	1,500,000
5	Glomac Damansara	Damansara	2014	350,000
6	Atria Shopping Mall (redevelopment)	PJ	2014	450,000
Total in 2014				2,700,000
7	The Place (One City)	Subang Jaya	2015	150,000
Total in 2015				150,000
8	Damansara Uptown	Damansara	2016	250,000
Total in 2016				250,000
9	Icon City	SS8 PJ	Planning	700,000
10	Damansara City	Damansara Heights	Planning	188,000
11	PJ Sentral Garden City	PJ	Planning	1,000,000
12	Tropicana Gardens Mall	Tropicana Golf & Country Resort	Planning	NA
Total - Planning				1,888,000
Total - Future Development				5,557,000

Source : DTZ Consulting and Research, April 2013

Among the major ones to be completed include the shopping centres within Empire City (1.5 million sq ft), PJ Sentral Garden City (1.0 million sq ft) and Icon City (700,000 sq ft).

There are not many rental evidences available for public knowledge. Nevertheless, based on analyst's report on Sunway REIT, Sunway Pyramid is fetching an average rental of about RM10.00 per sq ft per month in 2012. According to NAPIC, rentals of ground floor shops at Empire Gallery were in the range of RM9.00 – RM25.00 per sq ft per month whilst ground floor shops at The Curve (Fashion Mall) fetched around RM8.80 per sq ft per month.

1.3 Melaka

According to the National Property Information Centre (NAPIC), retail stock in Melaka stands at 3.9 million sq ft as in Q3 2012. Out of this, 68% or 2.6 million sq ft are located within Melaka town. Currently, Dataran Pahlawan Melaka Megamall is the largest shopping centre in Melaka city. It was developed by the Hatten Group and has a net lettable area of 800,000 sq ft. Other major shopping centres in Melaka are listed in Table 1.5 below.

Table 1.5
Existing Major Shopping Centres in Melaka

Name	Location
Dataran Pahlawan Melaka Megamall	Jalan Merdeka, Bandar Hilir
Mahkota Parade	Jalan Merdeka
AEON Bandaraya Melaka	Taman 1 Lagenda
Tesco Melaka	Peringgit
Hatten Square	Jalan Merdeka, Bandar Hilir
Jusco Melaka	Lebuh Ayer Keroh
Mydin Wholesale Hypermarket MITC	Hang Tuah Jaya, Ayer Keroh
Plaza Melaka Raya	Jalan Merdeka, Bandar Hilir
Melaka Mall	Lebuh Ayer Keroh
Plaza Hang Tuah	Jalan Kampung Morten
Plaza Soon Seng	Jalan Tun Ali
Mydin Mall	Bandar Jasin Bestari

Source : DTZ Consulting and Research, April 2013

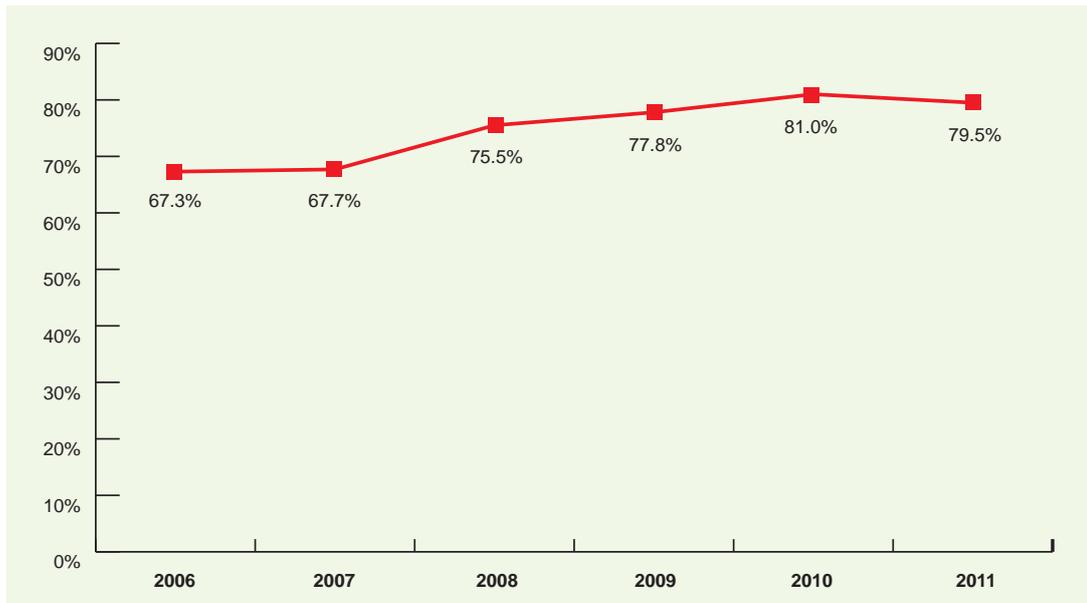
Latest addition to the stock is Mydin Mall in Bandar Jasin Bestari, which opened its doors on March 29, 2013. This is Mydin's fourth outlet in Melaka and occupies a net lettable area of about 198,000 sq ft.

In terms of future supply, NAPIC reported that approximately 400,000 sq ft of retail space is currently under construction and another 530,000 sq ft are at planning stage.

The overall occupancy rate of shopping centres in Melaka showed an increasing trend over 2006 – 2010 but dropped to 79.5% in 2011. As at Q3 2012, it stands stable at 79.5%.

1.3 Melaka (cont'd)

Figure 1.2
Overall Occupancy Rate of Shopping Centres in Melaka



Source : NAPIC, DTZ Consulting and Research, April 2013

Generally, rentals remained stable. During the first half of 2012, rentals of retail lots on the ground floor of Mahkota Parade were in the range of RM6.80 – RM20.00 per sq ft per month. Ground floor lots at AEON Bandaraya Melaka achieved rental rates between RM5.00 – RM16.80 per sq ft per month. Melaka Mall which has a city fringe location, fetched rental between RM6.50 – RM10.50 per sq ft per month for its ground floor units.

2 OFFICE SECTOR

2.1 Kuala Lumpur

Kuala Lumpur's office property market was resilient in the first three quarters of 2012 despite weakening market conditions. Occupancy rate and prime rents remained stable during these periods at 86% and RM6.25 per sq ft per month respectively. In Q4 2012, however, occupancy rate went slightly down to 84% due to substantial new addition of about 1.5 million sq ft to stock.

By the end of 2012, total stock stood at 67.4 million sq ft, a growth of 4.4% compared to 2011 (64.6 million sq ft). During Q4 2012, prime rent decline to RM6.13 per sq ft per month with more supply and competition.

In total, about 2.8 million sq ft came into the market in 2012 (Table 2.1), 34% lower than the previous year, 2011 which contributed 4.3 million sq ft to the market, as some project completions were delayed to 2013.

Table 2.1
New Office Buildings Completed in Kuala Lumpur, 2012

Building Name	Address	Net Floor Area
Menara Darussalam	Jalan Pinang	188,000
Menara Felda @Platinum Park	Jalan Binjai	689,000
Menara Binjai	Jalan Binjai	414,000
Integra Tower	Jalan Tun Razak	777,000
Lot G @KL Sentral - Tower 1	Jalan Travers	260,000
Lot G @KL Sentral - Tower 2	Jalan Travers	500,000
TOTAL		2,828,000

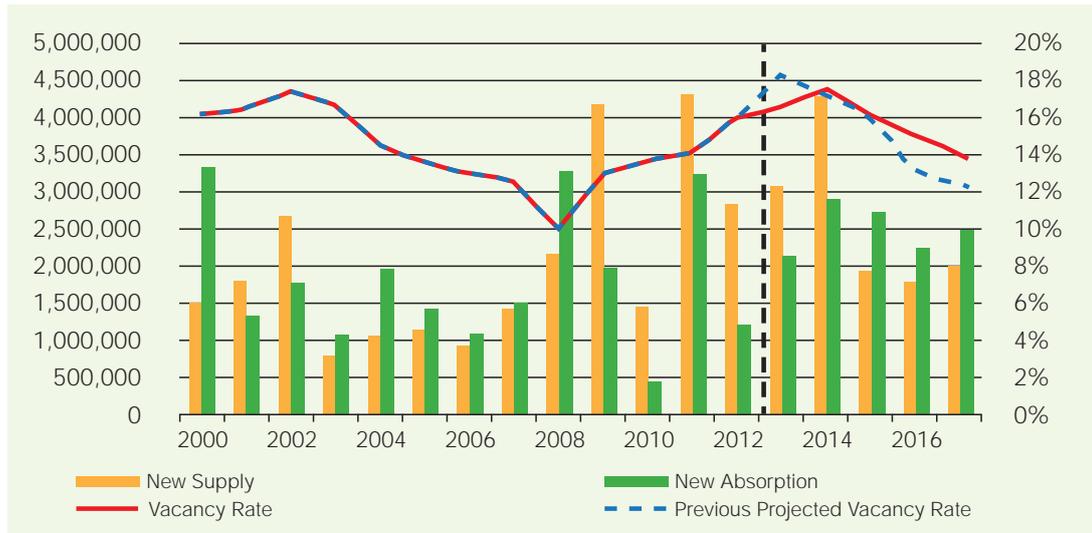
Source : DTZ Consulting and Research, April 2013

For the past 10 years, the absorption rate was quite strong, registering an average of 1.7 million sq ft per annum vis-à-vis average new supply of 2.0 million sq ft per annum. For the whole of 2012, net absorption rate was 1.2 million sq ft, lower than the 10-year average of 1.7 million sq ft per annum (Chart 2.1).

Over the next 4 years, an additional 11.8 million sq ft of office space will enter the Kuala Lumpur market. The supply situation continues to be a concern especially due to large projects currently being planned, such as Tun Razak Exchange (TRX), KL Metropolis, Warisan Merdeka and KL EcoCity. These mega projects, which will enter the market earliest by 2016, will have a major impact on the overall market in the longer term.

2.1 Kuala Lumpur (cont'd)

Chart 2.1
Projected Office Supply and Demand in Kuala Lumpur



Source : DTZ Consulting and Research, April 2013

Average prime rent experienced a marginal decline to RM6.13 per sq ft per month from RM6.25 per sq ft in 2011. Under the current projected demand/supply scenario, this rental rate is projected to decline under pressure of new supply to a low of RM5.90 per sq ft per month by 2013 before recovering from 2014 onwards.

Chart 2.2
Trend in Prime Rental and Projection



Source : DTZ Consulting and Research, April 2013

In terms of capital value, the recent transactions of office on an en-bloc basis indicated a range of price of between RM730 per sq ft to RM1,160 per sq ft. The recent office transactions are tabulated in Table 2.2.

2.1 Kuala Lumpur (cont'd)

Table 2.2
Office Transactions

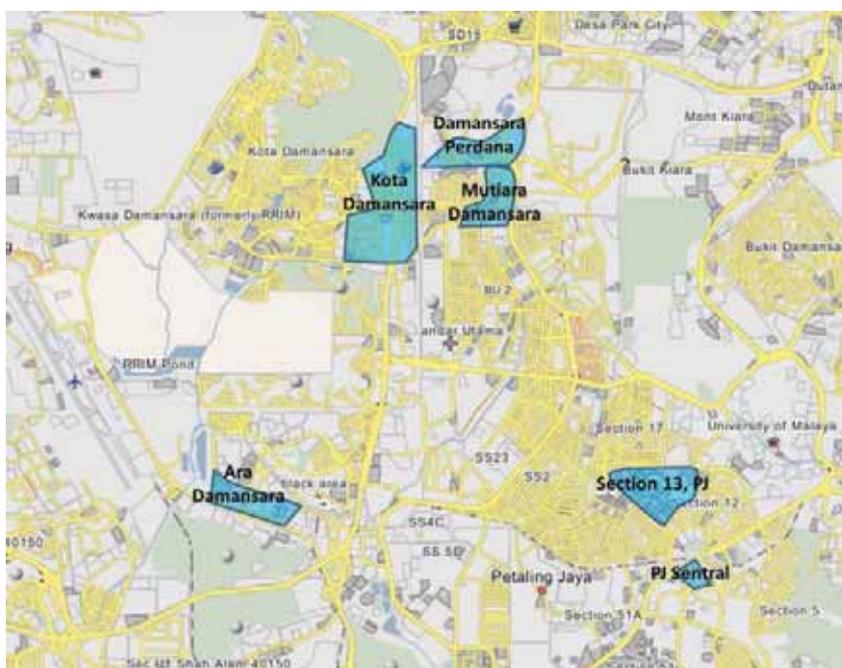
Office	Price (RM Mil)	Price (Per sq ft)
Tower 8, Horizon Phase 2	93.8	938
Menara Tun Razak 2	510	1,160
Dijaya Plaza	109	730
Tower 6 Horizon, Bangsar South	102.2	933
Bangsar South Tower 1, Horizon Phase 2	173.25	750

Source : DTZ Consulting and Research, April 2013

2.2 Petaling Jaya / Subang Jaya

Petaling Jaya and Subang Jaya have been providing a good alternative for many companies that do not require a central KL city centre location. New emerging office locations include Damansara Perdana, Mutiara Damansara, Kota Damansara, Section 13 Petaling Jaya, PJ Sentral Garden City and Ara Damansara.

Figure 2.1
Emerging Office Locations



Source : DTZ Consulting and Research, April 2013

2.2 Petaling Jaya / Subang Jaya (cont'd)

Total stock of office space in Petaling Jaya and Subang Jaya as at Q1 2013 is 18.2 million sq ft.

On average, supply has been growing at about 680,000 sq ft per annum over the last 10 years. Supply peaked in 2009 with 3.1 million sq ft of new space. That year witnessed the completion of several major office buildings in Mutiara Damansara and Bandar Damansara Perdana areas. Since then, number of new supply has been declining. Only five and two projects were completed in 2010 and 2011 respectively. By end of 2012, new supply jump again to 1.1 million sq ft upon completion of four office buildings i.e. Menara Mudajaya, Point 92, VSQ Towers 1 & 2 and Blocks C, D & E of Oasis Capital in Ara Damansara.

In terms of future supply, an estimated 2.7 million sq ft are scheduled for completion by end of 2013 and another 1.3 million sq ft in 2014. Some of the proposed buildings are identified as follows:-

Table 2.3
Future Office Supply

Project Name	Location	Expected Year of Completion	NLA (sf)
12-storey Corporate Office @ Empire Damansara	Damansara Perdana	2013	30,000
Detached Offices @ Empire Damansara	Damansara Perdana	2013	180,000
11-storey Office @ Sky Park, One City (Phase 2A)	USJ	2013	367,000
16-storey Corporate Tower @ Sky Park, One City (Phase 2A)	USJ	2013	109,000
Plaza 33	Section 13, PJ	2013	400,000
Menara TSR	Mutiara Damansara	2013	152,500
Garden Office @Encorp Strand	Kota Damansara	2013	350,000
The Pinnacle Sunway	Bandar Sunway	2013	580,000
The Ascent, Paradigm	Kelana Jaya	2013	484,000
Sunway Nexis Biz suite	Kota Damansara	2014	297,000
Centrestage Office Suites	Section 13, PJ	2014	312,000
Corporate Office @ Cascades Kota Damansara	Kota Damansara	2014	240,000
Atria Twin SOFO Towers	Damansara Jaya	2014	240,000
Jaya One Evolution (Phase 2)	Section 13, PJ	2014	165,000

Source : DTZ Consulting and Research, April 2013

Some of the upcoming office projects such as Encorp Strand, Sunway Nexis and Cascades are being developed and sold as strata office developments.

In addition to this list, there are few other major projects in the pipeline and currently at the planning stage. Because of that, no accurate data is available at the moment. These projects include PJ Sentral in Section 52 Petaling Jaya (The first phase of the development would comprise five office towers), The Prime@The Altium in Damansara Perdana (a 22-storey Grade A office building), Oasis Corporate Park in Ara Damansara, the Corporate and Detached Offices at Empire City, the corporate office tower in One City and the Corporate and Boutique offices at Icon City.

2.2 Petaling Jaya / Subang Jaya (cont'd)

Rental of selected office buildings in PJ/SJ are as follows:-

Table 2.4
Asking Rental of Selected Office Buildings in Petaling Jaya/Subang Jaya

Building Name	Rental Range Per sq ft Per Month
1 First Avenue	5.50
8 First Avenue	5.00 – 5.50
PJ8	3.50 – 4.50
Menara UAC	4.00
Surian Tower	4.80
Jaya 33	5.00 – 5.50

Source : DTZ Consulting and Research, April 2013

Average rental in PJ/SJ ranges from RM3.50 to RM5.50 per sq ft per month. Top rental of around RM5.50 per sq ft is attainable at better quality buildings such as 1 First Avenue and 8 First Avenue in Bandar Utama. Another location with quite high rental is Jaya 33 at RM5.00 – 5.50 per sq ft.

There was one office sale reported in the first quarter of 2013 in the Petaling Jaya area. We understand that Tower 6 of PJ Sentral was sold for RM850 per sq ft to MyIPO.

2.3 Cyberjaya

Cyberjaya has seen a growing demand in office market from both government and private establishments, besides IT-based MSC companies. It is expected this growing demand will absorb the huge supply coming into the market post 2012. With improved infrastructure, better facilities and amenities and sufficient residential provision, Cyberjaya would continue to be a competitive location for the office market in near and longer terms.

Currently, office stock in Cyberjaya stands at about 7.5 million sq ft with no new completion recorded in 2012.

Approximately 3.3 million sq ft office space will be added to the current stock from eight major projects, scheduled for completion within the next two years. There is a growing interest among developers to tap on the sales of stratified units following the successful sale of SoHo units in Cyberjaya in the last few years. We noted that stratified office projects are selling at between RM550 and RM600 per sq ft and have reported good take-up rate.

2.3 Cyberjaya (cont'd)

Table 2.5
Office Future Supply

Building Name	NLA (sq ft)	Completion Year
Quill 18	523,000	2013
Shaftsbury Square – iTech Tower	188,000	2014
Shaftsbury Square 2 Office Towers	400,000	2014
Office Tower at Glomac Cyberjaya 2	165,000	2014
Office Tower at Pan'gaea	135,000	2015
Office Tower 5 at Sky Park @ Cyberjaya	219,000	2015
Office Tower 6 at Sky Park @ Cyberjaya	123,000	2015
MKN Embassy Techzone (Phase 3A – 4 Blocks)	1,588,000	2015

Source: DTZ Consulting and Research, April 2013

Average occupancy rate in Cyberjaya hovered around 50.2% in Q1 2012 to 57.1% in Q4 2012. We forecast that occupancy rate will drop slightly lower post 2013 due to the completion of new supply. Office rental is stable at between RM4.50 to RM4.80 per sq ft per month.

With the continued promotion of Cyberjaya as the key cyber city in Malaysia, we expect to see the continued growth in the number of MSC companies and the demand for office space to correspondingly increase whilst complemented by the smaller domestic service companies which are expected to supplement commercial activities as the catchment population start to grow to a critical mass.

2.4 Melaka

Currently, Melaka has a total office stock of approximately 4.2 million sq ft, 33% of which are in Melaka Town and 61% in Melaka Tengah district. About 300,000 sq ft was added to the state's office market by Q3 2012 which translates to about 8% increase. Office buildings in Melaka Tengah are predominantly occupied by the public sector, with 18 out of 28 buildings are government buildings.

There are about 156,000 sq ft incoming supply and another 54,000 sq ft planned supply. These are located within the Melaka Tengah district.

The average occupancy rate in Melaka Town remained stable at 76.7% compared to 2011 whilst Melaka Tengah registered a lower occupancy rate of 80.4%, vis-à-vis 88.8% in 2011.

Rental is generally stable in Melaka, ranging between RM1.30 – RM2.00 per sq ft per month, with limited prospect to increase in the near future due to lack of growth in the commercial office uses. However, Jaya 99, a newly completed office building along Jalan Tun Sri Lanang, reportedly achieved a rental rate of about RM2.60 per sq ft. This building comprises a 7-storey podium and two blocks of 9 and 10-storey office towers offering a total NLA of about 200,000 sq ft (Office component occupies 170,500 sq ft NLA). The major tenants are Prudential Assurance Berhad, SingTel Communication Group and PricewaterhouseCoopers.



A background image showing a close-up of several red ants on a dark, textured rock surface. The ants are carrying large, light-colored, oval-shaped food particles. The background is a soft, out-of-focus green and yellow, suggesting a natural outdoor setting.

Our People

We draw on the extensive experience of our people who are experts in property management, leasing, finance, property investment, risk management, compliance and investor relations to implement our strategic business decisions and management of our assets in a fast-changing environment. We attract, develop and retain the best.

PROFILE OF DIRECTORS



Y Bhg Dato' Azlan Hashim

Non-Independent Non-Executive Director

Y Bhg Dato' Azlan Hashim, a Malaysian, aged 71, joined the Board of AmARA REIT Managers Sdn Bhd on 24 August 2006.

Dato' Azlan is the Deputy Chairman of AMMB Holdings Berhad. He is currently the Non-Executive Chairman of AmFraser International Pte Ltd, AmFraser Securities Pte Ltd, AmInternational (L) Ltd and PT. AmCapital Indonesia. He also serves on the Boards of Metrod Holdings Berhad, Paramount Corporation Berhad, Sapura Industrial Berhad and Kesas Holdings Berhad. He is a Trustee of AmGroup Foundation.

Dato' Azlan served the Malayan Railways from 1966 to 1971, where he was the 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 there prior to joining Amcorp Properties Berhad's Board from 1982 to July 2007.

Dato' Azlan is a Fellow of the Institute of Chartered Accountants (Ireland), Economic Development Institute, World Bank, Washington D.C., USA and Institute of Bankers Malaysia. He is also a Certified Public Accountant.

PROFILE OF DIRECTORS (cont'd)



Y Bhg Dato' Teo Chiang Quan

Independent Non-Executive Director

Y Bhg Dato' Teo Chiang Quan, a Malaysian, aged 64, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. He is the Chairman of the Audit Committee of Directors.

Dato' Teo is an entrepreneur and is the controlling shareholder of Paramount Corporation Berhad (Paramount), a progressive investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad with diverse interest and strong positions in property development and education. He was the Group Managing Director and Group Chief Executive Officer of Paramount for 20 years before relinquishing his post in 2008 to assume the position of Executive Deputy Chairman.

Dato' Teo is also the Chairman of the board of ECS ICT Berhad (ECS), a MSC status company that is listed on the Main Market of Bursa. ECS is principally involved in the distribution of Information and Communications Technology products in Malaysia.



Sr. Tuan Haji Mohd Salleh Akram

Independent Non-Executive Director

Sr. Tuan Haji Mohd Salleh Akram, a Malaysian, aged 64, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006. He is a member of the Audit Committee of Directors.

He had, in 1973 obtained the Diploma in Land Use Control from the North-East London Polytechnic (now part of East London University) and passed the Final Examinations of the Royal Institution of Chartered Surveyors (General Practice Section) in 1974. He is a Fellow of The Royal Institution of Chartered Surveyors, United Kingdom (FRICS) as well as a Fellow of the Royal Institution of Surveyors, Malaysia (FRISM). 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 Directors, Malaysia.

He served as a Valuation Officer in the Valuation Division, Federal Treasury, Ministry of Finance from April 1974 till 1980 and saw postings in Selangor, Penang, Johor and Kelantan. 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 sole proprietor chartered surveying firm providing professional services mainly in the valuation of properties including plant and machinery, and property consultancy. The practice had since 1 March 2011 continued as a private limited company, Akram Real Estate Professionals & Co. Sdn. Bhd.



Ms. Pushpa Rajadurai

Non-Independent Non-Executive Director

Ms. Pushpa Rajadurai, a Malaysian, aged 55, has ceased as Alternate Director to Mr Cheah Tek Kuang and appointed as Non-Independent Non-Executive Director of Am ARA REIT Managers Sdn Bhd on 1 April 2013. She is also a member of Audit Committee of Directors.

She is currently the Managing Director of Corporate & Institutional Banking. She was previously Executive Director of AmInvestment Bank, the investment banking arm of AmBank Group.

Her extensive banking (corporate & investment) experience covers both the Malaysian and overseas markets and with focus on all sectors of the economy, comprising public and private corporates and government entities.

She presently holds the position of chairperson for the Corporate Finance Committee of the Malaysian Investment Banking Association. She also chairs the Annual Dialogue with Singapore Investment Banking Association. She is actively involved in market development and works extensively with the regulators at consultative forums.

She holds various directorships in the AmBank Group, which includes the trustee services, venture capital management, offshore banking, stockbroking and investment banking and private equity.

She is a Fellow Member of the Chartered Association of Certified Accountants United Kingdom and a registered accountant with the Malaysian Institute of Accountants.



Mr. Lim Hwee Chiang

Non-Independent Non-Executive Director

Mr. Lim Hwee Chiang, a Singaporean, aged 56, was appointed to the Board of Am ARA REIT Managers Sdn Bhd on 24 August 2006.

Mr Lim Hwee Chiang is the Group Chief Executive Officer and Executive Director of ARA Asset Management Limited ("ARA") since its establishment. He is a non-executive director of ARA Asset Management (Fortune) Limited, ARA Trust Management (Suntec) Limited, ARA Asset Management (Prosperity) Limited, Am ARA REIT Managers Sdn. Bhd., ARA-CWT Trust Management (Cache) Limited, APN Property Group Limited listed in Australia and Hui Xian Asset Management Limited. Mr Lim is also the chairman of APM Property Management Pte. Ltd., Suntec Singapore International Convention & Exhibition Services Pte. Ltd. and the management council of The Management Corporation Strata Title Plan No. 2197 (Suntec City). In addition, Mr Lim is an independent director and the chairman of the remuneration committee of Singapore-listed Teckwah Industrial Corporation Limited. He is a council member and the chairman of the property management committee of the Singapore Chinese Chamber of Commerce & Industry and a member of the Valuation Review Board of the Ministry of Finance of Singapore.

He has more than 30 years of experience in the real estate industry, and has received many notable corporate awards. His recent accolades include the Ernst & Young Entrepreneur of the Year Singapore 2012, Ernst & Young Entrepreneur of the Year – Financial Services 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr Lim, along with the Board of Directors of ARA, is also a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012.

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.



Mr. Anthony Ang Meng Huat

Alternate Director to Mr. Lim Hwee Chiang

Mr. Anthony Ang Meng Huat, a Singaporean, aged 58, was reappointed to the Board of Am ARA REIT Managers Sdn Bhd on 1 August 2009. He is presently Chief Executive Officer, a Board member and Responsible Officer of ARA Asset Management (Fortune) Limited. Mr. Ang is also a Board member of ARA Asia Dragon Limited. He is also an Independent Non- Executive Director of Armstrong Industrial Corporation Limited.

Prior to joining Am ARA REIT Managers Sdn Bhd, Mr. Ang held various senior positions with GIC Real Estate Pte. Ltd., a global real estate fund management company, 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 where he served for 14 years, including 6 years in the United States as the regional director of their 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. Mr. Ang is a fellow of the Chartered Management Institute (United Kingdom) and a Council Member of the Chartered Management Institute Singapore.

MANAGEMENT TEAM



from left to right:

Panneer Selvam Narayanan
Zuhairy Md. Isa
Abdul Rahman Mohd Joned
Chong Hong Chuon
Lee Yoon Lien
Lim Yoon Peng
Anuar Husin
Carrie Chua Mooi Chu

MANAGEMENT TEAM (cont'd)



MANAGEMENT TEAM (cont'd)

Lim Yoon Peng

Chief Executive Officer

Lim Yoon Peng, a Malaysian, aged 57, was appointed as Chief Executive Officer of Am ARA on 15 August 2008. He is responsible for the strategic direction, investment objectives and operations of AmFIRST. Prior to joining Am ARA, 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.

He has over thirty (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 (4) 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, he 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.

He is a Fellow Member of The Chartered Association of Certified Accountants, UK and a Member of the Malaysian Institute of Accountants, and Fellow Member of Certified Public Accountant Australia. In September 2007, he was featured by Association of Chartered Certified Accountants Malaysia as one of the 50 Malaysian Chief Financial Officers holding strategic position in a leading industry in Malaysia. He is also the 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 for the past 10 years.

Zuhairy Md. Isa

Head, Asset Management

Zuhairy Md. Isa was appointed as the Head, Asset Management of Am ARA on 15 April 2008. He graduated from the University of Newcastle Upon-Tyne, United Kingdom with Postgraduate Diploma and Bachelor of Arts (Hons) degree, both in Town Planning.

He has more than fifteen (15) years of related working experience prior to joining Am ARA. 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, namely MIEL Logistics Sdn Bhd and PT Miel Nusantara Development.

He is responsible for overseeing property management, marketing and leasing and the implementation of organic growth strategies to enhance the performance of AmFIRST's portfolio as well as planning and implementing the asset enhancement initiatives. Currently, he holds the Chairmanship of the The Summit Subang USJ Management Corporation representing AmFIRST, spearheading the management, operations and also the planned repositioning of the mall.

Chong Hong Chuan

Head, Finance

Chong Hong Chuan was appointed as the Head, Finance of Am ARA on 9 May 2011 and is responsible for the full spectrum of financial matters relating to AmFIRST and this includes financial and management reporting, capital management, treasury and risk management. He is also the designated Compliance Officer for all statutory and regulatory matters.

He began his career in the auditing field and has fifteen (15) years of extensive financial and management accounting experience. Prior to joining Am ARA, he was with Hong Leong Group where he was involved in the property investment and management division. His last position was Group Financial Controller of GLM REIT Management Sdn Bhd, the Manager of Tower REIT, where he was responsible for the financial and compliance functions including providing financial leadership on performance review, business planning and forecast as well as devising capital and risk management strategies. In addition, he was actively involved in the evaluation of acquisition opportunities, asset management and investor relations of Tower REIT.

He holds a Master of Science in Financial Management from The Robert Gordon University, UK and is a member of the Association of Chartered Certified Accountants, UK and Malaysian Institute of Accountants.

Panneer Selvam Narayanan

Head, Investment

Panneer Selvam Narayanan was appointed as Head, Investment of Am ARA with effect from 1 May 2011. He is primarily responsible for developing investment strategies and to pursue acquisitions origination including asset identification, structuring, negotiation, due diligence and

MANAGEMENT TEAM (cont'd)

completion of transaction. He is also jointly in charge with Head, Asset Management in the planning and implementation of asset enhancement initiatives for AmFIRST's investment properties.

Prior to his current position, he was the Head, Finance of Am ARA who was responsible for financial matters relating to AmFIRST involving the review of financial and management reporting, capital management, treasury, risk management and compliance matters.

He was instrumental in the reconstitution of the seventeen (17) year old listed property trust in Malaysia, AmFirst Property Trust prior to listing of AmFIRST on Bursa Securities in December 2006. He was the Finance Manager then and also served various positions with several public listed related companies for more than five (5) years in the areas of cost management, credit risk management and audit.

He holds a Bachelor of Commerce (Hons) degree in Accounting from University of Tasmania, Australia and a Fellow Member of Institute of Public Accountants (Australia).

Carrie Chua Mooi Chu

Senior Tenancy Manager

Carrie Chua Mooi Chu was appointed as Tenancy Manager of Am ARA on 3 October 2008. She is responsible for the marketing and leasing of space involving negotiating with new and existing tenancies and property management of the AmFIRST's portfolio. In addition, she handles all the tenancy related matters, supervising the appointed Property Managers and preparation of all tenancy agreements as well as overseeing the Tenants Care Program.

She has more than fifteen (15) years of extensive real estate experience in various aspect of real estate management, ranging from sales and marketing, and managing retail mall. She has worked in several public listed companies, mainly in sales and marketing division.

She holds an LCCI in Business Accounting and Diploma in Secretarial from Systematic College.

Abdul Rahman Mohd Joned

Manager, Finance

Abdul Rahman Mohd Joned was appointed as Assistant Manager, Finance of Am ARA in June 2007 and was promoted to Manager, Finance on 1 April 2010. He is responsible for all the financial related matters relating to AmFIRST and involved in the preparation of financial and management reports.

He has more than ten (10) years of related working experience prior to joining Am ARA. His last position was Assistant Accountant with Chase Perdana Berhad, a public listed company, responsible in the preparation of financial and management reports of the company and its subsidiaries.

He started his career as an auditor with Abu Bakar Rajudin & Co. and was involved in auditing, accounting, taxation, secretarial 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.

Anuar Husin

Manager, Property Management

Anuar Husin was appointed as Manager, Property Management of Am ARA effective from 10 January 2010. He holds both a Master in Property Investment and a Bachelor of Science (Hons) in Estate Management from Universiti Teknologi MARA.

He began 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 as its Senior Property Executive and was responsible for 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, he reports to Head, Asset Management and is responsible for overseeing AmFIRST's investment properties in relation to operational matter, safety and health and tenancy management including undertaking acquisition analysis relating to valuation and coordinating due diligence exercises.

He directly supervises the Facility and Property Managers of AmFIRST's investment portfolio. He also participates actively in AmFIRST's asset enhancement projects which include coordinating and evaluating tenders.

Lee Yoon Lien

Accountant

Lee Yoon Lien was appointed as Accountant of Am ARA on 18 August 2011. She is responsible for financial related matters and management reporting of AmFIRST.

Jefferene Lee started her career in an audit firm and her job responsibilities include auditing, management accounting and taxation. She has more than ten (10) years of experience in management accounting prior to joining Am ARA. Her last position in August 2008 was Assistant Manager, Finance with GLM REIT Managers Sdn Bhd, Manager for Tower REIT and was responsible for credit control, preparation of management accounts for the REIT and the Manager.

Jefferene Lee is a Member of The Chartered Association of Certified Accountants, UK and Member of the Malaysian Institute of Accountants.

CORPORATE GOVERNANCE

Am ARA REIT Managers Sdn Bhd ("Am ARA" or the "Manager"), the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST" or the "Trust") recognizes that an effective corporate governance culture is essential to protect the best interest of the unitholders in realizing the long-term value for unitholders. This is also critical to the performance of the Manager and consequently, the success of AmFIRST.

The Manager has adopted a good corporate governance framework that is designed to meet the best practice principles. In particular, the Board of Directors and the Manager have an obligation to act honestly, with due care and diligence, and in the best interests of the unitholders by emphasizing on the transparency of decision making process, fairness and trustworthiness in managing AmFIRST.

The following sections describe the Manager's main Corporate Governance Practices and Policies which are guided by measures recommended in the Guidelines on Real Estate Investment Trusts issued by the Securities Commission ("SC") ("SC REIT Guidelines"), the new Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or "Code") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirement") and that the Manager's obligations as described in AmFIRST's Deed dated 28 September 2006 (as amended by the First Supplemented, Revised and Restated deed dated 15 December 2006) ("the Deed") constituting AmFIRST are properly and efficiently carried out.

THE MANAGER

Am ARA as the manager of AmFIRST, has general powers of management over the assets of AmFIRST. Its main responsibility is to manage the assets and liabilities of AmFIRST for the benefit of its unitholders, with a view to provide long-term and sustainable distribution of income to its unitholders and to achieve long-term growth in the net asset value per unit, so as to provide competitive investment return to its unitholders.

Its internal review procedures encompass proactive measures for avoiding situations of conflict and potential conflict of interest, including prioritizing the interests of unitholders over the Manager's and ensuring that applicable laws and regulations are complied with, so that unitholders' interests are best served at all times.

The primary role of the Manager is to set the strategic directions of AmFIRST and make recommendations to Maybank Trustees Berhad, as trustee of AmFIRST (the "Trustee") on acquisition, enhancement or divestment of assets of AmFIRST in accordance with its stated investment strategy. The research, analysis and evaluation required for this purpose is coordinated and carried out by the Manager. The Manager is also responsible for the risk management of AmFIRST.

Other functions and responsibilities of the Manager are as follows:

- **Asset Management**

Supervise and oversee the management of AmFIRST's properties including procurement of service providers to carry out specified activities, including but not limited to on-site property management, property maintenance, letting and leasing services, rent collection and arrears control. The Manager is also responsible for developing business plan in the short, medium and long term with a view of maximizing the income of AmFIRST.

- **Finances**

Formulate plans for equity and debt financing for AmFIRST's capital requirements with the objective of optimizing the capital structure and cost of capital. The Manager is also responsible for managing the finances of AmFIRST including preparation of accounts and financial statements.

- **Investor Relations**

Developing and maintaining investor relations including information coordination and distribution as well as customer service to investors.

- **Legal and Compliance Management**

Ensuring compliance with all legislations, tax rulings, rules and guidelines issued by the SC, Bursa Securities, Inland Revenue Board Malaysia and other relevant authorities, where applicable.

The Manager endeavors to carry on and conduct AmFIRST's business in a proper and efficient manner and to conduct all transactions with, or on behalf of AmFIRST, at arm's length basis.

AmFIRST constituted as a trust, is externally managed by the Manager and accordingly, it has no personnel of its own. The Manager appoints experienced and well qualified management personnel to handle the day-to-day operations of AmFIRST. All employees of the Manager are not remunerated by AmFIRST.

DIRECTORS OF THE MANAGER

The Board

The Manager is managed by an experienced Board of Directors (the "Board") with a wide and varied range of expertise. The Board is responsible for the overall management and corporate governance of AmFIRST, including establishing goals for management and monitoring the achievements of these goals.

The Board focuses mainly on strategy, financial performance and critical business issues, including:

- Strategic business plans
- Key financial performance indicators
- Principal risks and their management
- Succession planning for senior management
- Investors and unitholders relations programs
- System of internal control

Each Director must act honestly, with due care and diligence, and in the best interest of unitholders. The Board ensures that proper and effective controls are in place to assess and manage business risk, and compliance with applicable laws. The Board is also supported by an Audit Committee to look into the internal control and financial management of AmFIRST.

Board Composition

The Board has five (5) members, all are non-executive. Three (3) of the Board members are Non-Independent Non-Executive Directors and two (2) are Independent Non-Executive Directors where the Chairman of the Board is a Non-Independent Non- Executive Director.

Pursuant to Recommendation 3.5 of MCCG 2012, the Board must comprise a majority of Independent Directors where the chairman of the Board is a non-independent director. Notwithstanding that Recommendation 3.5 of MCCG 2012 is not met, one third of the Board comprised independent directors and is in compliance with the Listing Requirements.

The Board comprises business leaders and financial professionals with fund management, property, banking and finance backgrounds. The profiles of the Directors are set out in the Annual Report page 64 to 67. The Board is of the view that its current composition comprises persons who, as a group, provides the necessary core competencies and that the current Board size is appropriate and effective, taking, into consideration the nature and scope of AmFIRST's operations.

A Director who is independent of the Manager (or the controlling or significant shareholder of the Manager) and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of AmFIRST, is considered to be independent.

The Board performs the function that a nominating committee would otherwise perform, namely, it administers nominations to the Board, review the structure, size and composition of the Board, and review the independence of Board members. The composition of the Board is reviewed regularly to ensure that an appropriate mix of expertise, experience and knowledge in business, finance and management skills critical to AmFIRST's business is present in the composition of the Board.

Newly appointed Directors are given briefings by the management on the business activities of AmFIRST, its strategic directions and policies and the regulatory environment in which AmFIRST operates. Directors are also informed of their statutory and other duties and responsibilities as well as policies and procedures relating to the corporate conduct and governance including the disclosure of interests, prohibitions on dealings in AmFIRST's units and restrictions on the disclosure of price-sensitive information.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are separate and the positions are held by two (2) different persons. The Chairman, Dato' Azlan bin Hashim is a Non-Independent Non-Executive Director while Mr. Lim Yoon Peng, is the Chief Executive Officer. This is to ensure an appropriate balance of power and increased accountability. The division of responsibilities between the Chairman and Chief Executive Officer facilitates effective oversight and a clear segregation of duties.

The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions of managing AmFIRST. The Chief Executive Officer is responsible for the day-to-day operations and he works with the Board to determine the overall business, investment and operational strategies for AmFIRST and ensures that they are implemented as planned and in accordance with the Deed and SC REIT Guidelines. In addition, the Chief Executive Officer is also responsible for the overall planning in respect of the future strategic development and growth of AmFIRST.

The Chairman ensures that members of the Board work together with the Management in a constructive manner to address strategies, business operations, financial performance and risk management issues.

Access of Information

The Management provides the Board with complete and adequate information in a timely manner. This is done through regular updates on financial results, market trends and business developments. Changes to regulations and accounting standards are monitored closely. To keep pace with regulatory changes, where these changes have an important and significant bearing on AmFIRST and its disclosure obligations, the Directors are briefed by the Management either during Board meetings, at specifically convened sessions or via circulation of Board papers. The Management also provides the Board with complete and adequate information in a timely manner through regular updates on financial results and business developments.

The Company Secretaries work with the Chairman and the Management to ensure that Board papers and agenda are provided to the Directors ahead of meetings of the Board and Audit Committee so that they can familiarize themselves with the matters prior to the meetings. Meetings are usually half-a-day affairs and include presentations by Senior Management, and when necessary, presentations by external consultants and experts on strategic issues relating to specific business areas. The Board will take independent professional advice when it deems necessary for the proper and efficient discharge of its responsibilities and the Company Secretaries will assist the Board in obtaining such advice upon request.

The Board has separate and independent access to the Manager's Senior Management and the Company Secretaries, and vice versa. The Company Secretaries render necessary assistance to the Board, and ensure meeting procedures are followed and the applicable laws and regulations are complied with. Under the direction of the Chairman, the Company Secretaries' responsibilities include ensuring good information flows within the Board and its committees and between Senior Management and Non-Executive Directors as well as facilitating orientation and assisting with professional development as required. The Company Secretary attends Board meetings and committee meeting to take minutes of the proceedings.

Board and Audit Committee Meeting Attendance

Board and Audit Committee meetings are scheduled at least four (4) times per annum to review the operations of AmFIRST and to approve the audited financial statements of AmFIRST. Additional meetings are held as and when necessary between the scheduled meetings.

During the financial year ended 31 March 2013, the Board and Audit Committee met five (5) times and four (4) times respectively. The number of meetings attended by each Director is as follow:

Directors	Designation	Board Meeting
Dato' Azlan Hashim	Non-Independent Non-Executive Director/ Chairman	3/5
Dato' Teo Chiang Quan	Independent Non-Executive Director	5/5
Sr. Tuan Haji Mohd Salleh Akram	Independent Non-Executive Director	5/5
Lim Hwee Chiang ⁽ⁱ⁾	Non-Independent Non-Executive Director	5/5
Cheah Tek Kuang ⁽ⁱⁱ⁾	Non-Independent Non-Executive Director	5/5

(i) Inclusive of meetings attended by his alternate, Mr. Anthony Ang Meng Huat.

(ii) Resigned with effect from 1 April 2013.

Members	Designation	Audit Committee Meeting
Dato' Teo Chiang Quan	Independent Non-Executive Director	4/4
Sr. Tuan Haji Mohd Salleh Akram	Independent Non-Executive Director	4/4
Pushpa Rajadurai ⁽ⁱ⁾	Non-Independent Non-Executive Director	4/4

(i) Ceased as Alternate Director to Mr Chech Tek Kuang and appointed as Director with effect from 1 April 2013.

Directors' Remuneration

The Directors' remuneration is paid by the Manager and not from the Trust. The Directors, receive a basic fee, an additional fee for serving on any of the committees and attendance fee for participation in meetings of the Board and any of the committee meetings.

The Board as a whole resolves on the fees for the Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees payable to the Non-Executive Directors are subject to the approval of shareholders of the Manager. The Directors' fees for the financial year ended 31 March 2013 are shown in the table below:-

Directors	FYE 2012 Directors' Fees	FYE 2013 Directors' Fees
Dato' Azlan Hashim	46,000	46,000
Dato' Teo Chiang Quan	40,000	40,000
Sr Tuan Haji Mohd Salleh Akram	40,000	40,000
Lim Hwee Chiang	40,000	40,000
Cheah Tek Kuang	40,000	40,000

Directors' Training

During the financial year under review, the Directors had attended various conferences and programs to enhance their knowledge and expertise and to keep abreast with the relevant changes in laws, regulations and the business environment. In this regard, the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

The training programs, conferences and seminars attended by the Directors during the financial year ended 31 March 2013 were, inter alia, on areas relating to real estates, corporate leadership and governance, professional development, risk management, financial and tax issues.

Appointment and Removal, Retirement by Rotation and Re-election of Directors

a) Appointment and Removal

The Board as a whole will serve as the Nominating Committee. All new nominations received are assessed and approved by the entire Board in line with its policy of ensuring nominees are persons of sufficient caliber and experience. The process of assessing the Directors is an ongoing responsibility of the entire Board. The Board has the power to appoint any person to be a Director, either to fill a vacancy or as an addition to the existing Directors. Shareholders of the Manager may by ordinary resolution remove any Director and appoint another person in his stead.

b) Retirement by Rotation and Re-election

The Manager's Articles of Association provides that one-third of the Board is subject to retirement by rotation at each Annual General Meeting. A retiring Director who is subject to retirement by rotation will retire at every Annual General Meeting with the exception of the First Annual General Meeting whereby all Directors shall retire from office. A retiring Director shall be eligible for re-election. The retiring Directors on each occasion will be those Directors who have remained in office the longest since their last election or appointment. As between persons who become Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot.

AUDIT COMMITTEE

An Audit Committee has been established by the Board to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Manager and AmFIRST.

The Audit Committee comprises three (3) members, all of whom are non-executive Directors, the majority of whom are independent Directors. The Manager is of the view that the Audit Committee members have the relevant expertise to discharge the functions of an Audit Committee.

Composition

Members	Designation
Dato' Teo Chiang Quan	Chairman
Sr Tuan Haji Mohd Salleh bin Akram	Member
Pushpa Rajadurai	Member

The primary role and responsibilities of the Audit Committee is to monitor and evaluate the effectiveness of AmFIRST and the Manager's internal controls and financial management.

The Audit Committee has a set of terms of reference defining its scope of authority which includes, in relation to its management of AmFIRST:-

Primary Role and Responsibilities

- (i) To provide assistance to and to review and report to the Board in relation to:-
 - (a) Fulfilling the statutory and fiduciary responsibilities of the Manager; and
 - (b) Monitoring of the accounting and financial reporting practices of the Trust and the Manager.
- (ii) To determine that the Trust and the Manager has adequate established policies, procedures and guidelines, operating and internal controls, and that they are being complied with and are operating effectively in promoting efficiency and proper conduct and protecting the assets of the Trust.
- (iii) To serve as an independent and objective party in the review of the financial information of the Trust that is presented by the Manager to the Board.
- (iv) To review the quarterly results and annual financial statements of the Trust prior to the approval by the Board in particular, with reference to:-
 - (a) Changes in or implementation of major accounting policy;
 - (b) Significant and unusual events; and
 - (c) Compliance with accounting standards and other regulatory requirements.
- (v) To review and approve the scope of audits, audit plans and audit reports of both the external and internal auditors.
- (vi) To evaluate the adequate and effectiveness of the Management control systems through the review of the reports of both the external and internal auditors that highlight internal accounting, organizational and operating control weaknesses and to determine that appropriate corrective actions are being taken by the Manager.
- (vii) To ensure the adequacy of the scope, functions and resources of the internal audit functions and that they have the necessary authority to carry out their work.
- (viii) To ensure through discussions with the External and Internal Auditors, that no restrictions are being placed by the Manager and employees of the Manager on the scope of their examinations.
- (ix) To direct and supervise any special project or investigation considered necessary.
- (x) To prepare when necessary, periodic reports to the Board summarizing the work deemed performed in fulfilling the Committee's primary responsibilities.
- (xi) To review any related party transaction and conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of the Manager's integrity.
- (xii) To review the annual appointment of the External Auditors, or letter of resignation from External Auditors, to negotiate and approve the annual audit fees and/or special audit fees, and evaluate basis of billings therewith.

Meeting

The Audit Committee shall meet at quarterly intervals or such other intervals as the Audit Committee shall decide and due notice thereof shall be given. The quorum necessary for the transaction of the business of the Audit Committee shall be any two (2) members, the majority of whom shall be Independent Directors.

For the financial year ended 31 March 2013, the Audit Committee has met a total of four (4) times. The frequency of meetings and the attendance of each of the members of the Audit Committee held in the financial year ended 2013 are disclosed in page 75.

Summary of Activities

The activities of the Audit Committee for the financial year ended 31 March 2013 included the following:-

- (i) Reviewed the adequacy and relevance of the scope, functions, resources, risk based internal audit plan and results of the internal audit with the Internal Auditors.
- (ii) Reviewed the audit activities carried out by the Internal Auditors and the audit reports to ensure corrective actions were taken to address the issues reported.
- (iii) Reviewed with the External Auditors, the audit plan for the year (inclusive of risk and audit approach, system evaluation, audit fees and issues raised, and the Manager's responses) prior to the commencement of the annual statutory audit.
- (iv) Reviewed the financial statements, audit report, issues and reservations arising from the statutory audit with the External Auditors.
- (v) Reviewed and discussed the financial performance with the Manager.
- (vi) Reviewed the quarterly results and financial statements with the Manager for recommendation to the Board for approval before release to Bursa Securities.
- (vii) Reviewed and endorsed all related party transactions entered into by AmFIRST.
- (viii) Reviewed any conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises question of the Manager's integrity.
- (ix) Discussed the implications of any latest changes and pronouncements on AmFIRST and/or the Manager, issued by the statutory and regulatory bodies.
- (x) Reviewed overall risk management matters to ensure measures in place to manage the risks are adequate.
- (xi) Reported to the Board on significant issues and concerns discussed during the Audit Committee meetings, together with applicable recommendations. Minutes of the Audit Committee meetings were tabled, discussed and noted by the Board.

INTERNAL CONTROL

The Board has voluntarily adopted the best practices in corporate governance by establishing an Audit Committee and internal audit function, which is outsourced to and undertaken by the Manager's ultimate holding company's Group Internal Audit Department, although this is not compulsory for a REIT under the Listing Requirements. These efforts demonstrate the Board's recognition that strong corporate governance is a key priority and that an effective corporate governance culture is critical to the Manager's performance and consequently to the success of AmFIRST.

The Board is committed to maintain a sound and effective system of internal control that covers financial, operational controls and risk management with a view to safeguard the interests of AmFIRST's unitholders, assets and investments. The system provides reasonable but not absolute assurance against material misstatement of management and financial information, or against financial losses and fraud.

A Internal Audit

The principal role of the internal audit function is to conduct regular reviews on the system of internal control of the Manager of AmFIRST and report on the effectiveness and efficiency of the management, operations, risk management and internal controls. The reviews are conducted based on an internal audit plan as approved by the Audit Committee.

The scope of Internal Audit function entailed the following:-

- (i) Preparation of annual internal audit plan for the financial year;
- (ii) Conducting internal control review for the financial year, preparation of an audit report to highlight findings, obtaining the Manager's action plans for the findings and presentation of the findings to the Audit Committee during its meeting;
- (iii) Conducting follow up review to report on the status of implementation of Management action plans arising from the internal audit report; and
- (iv) Reviewing of related party transactions and presentation of findings of the review to the Audit Committee.

Internal Auditor reports directly to the Audit Committee and when required, they undertake investigations and other reviews as directed by the Audit Committee. Findings and recommendations are tabled to the Audit Committee at its meeting. The internal audit function is independent of the Manager and in performing their role, the Internal Auditors have access to the Manager's personnel, premises, documents, records, information and are authorized to obtain such information and explanations considered necessary to fulfill and discharge its responsibilities.

The cost incurred for the internal audit function for the financial year ended 31 March 2013 was RM108,477 and was borne by the Manager.

The Audit Committee reviews the internal audit reports and activities on an ongoing basis. The Audit Committee is of the view that the internal audit team is adequately resourced to perform its functions and has, to the best of its ability, maintained its independence from the activities that it audits.

B Dealings with Related Parties

In general, the Manager has established internal control procedures to ensure that related party transactions are undertaken in compliance with the SC REIT Guidelines, the Deed and the Listing Requirements and such transactions are carried out at arm's length basis based on normal commercial terms and will not be prejudicial to the interest of AmFIRST and the unitholders.

In respect of such transactions, the Manager would have to demonstrate to the Audit Committee that the transactions are undertaken on normal commercial terms, which may include (where applicable) obtaining quotations from parties unrelated to the Manager, or obtaining a valuation from an independent valuer. All related party transactions are subject to regular periodic review by the Audit Committee prior to recommendation to the Board.

In dealing with any related party transactions, it is the Manager's policy that all related party transactions carried out by or on behalf of AmFIRST should be:-

- (i) At arm's length basis and on normal commercial terms;
- (ii) In the best interests of unitholders of AmFIRST;
- (iii) Adequately disclosed to the unitholders of AmFIRST;
- (iv) In relation to a real estate transaction:-
 - (a) Consented by the Trustee;
 - (b) Consistent with the investment objective and strategy of AmFIRST; and
 - (c) Transacted at a price that is equivalent to the value assessed in the valuation report.

Acquisition/disposal may be transacted at a price other than as per the valuation report provided that:

- (i) The acquisition price is not more than 110% of the value assessed in the valuation report;
- (ii) The disposal price is not less than 90% of the value assessed in the valuation report; and
- (iii) The Trustee provide a written confirmation that the transaction is based on normal commercial terms, at arm's length, and not prejudicial to unitholders' interest.

The Manager and Trustee must ensure that the prior approval of the unitholders by way of an ordinary resolution is obtained where the transaction value with related parties is equal to or greater than 5% of the total asset value of AmFIRST (post acquisition). Where the transaction value does not exceed 5% of the total asset value of AmFIRST (post acquisition), the Trustee must provide a written confirmation that the transaction is based on normal commercial terms, at arm's length, and not prejudicial to the unitholders' interest.

The Board will consider AmFIRST's best interest in relation to decision affecting it when they vote as a member of the Board. In addition, the Directors and Chief Executive Officer of the Manager are expected to act with honesty and integrity at all times.

C Role of the Audit Committee for Related Party Transactions

Audit Committee reviews, together with the Management, the related party transactions to ensure compliance with the internal control procedures and the relevant provisions of the SC REIT Guidelines, the Deed and the Listing Requirements. The review includes the examination of the nature of the transaction and the supporting documents, or such other data deemed necessary by the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, he/she are to abstain from participating in the review and the recommendation process in relation to that transaction.

The related party transactions for the financial year ended 31 March 2013 are as disclosed in Note 21 of the Notes to the Financial Statements for the financial year ended 31 March 2013.

D Dealings with Conflict of Interest

All transactions carried out for or on behalf of AmFIRST are executed on commercial terms and which are no less favourable than arm's length transactions between independent parties. The Trustee and Manager will avoid conflicts of interests from arising or if conflicts arise, will ensure that AmFIRST is not disadvantaged by the transaction concerned.

The Manager has instituted the following procedures to deal with conflict of interest issues:-

- (i) The Manager will not manage any other REIT which invests in the same type of properties as AmFIRST;
- (ii) At least two of the Board shall comprise independent Directors while maintaining a minimum ratio of one-third Independent Non-Executive Directors at all times; and
- (iii) In respect of matters in which one of the Director or persons connected to him/her have an interest, direct or indirect, such interested Director will abstain from deliberation and voting. In such matters, the quorum must comprise a majority of the Directors and must exclude such interested Directors.

The Directors of the Manager are under a fiduciary duty to AmFIRST to act in its best interests in relation to decisions affecting AmFIRST when they are voting as members of the Board.

Under the Deed, the related parties of the Manager (as defined in the Deed) are prohibited from voting at, or being part of a quorum for, any meeting of unitholders convened to approve matter or business in which any of the related parties has an interest.

Save for Directors' interests in AmFIRST (as disclosed on page 91 of the Manager's Report) and the transactions with companies related to the Manager (as disclosed in Note 21 of the notes to the financial statements), no conflict of interest has arisen during the financial year under review.

E Risk Assessment and Management of Business Risk

The Manager adopts a risk management framework that enables it to continuously identify, evaluate, mitigate and monitor risks that affect AmFIRST in achieving its business objectives within defined risk parameters.

The Manager applies the risk management framework as a structured process in making risk based strategies and decisions across respective functions, identifying potential issues and events that affect the REIT, managing risks within the acceptable risk appetite and providing reasonable assurance in mitigating the identified risks.

Key risk category, process owners, risk factors, risk impact, mitigation actions and risk indicators are continually identified, accessed and monitored by the Manager as part of the Manager's risk management framework and is documented in the Risk Profile Register by the Manager and reviewed by the Audit Committee.

A separate Risk Management Committee at Management level was established to assist the Audit Committee in assessing the adequacy of internal control and risk management. The Risk Management Committee comprises the Chief Executive Officer, Head of Finance, Head of Asset Management and Head of Investment. The Risk Management Committee performs the following roles:

- (i) Review adequacy and effectiveness of risk management process and system;
- (ii) Review and recommend to the Board and Audit Committee to approve the broad terms risk guidelines and risk appetite of the AmFIRST on a periodic basis;
- (iii) Review identified key risks at the AmFIRST's operations and the status of each activity;
- (iv) Guide managerial staff in operations in identifying, evaluating and managing key risks; and
- (v) Report to the Audit Committee on material and pervasive findings which exceeded the risk appetite and make appropriate recommendations.

The Risk Management Committee will meet periodically to review the risk profile and will report to the Audit Committee on overall risk management matters assessed during the period at least every half-yearly (or quarterly, if required).

The risk management process is integrated with the business processes, enabling proper risk management at operation level of each property, as well as at Trust level. Risks identified are systematically evaluated with proper mitigating action in place, developed to manage the risks to an acceptable level and monitored on continuous basis.

F External Auditor

The Board maintains a transparent relationship throughout their association with the External Auditors. The appointment of External Auditors, who may be nominated by the Manager, is approved by the Trustee. The External Auditors appointed must be independent of the Manager and Trustee. The remuneration of the External Auditors is approved by the Trustee.

In addition to the work performed by the Internal Auditors, the External Auditors also perform test of controls that are relevant to the preparation of AmFIRST's financial statements and report any significant deficiencies of such internal controls to the Audit Committee. The Audit Committee also reviews the effectiveness of measures taken by the Manager in response to the issues noted by the External Auditors. The system of internal control is continuously being refined by the Manager.

G Compliance Officer

The Manager has a designated compliance officer working towards ensuring the compliance with the Deed as well as all legislations, rules and guidelines issued by the Securities Commission and Bursa Securities applicable to AmFIRST.

H Whistle-Blowing Policy

The Manager being part of AmBank Group, has in place a policy to provide employees of the Manager with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to AmFIRST and the Manager. The aim of the whistle-blowing policy is to promote whistleblowing in a positive manner which provides an avenue to escalate concern on improper conduct and such concern are being handled appropriately.

COMMUNICATION WITH UNITHOLDERS

The Listing Requirements require that a listed entity discloses to the market any information considered material, if it is reasonably expected to have a material effect on the price, value or market activity of any listed issuer's securities. In line with the disclosure obligations of AmFIRST, the unitholders are being informed in a timely manner of all major developments in its business that impact AmFIRST. During the year under review, a continuous disclosure process was in place to ensure compliance with such obligations and was constantly adhered to.

The Manager believes in engaging the unitholders by having a regular, effective, unbiased and transparent communication.

During the financial year under review, AmFIRST held the first Unitholders' Meeting to seek unitholders' approval for the proposed rights issue and proposed increased in fund size and have various conference calls with investors to update on financial performance and strategies employed.

Corporate presentations are also posted on the Bursa Malaysia's website and investors can have access to the presentations by downloading from the website.

Unitholders and potential stakeholders can access to AmFIRST's website for information on AmFIRST's major developments, property descriptions, announcements and other corporate information. Also available on the website is an archive of AmFIRST's announcements, press releases and annual reports. The latest information is posted on the website as soon as it is released to Bursa Malaysia and the media.

While the Manager endeavours to provide as much information as possible to unitholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

TRADING IN AmFIRST UNITS

The Manager adopts best practices and issues guidelines to its Directors and employees which prohibit dealings in AmFIRST's Units while in possession of material unpublished price-sensitive information. Under these guidelines, the Directors and employees of the Manager are prohibited from dealing in AmFIRST's Units during the period commencing on and from one month prior to the targeted date of announcement of AmFIRST's quarterly results to Bursa Malaysia, up to one full market day after the announcement of AmFIRST's quarterly results. If any of such affected persons deal in AmFIRST's Units during such closed period, they are required to comply with the conditions as set out in the Listing Requirements. They are also made aware of the applicability of the insider trading laws at all times.

CORPORATE RESPONSIBILITY

Corporate responsibility is part of the organization way of succeeding in business, and is, in essence, a set of transparent and ethical actions to give back, nurture and aid in the progress of the various environments in which the corporation operates. This is to contribute to the partners, customers and sources without which the organization would not be able to succeed and prosper.

As part of our responsibility to the market place, AmFIRST's business transactions, deals and relationships with all its groups of customers, suppliers and partners are executed with the highest concern for transparency and ethical conduct, guided by high corporate governance standards. At the workplace, we encourage staff to be environmentally friendly and adopt cost saving measures.

ADDITIONAL DISCLOSURES

A Non-Audit Fee

There was no non-audit fee incurred for services rendered to the Trust for the financial year ended 31 March 2013 by the Trust's auditor, or a firm or a company affiliated to the auditor's firm.

B Sanction and/or Penalties

There was no public sanction and/ or penalty imposed on the Trust and the Directors of the Manager by the relevant regulatory bodies during the financial year ended 31 March 2013.

C Material Contract

There were no material contracts entered by the Trust that involved the Directors of the Manager or substantial unitholders of the Trust during the financial year under review.

D Family Relationship with any Director and/or substantial Unitholders

None of the Directors of the Manager has any family relationship with any other Directors or major unitholders, except for Y. Bhg Dato' Azlan Hashim, who is a brother of Y. Bhg Tan Sri Azman Hashim, a substantial unitholder of AmFIRST.

E Convictions for Offences

None of the Directors has been convicted for offences within the past 10 years.

DIRECTOR RESPONSIBILITY STATEMENT AND AUDITED FINANCIAL STATEMENT

The Board is responsible to ensure that the financial statements for the financial year ended 31 March 2013 have been prepared and drawn out in accordance with the Malaysian Financial Reporting Standards in Malaysia, International Financial Reporting Standards, applicable provisions of the Deed of AmFIRST and the SC REIT Guidelines, so as to give a true and fair view of the financial position of AmFIRST as at 31 March 2013 and of its financial performance and cash flows for the year then ended.

In preparing the financial statements for the financial year ended 31 March 2013, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensure that the financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Trust have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of AmFIRST. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.



Financial Statements

The consistency of the Trust's financial performance and strength of its balance sheet is a testimony to an effective business strategy of delivering maximum total returns to Unitholders.



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MANAGER'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

The Directors of Am ARA REIT Managers Sdn Bhd, ("Am ARA" or the "Manager"), the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST" or the "Trust"), have pleasure in presenting their report to the Unitholders of the Trust together with the audited financial statements of the Trust for the financial year ended 31 March 2013.

THE TRUST, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The Trust was constituted pursuant to the execution of a Deed dated 28 September 2006 (as amended by the Supplemented, Revised and Restated Trust Deed dated 15 December 2006) by the Manager and the Trustee, Maybank Trustees Berhad ("Deed"). The principal activity of the Trust is to own and invest in a portfolio of commercial properties in major growth areas of Malaysia, primarily in the Klang Valley.

Am ARA, incorporated in Malaysia, is a wholly-owned subsidiary of Am ARA REIT Holdings Sdn Bhd. Am ARA REIT Holdings Sdn Bhd is 70% owned by AmInvestment Group Berhad and 30% owned by ARA Asset Management (Malaysia) Limited, a wholly-owned subsidiary of ARA AmFIRST (Singapore) Pte. Ltd., which in turn is a wholly-owned subsidiary of ARA Asset Management Limited ("ARA Group"), an affiliate of the Cheung Kong Group based in Hong Kong. Am ARA's principal activity is to manage real estate investment trusts. There has been no significant change in the nature of this activity during the financial year.

TERM OF THE TRUST

The Trust has no fixed termination date. However, the Deed does provide for a number of circumstances under which the Trust may be terminated.

MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES

The Manager's investment objectives are to deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per unit through proactive management of the Trust's portfolio of assets and acquisition of yield accretive properties.

The Manager intends to achieve AmFIRST's investment objectives through three key strategies:-

(i) Operating Strategy

Am ARA's operating strategy is to continue to enhance the performance of the existing properties by increasing yields and returns through retaining existing tenants, reducing vacancy levels, adding and/or optimizing leaseable space at the properties and minimizing interruptions in rental income and operational costs. Am ARA expects to apply the following key operating and management principles in order to continue to manage the properties efficiently, to increase the yields of the properties and to maximize growth:-

- Improve rental rates;
- Establish close relationships with tenants to optimize tenants retention;
- Diversify tenant base;
- Review tenant mix and re-configure existing space;
- Maintain the quality of the properties;
- Maximize the performance of each property;
- Improve operating efficiencies and economies of scale; and
- Raise the profile of the properties.

MANAGER'S REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES (cont'd)

(ii) Acquisition Strategy

The Manager intends to pursue an acquisition strategy for AmFIRST to increase net property income and asset growth based on the following criteria:

- Yield-accretive;
- Healthy tenant mix and occupancy level;
- Good location;
- Value adding opportunities; and
- Quality building and facilities specifications.

The Manager expects to benefit from the network of the sponsor and its Joint Venture Partner, ARA Asset Management (Malaysia) Limited, which is part of the ARA Group. ARA Group is a leading real estate fund management house in Asia. It has a strong presence in the region with investments in many parts of Asia. ARA Group possesses expertise in identifying opportunities in the development of the Asian real estate industry and is dedicated to the real estate fund management business. Its key staff have been involved with many corporate restructurings in Asia involving real estate assets. Their experience and network will provide an edge to the Manager in its efforts to grow AmFIRST.

AmFIRST intends to hold its properties on a long-term basis. In the future where the Manager considers that any property has reached a stage that offers only limited scope for growth, it may consider selling the property and utilize the proceeds for alternative investments in properties that meet the Manager's investment criteria.

(iii) Capital Management Strategy

The Manager's strategy for the management of AmFIRST's capital structure involves adopting and maintaining an appropriate debt-equity structure with gearing level to be maintained within the prescribed limits and utilizing an active interest rate management policy to manage the risks associated with interest rate fluctuations. The Manager believes that this strategy will:-

- Optimize Unitholders' returns;
- Maintain operating flexibility when considering capital expenditure requirements; and
- Enable AmFIRST to maintain financing flexibility in the funding of future acquisitions.

INVESTMENT POLICIES

(i) Permitted Investments and Restrictions

AmFIRST is allowed to invest in real estate, single-purpose companies whose principal assets comprise real estate, real estate-related or non real estate-related assets, liquid assets, asset-backed securities, listed or unlisted debt securities, and any other investment which is permissible under the Securities Commission ("SC") Guidelines on Real Estate Investment Trusts ("REITs") ["REIT Guidelines"] or otherwise permitted by the SC.

(ii) Portfolio Composition

AmFIRST's investments may be allocated in the following manner, as prescribed by the REIT Guidelines:

- (a) invest in real estates, single-purpose companies, real estate-related assets, non-real estate-related assets and liquid assets;
- (b) at least 50% of AmFIRST's total assets must be invested in real estate and/or single-purpose companies at all times; and
- (c) investment in non-real estate-related assets and/or liquid assets must not exceed 25% of AmFIRST's total assets.

MANAGER'S REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

INVESTMENT POLICIES (cont'd)

(iii) Diversification

AmFIRST will seek to diversify its real estate portfolio by property type and location. AmFIRST will focus on investing in real estate which are primarily used for commercial purposes.

(iv) Gearing

AmFIRST is able to leverage on borrowings to make permitted investments which will enhance the returns to Unitholders. Under the REIT Guidelines, AmFIRST is permitted to procure borrowings of up to 50%, or any other percentage as stipulated by the REIT Guidelines from time to time, of its total asset value.

Summary of AmFIRST's current and historical gearing is as shown below:

	2013	2012	2011	2010	2009
Gearing (%)	32.86	45.89	38.94	39.55	39.31

There is capacity for an additional of approximately RM440,000,000 debt financing before reaching the 50% threshold under the SC's Guidelines on REIT.

The Manager may consider debt borrowing or the issuance of any new Units to further pursue its acquisitions and/or asset enhancement initiatives.

REVIEW OF PERFORMANCE

	As at 31 March 2013	As at 31 March 2012
Net asset value (RM'000)	836,903	617,765
Units in circulation (units) (000)	686,402	429,001
Net asset value per Unit (RM)		
- Before proposed final distribution	1.2193	1.4400
- After proposed final distribution	1.1828	1.3917
Market price per Unit at close of financial year (RM)	1.08	1.19
Highest traded price per Unit during the financial year (RM)	1.23	1.23
Lowest traded price per Unit during the financial year (RM)	1.02	1.10

MANAGER'S REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

DISTRIBUTION OF INCOME

In respect of the current financial year ended 31 March 2013, total realized income available for distribution was RM46,920,601 which translated to 6.84 sen per unit.

During the financial year, AmFIRST paid an interim income distribution of 3.16 sen per unit (of which 3.12 sen per unit is subject to withholding tax and 0.04 per unit is tax exempted) amounted to RM21,690,287 on 12 December 2012 for the six-month period from 1 April 2012 to 30 September 2012.

The Directors of the Manager recommend a final income distribution of 3.65 sen per unit (of which 3.64 sen per unit is taxable and 0.01 sen per unit is tax exempted) amounting to RM25,053,658 for the six-month period from 1 October 2012 to 31 March 2013 to be payable on 31 May 2013.

The financial statements for the current financial year do not reflect the proposed final income distribution. Such income distribution will be accounted for in statement of changes in net asset value as distribution to Unitholders in the next financial year ending 31 March 2014.

This is in line with the objective of AmFIRST to deliver regular and stable distributions to Unitholders.

INVESTMENTS OF THE TRUST

AmFIRST's composition of investments as at 31 March 2013 are as follows:

	RM million	% of Investment
At fair value		
Bangunan AmBank Group	238.0	18.5
AmBank Group Leadership Centre	22.0	1.7
Menara AmFIRST	68.0	5.3
Menara AmBank	310.0	24.0
Wisma AmFIRST	110.0	8.5
The Summit Subang USJ	305.0	23.7
Prima 9	75.0	5.8
Prima 10	62.0	4.8
Kompleks Tun Sri Lanang (also known as Jaya 99)	87.2	6.8
	1,277.2	99.1
Deposits with financial institution	11.7	0.9
	1,288.9	100.0

The values of investment properties have increased by RM 97.4 million in the current financial year ended 31 March 2013. The net effect is due to the acquisition of Jaya 99, changes in the fair values on the revaluation of investment properties and capitalization of refurbishments carried out at Bangunan AmBank Group, The Summit Subang USJ, Wisma AmFIRST and Menara AmBank during the financial year ended 31 March 2013.

MANAGER'S REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

BREAKDOWN OF UNIT HOLDINGS AS AT 31 MARCH 2013

	Number of Unitholders	Number of Units
5,000 and below	8,109	13,156,753
5,001 to 10,000	1,579	12,921,878
10,001 to 50,000	2,214	54,246,078
50,001 to 500,000	956	142,591,310
500,001 and above	123	463,485,581
	12,981	686,401,600

DIRECTORS OF THE MANAGER

The Directors of the Manager in office since the date of the last report and at the date of this report are:

Dato' Azlan bin Hashim

Dato' Teo Chiang Quan

Cheah Tek Kuang (Resigned w.e.f 1.4.2013)

Tuan Haji Mohd Salleh bin Akram

Lim Hwee Chiang

Pushpa Rajadurai (Ceased as Alternate Director to Cheah Tek Kuang and appointed as Director w.e.f 1.4.2013)

Anthony Ang Meng Huat (Alternate Director to Lim Hwee Chiang)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement to which the Manager or the Trust was a party, whereby the Directors of the Managers might acquire benefits by means of acquisition of shares in or debentures of the Manager or any other body corporate or of the acquisition of units of the Trust.

Since the end of the previous financial year, no Director of the Manager has received or become entitled to receive a benefit (other than benefits which accrue from the fee paid to the Manager or from transactions made with companies related to the Manager as shown in the notes to the financial statements of the Trust) by reason of a contract made by the Manager or the Trust or a related corporation with the Director of the Manager or with a firm in which the Director of the Manager is a member, or with a company in which the Director of the Manager has a substantial financial interest, other than for the related party transactions as shown in Note 21 to the financial statements of the Trust.

MANAGER'S REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

DIRECTORS' INTEREST

The interests in the Trust of the Directors of the Manager in office at the end of the financial year ended 31 March 2013 are as follows:

Direct Interest

<i>In the Trust</i>	←----- Number of units in the Trust -----→			As at 31.03.2013
	As at 01.04.2012	Bought	Sold	
Cheah Tek Kuang	1,000	-	(1,000)	-

Indirect Interest

<i>In the Trust</i>	Name of Company	←----- Number of units in the Trust -----→			As at 31.03.2013
		As at 01.04.2012	Bought	Sold	
Lim Hwee Chiang	Jadeline Capital Sdn Bhd	23,105,000	13,863,000	-	36,968,000

Other than as disclosed above, none of the Directors of the Manager in office at the end of the financial year had any interest in the Trust during the financial year.

MANAGER'S FEES AND COMMISSION

Pursuant to the Deed, the Manager's fee consists of a base fee (excluding any taxes payable) of up to 0.5% per annum of the total asset value and a performance fee (excluding any taxes payable) of 3% per annum of the net property income, but before deduction of property management fees.

In addition, the Manager will also be entitled to an acquisition fee of 1% of the acquisition price of any real estate or single-purpose company whose principal assets comprise real estate for any acquisition by AmFIRST and a divestment fee of 0.5% of the sale price of any real estate or single-purpose company whose principal assets comprise real estate, sold or divested by AmFIRST (pro-rated if applicable to the proportion of the interest in real estate or single-purpose company purchased or sold).

During the financial year, the Manager did not receive any soft commission (i.e. goods and services) from its broker, by virtue of transactions conducted by AmFIRST.

MATERIAL LITIGATION

There is no material litigation pending since the issuance of the last annual report up to the date of this report.

MANAGER'S REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

OTHER STATUTORY INFORMATION

- (a) Before the statement of comprehensive income and statement of financial position of the Trust were made out, the Manager took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realize their value as shown in the accounting records in the ordinary course of business had been written down to their estimated realizable values.
- (b) At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or financial statements of the Trust which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts made in the financial statements of the Trust inadequate to any material extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Trust misleading.
- (c) At the date of this report, the Manager is not aware of any circumstances which have arisen, which would render adherence to the existing method of valuation of assets or liabilities of the Trust misleading or inappropriate.
- (d) At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Trust which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Trust which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Trust which has arisen since the end of the financial year.
- (f) In the opinion of the Directors of the Manager:
- (i) no contingent or other liability of the Trust has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Trust to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Trust for the financial year in which this report is made.

MANAGER'S REPORT (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

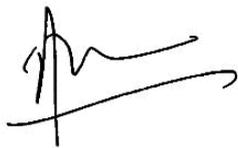
SIGNIFICANT EVENTS

The significant events are as disclosed in Note 23 to the financial statements.

AUDITORS

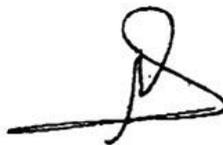
The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors of the Manager.



DATO' AZLAN BIN HASHIM

Kuala Lumpur, Malaysia
Date: 29 April 2013



TUAN HAJI MOHD SALLEH BIN AKRAM

STATEMENT BY THE DIRECTORS OF THE MANAGER

We, **Dato' Azlan bin Hashim** and **Tuan Haji Mohd Salleh bin Akram**, being two of the Directors of the Manager, do hereby state that, in the opinion of the Directors of the Manager, the financial statements of AmFIRST Real Estate Investment Trust (the "Trust") as set out on pages 98 to 123 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Trust as at 31 March 2013 and of the results and the cash flows of the Trust for the financial year then ended.

The information set out in Note 25 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realized and Unrealized Profit or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors of the Manager.



DATO' AZLAN BIN HASHIM



TUAN HAJI MOHD SALLEH BIN AKRAM

Kuala Lumpur, Malaysia
Date: 29 April 2013

STATUTORY DECLARATION

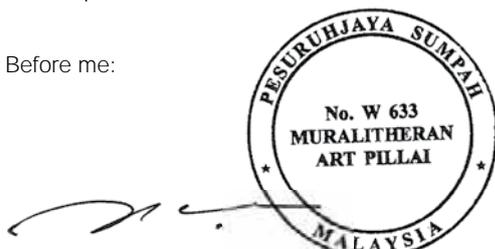
I, **Chong Hong Chuon**, being the officer primarily responsible for the financial management of AmFIRST Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 98 to 124 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed Chong Hong Chuon
at Kuala Lumpur in Wilayah Persekutuan
on 29 April 2013



CHONG HONG CHUON

Before me:



Commissioner for Oaths Tkt. 20, AmBank Building
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

TRUSTEE'S REPORT

To the Unitholders of AmFIRST Real Estate Investment Trust

We have acted as the Trustee of AmFIRST Real Estate Investment Trust (the "Trust") for the financial year ended 31 March 2013. To the best of our knowledge, Am ARA REIT Managers Sdn. Bhd. has managed the Trust in accordance with the roles and responsibilities and limitation imposed on the investment powers of the Management Company and the Trustee under the Deed, the Securities Commission's Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act 2007 and other applicable laws during the financial year ended 31 March 2013.

We are of the opinion that:

- (i) The valuation and pricing of the Trust's units are adequate and such valuation/pricing is carried out in accordance with the deed and other regulatory requirements.
- (ii) The creation of units is carried out in accordance with the deed and other regulatory requirements.
- (iii) The income distributions declared and paid during the financial year ended 31 March 2013 are in line with and are reflective of the objectives of the Trust.

For Maybank Trustees Berhad



Tony Chieng Siong Ung
Head, Operations

Kuala Lumpur, Malaysia
Date: 29 April 2013

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF AmFIRST REAL ESTATE INVESTMENT TRUST

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of AmFIRST Real Estate Investment Trust (the "Trust"), which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 98 to 123.

MANAGER'S AND TRUSTEE'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and for such internal control as the Manager determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable fair presentation of these financial statements.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors of the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2013 and of its financial performance, changes in net asset value and cash flows for the year ended 31 March 2013 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT (cont'd)

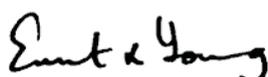
TO THE UNITHOLDERS OF AmFIRST REAL ESTATE INVESTMENT TRUST

OTHER MATTERS

As stated in Note 2.2 to the financial statements, AmFIRST Real Estate Investment Trust adopts Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by the Directors of the Manager to the comparative information in these financial statements, including the statement of financial position as at 31 March 2012 and 1 April 2011, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Trust for the year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the year then ended.

The supplementary information as disclosed on page 124 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors of the Manager are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realized and Unrealized Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the Unitholders of the Trust, as a body, in accordance with the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young

AF: 0039

Chartered Accountants

Kuala Lumpur, Malaysia

Date: 29 April 2013



Yeo Beng Yean

No. 3013/10/14 (J)

Chartered Accountant

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	31 March 2013 RM	31 March 2012 RM	1 April 2011 RM
ASSETS				
Non-Current Assets				
Investment properties	3	1,277,225,784	1,179,844,124	1,024,000,000
Current Assets				
Receivables	4	7,602,738	8,427,773	7,438,847
Deposits with financial institution	5	11,741,009	9,234,533	12,957,966
Cash and bank balances		1,019,659	1,035,252	864,852
		20,363,406	18,697,558	21,261,665
TOTAL ASSETS		1,297,589,190	1,198,541,682	1,045,261,665
LIABILITIES				
Non-Current Liabilities				
Rental deposits	6	10,482,474	9,491,562	10,719,959
Borrowings	7	338,000,000	163,000,000	298,000,000
		348,482,474	172,491,562	308,719,959
Current Liabilities				
Payables	8	7,646,130	5,357,192	10,003,462
Rental deposits	6	16,157,889	15,928,009	11,553,393
Borrowings	7	88,400,000	387,000,000	109,000,000
		112,204,019	408,285,201	130,556,855
TOTAL LIABILITIES		460,686,493	580,776,763	439,276,814
NET ASSET VALUE		836,902,697	617,764,919	605,984,851
FINANCED BY:				
UNITHOLDERS' FUNDS				
Unitholders' capital	9	636,624,829	426,873,406	426,873,406
Undistributed income	9	200,277,868	190,891,513	179,111,445
		836,902,697	617,764,919	605,984,851
NUMBER OF UNITS IN CIRCULATION (UNITS)		686,401,600	429,001,000	429,001,000
NET ASSET VALUE PER UNIT				
- before proposed final distribution		1.2193	1.4400	1.4125
- after proposed final distribution		1.1828	1.3917	1.3631

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM	2012 RM
Gross revenue	10	109,783,641	97,979,826
Property expenses	11	(35,615,997)	(32,099,718)
Net rental income		74,167,644	65,880,108
Interest income		316,057	104,102
Compensation from land acquisition		-	91,154
Change in fair value of investment properties		5,052,700	12,240,585
Loss arising from measuring non-current financial liabilities at amortized cost		(175,846)	(42,198)
Other income		1,488	15,859
		79,362,043	78,289,610
Administrative expenses			
Manager's fee	12	(5,985,846)	(5,375,899)
Trustee's fee	13	(302,829)	(239,204)
Valuation fee		(238,600)	(271,609)
Auditors' remuneration		(20,000)	(20,000)
Tax agent's fee		(15,000)	(12,000)
Other expenses	14	(1,141,076)	(458,699)
Interest expense		(19,861,237)	(19,719,965)
		(27,564,588)	(26,097,376)
Income before taxation		51,797,455	52,192,234
Taxation	15	-	-
Income for the financial year		51,797,455	52,192,234
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		51,797,455	52,192,234
Total comprehensive income for the year is made up as follows:			
- Realized		46,920,601	39,993,847
- Unrealized		4,876,854	12,198,387
		51,797,455	52,192,234

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013	2012
Earnings per unit (sen)	16		
- after manager's fee		8.69	12.17
- before manager's fee		9.69	13.42
Net income distribution (RM)	17		
Interim income distribution of 3.16 sen per unit paid on 12 December 2012 (2011 : 4.48 sen paid on 30 November 2011)		21,690,287	19,219,245
Proposed final income distribution of 3.65 sen per unit payable on 31 May 2013 (2012: Final income distribution of 4.83 sen per unit paid on 31 May 2012)		25,053,658	20,720,748
		46,743,945	39,939,993
Income distribution per unit * (sen)			
- Interim		3.16	4.48
- Final		3.65	4.83
		6.81	9.31

* Withholding tax will be deducted for distributions made to the following types of Unitholders:

	2013	2012
Resident individual	10%	10%
Non-resident individual	10%	10%
Resident institutional investor	10%	10%
Non-resident institutional investor	10%	10%
Resident company (No withholding tax. Subject to prevailing corporate tax rate)	Nil	Nil
Non-resident company	25%	25%

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Unitholders' Capital RM	Distributable Undistributed Income		Unitholders' Funds RM
		Realized RM	Unrealized RM	
2013				
As at 1 April 2012	426,873,406	20,792,631	170,098,882	617,764,919
Total comprehensive income for the year	-	46,920,601	4,876,854	51,797,455
	426,873,406	67,713,232	174,975,736	669,562,374
Unitholders' transactions				
Issuance of Rights Units (Note 23)	213,642,498	-	-	213,642,498
Issuance expenses	(3,891,075)	-	-	(3,891,075)
Distribution to Unitholders				
- 2012 final	-	(20,720,748)	-	(20,720,748)
- 2013 interim	-	(21,690,287)	-	(21,690,287)
- Underprovision of previous year's distribution	-	(65)	-	(65)
	209,751,423	(42,411,100)	-	167,340,323
As at 31 March 2013	636,624,829	25,302,132	174,975,736	836,902,697
2012				
As at 1 April 2011	426,873,406	21,210,950	157,900,495	605,984,851
Total comprehensive income for the year	-	39,993,847	12,198,387	52,192,234
	426,873,406	61,204,797	170,098,882	658,177,085
Unitholders' transactions				
Distribution to Unitholders				
- 2011 final	-	(21,192,649)	-	(21,192,649)
- 2012 interim	-	(19,219,245)	-	(19,219,245)
- Underprovision of previous year's distribution	-	(272)	-	(272)
	-	(40,412,166)	-	(40,412,166)
As at 31 March 2012	426,873,406	20,792,631	170,098,882	617,764,919

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	2013	2012
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before taxation	51,797,455	52,192,234
<i>Adjustments for:</i>		
Interest income from placements with financial institution	(316,057)	(104,102)
Interest expense	19,861,237	19,719,965
Reversal of impairment loss on trade receivables	(182,485)	(456,537)
Trade receivables written-off	397,679	174,855
Change in fair value of investment properties	(5,052,700)	(12,240,585)
Loss arising from measuring non-current financial liabilities at amortized cost	175,846	42,198
Operating profit before working capital changes	66,680,975	59,328,028
<i>Changes in working capital:</i>		
Decrease/(Increase) in receivables	609,841	(707,244)
Increase/(decrease) in payables	1,279,226	(4,252,539)
Increase in rental deposits	1,044,946	3,104,021
Net cash generated from operating activities	69,614,988	57,472,266
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investment properties	(87,225,784)	(134,651,300)
Enhancements of investment properties	(5,103,176)	(8,952,239)
Interest income	316,057	104,102
Net cash used in investing activities	(92,012,903)	(143,499,437)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(18,851,525)	(20,113,696)
Distributions paid to Unitholders	(42,411,100)	(40,412,166)
(Repayment)/drawdown of borrowings	(123,600,000)	143,000,000
Proceeds from issuance of Rights units	213,642,498	-
Issuance expenses	(3,891,075)	-
Net cash generated from financing activities	24,888,798	82,474,138
Net increase/(decrease) in cash and cash equivalents	2,490,883	(3,553,033)
Cash and cash equivalents as at the beginning of the financial year	10,269,785	13,822,818
Cash and cash equivalents as at the end of the financial year	12,760,668	10,269,785
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	1,019,659	1,035,252
Deposits with financial institution	11,741,009	9,234,533
	12,760,668	10,269,785

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Trust was constituted pursuant to the execution of a Deed dated 28 September 2006 by the Manager, Am ARA REIT Managers Sdn Bhd, and the Trustee, Maybank Trustees Berhad. The Manager, incorporated in Malaysia, is a wholly-owned subsidiary of Am ARA REIT Holdings Sdn Bhd. Am ARA REIT Holdings Sdn Bhd is 70% owned by AmInvestment Group Berhad and 30% owned by ARA Asset Management (Malaysia) Limited, a wholly-owned subsidiary of ARA AmFIRST (Singapore) Pte. Ltd., which in turn is a wholly-owned subsidiary of ARA Asset Management Limited, which is an affiliate of the Cheung Kong Group based in Hong Kong.

AmFIRST was listed on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2006.

The key objectives of 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.

The registered office of the Manager is located at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The financial statements were authorized for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Trust have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

For all periods up to and including the year ended 31 March 2012, the Trust prepared its financial statements in accordance with Financial Reporting Standard ("FRSs"). These financial statements for the year ended 31 March 2013 are the first prepared in accordance with MFRSs. Refer to Note 2.2 for information on how the Trust adopted MFRSs.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 First-time Adoption of MFRSs

The financial statements for the year ended 31 March 2013 are the first prepared in accordance with MFRSs and MFRS 1, First-time Adoption of MFRSs. For periods up to and including the year ended 31 March 2011, the Trust prepared its financial statements in accordance with FRSs.

Accordingly, the Trust has prepared financial statements which comply with MFRSs applicable for periods ending on or after 31 March 2013, together with the comparative period data as at and for the year ended 31 March 2012, as described in the accounting policies. In preparing these financial statements, the Trust's opening statement of financial position was prepared as at 1 April 2011, the Trust's date of transition to MFRSs. The transition from FRSs to MFRSs has not had a material impact on the statement of financial position, statement of comprehensive income and statement of cash flows. There are no adjustments arising from the transition to MFRSs, thus notes to the statement of financial position as at 1 April 2011 have not been presented.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards and interpretations issued but not yet effective

The Malaysian Accounting Standards Board ("MASB") has issued other new and revised MFRSs, amendments and IC interpretations (collectively referred to as "pronouncements") which are not yet effective and therefore, have not been implemented by the Trust.

Effective for financial periods ending 31 March 2014

MFRS 3, Business Combination
MFRS 10, Consolidated Financial Statements
MFRS 11, Joint Arrangements
MFRS 12, Disclosure of Interests in Other Entities
MFRS 13, Fair Value Measurement
MFRS 119, Employee Benefits (revised)
MFRS 127, Consolidated and Separate Financial Statements (revised)
MFRS 128, Investments in Associates (revised)
Amendments to MFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11, Joint Arrangements: Transition Guidance
Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance
IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Effective for financial periods ending 31 March 2015

Amendments to MFRS 132, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

Effective for financial periods ending 1 January 2016

MFRS 9, Financial Instruments
Amendments to MFRS 7, Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures

The Trust plans to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of AmFIRST upon their initial application.

2.4 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purpose, or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment properties at the time the cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Investment properties (cont'd)

Investment properties are stated at fair value which reflects market condition at the reporting date. The fair value is arrived at by reference to market evidence of transaction prices or price which the properties could be exchanged between knowledgeable, willing parties at an arms length transaction. Gains and losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognized upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognized in profit or loss.

2.5 Financial assets

Financial assets are recognized in the statement of financial position when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Trust determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. As at the reporting date, the Trust only has financial assets classified as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ("EIR") method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in "Interest income" in the income statement. The losses arising from impairment of receivables are recognized in profit or loss as "Other operating expenses" for receivables.

2.6 Impairment of financial assets

The Trust assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried at amortized cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Trust considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Trust's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Impairment of financial assets (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in profit or loss.

2.7 Financial liabilities

Financial liabilities are recognized in the statement of financial position when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. As at the reporting date, the Trust only has financial liabilities classified as "other financial liabilities" which are carried at amortized cost.

Financial liabilities are recognized initially at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.

A financial liability is derecognized when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognitions of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.8 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash and bank balances with banks and other financial institutions, and short-term deposits maturing within one month.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term funds as defined above, excluding deposits and net of outstanding bank overdrafts.

2.9 Recognition of income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term.

2.10 Income tax

a. Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Income tax (cont'd)

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Expenses

a. Property expenses

Property expenses consist of property management fees, quit rent, assessment and other outgoings in relation to investment properties.

b. Interest expense

Interest expense is recognized in profit or loss in the period which they are incurred.

c. Manager's and Trustee's fees

The Manager's and Trustee's fees are recognized on an accrual basis.

2.12 Functional and presentation currency

The financial statements of the Trust are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Trust's functional currency.

3. INVESTMENT PROPERTIES

	2013	2012
	RM	RM
As at beginning of the year	1,179,844,124	1,024,000,000
Acquisitions	87,225,784	134,651,300
Enhancements	5,103,176	8,952,239
Change in fair value	5,052,700	12,240,585
As at 31 March	<u>1,277,225,784</u>	<u>1,179,844,124</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. INVESTMENT PROPERTIES (cont'd)

Description of property	Tenure of land	Location	Existing use	Cost of Investment	Valuation as at	% of Valuation to net asset value as at	Valuation as at	% of Valuation to net asset value as at
				31.3.2013	31.3.2013	31.3.2013	31.3.2012	31.3.2012
				RM	RM	%	RM	%
(i) Menara AmBank ⁴	Freehold	Kuala Lumpur	Office	232,224,313	310,000,000	37.04	306,000,000	49.53
(ii) Bangunan AmBank Group ^{2⊗}	Leasehold	Kuala Lumpur	Office	186,966,015	238,000,000	28.44	237,500,000	38.45
(iii) Menara AmFIRST ⁴	Freehold	Petaling Jaya	Office	63,861,772	68,000,000	8.13	67,800,000	10.98
(iv) AmBank Group Leadership Centre ¹	Freehold	Kuala Lumpur	Office	19,653,924	22,000,000	2.63	20,700,000	3.35
(v) Wisma AmFIRST ^{3#}	Leasehold	Kelana Jaya	Office	90,148,495	110,000,000	13.14	111,000,000	17.97
(vi) The Summit Subang USJ ⁵	Freehold	Subang Jaya	Mixed Commercial Complex	288,284,013	305,000,000	36.44	302,200,000	48.92
(vii) Prima 9 ⁶	Freehold	CyberJaya	Office	72,897,514	75,000,000	8.96	72,897,514	11.80
(viii) Prima 10 ⁶	Freehold	CyberJaya	Office	61,746,610	62,000,000	7.41	61,746,610	10.00
(ix) Jaya 99 [^]	Leasehold	Melaka	Office	87,225,784	87,225,784	10.42	-	-
				<u>1,103,008,440</u>	<u>1,277,225,784</u>		<u>1,179,844,124</u>	

¹ The property was revalued on 5 March 2013 by Rahim & Co Chartered Surveyors Sdn. Bhd., an independent professional valuers using comparison and investment method.

² The property was revalued on 7 March 2013 by Rahim & Co Chartered Surveyors Sdn. Bhd., an independent professional valuers using comparison and investment method.

³ The property was revalued on 8 March 2013 by Rahim & Co Chartered Surveyors Sdn. Bhd., an independent professional valuers using comparison and investment method.

⁴ The properties were revalued on 11 March 2013 by Rahim & Co Chartered Surveyors Sdn. Bhd., an independent professional valuers using comparison and investment method.

⁵ The property were revalued on 11 March 2013 by C H Williams Talhar & Wong Sdn Bhd, an independent professional valuers using comparison and investment method.

⁶ The properties were revalued on 7 March 2013 by C H Williams Talhar & Wong Sdn Bhd, an independent professional valuers using comparison and investment method.

[⊗] The leasehold land will expire on 3 June 2084.

[#] The leasehold land will expire on 19 February 2094.

[^] The leasehold land will expire on 7 October 2109.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. RECEIVABLES

	2013 RM	2012 RM
Trade receivables (a)	5,701,418	5,323,288
Less : Allowance for impairment	(1,169,842)	(1,352,327)
Trade receivables, net	4,531,576	3,970,961
Other receivables, deposits and prepayments, net (b)	3,071,162	4,456,812
Total receivables, net	<u>7,602,738</u>	<u>8,427,773</u>

(a) Included in trade receivables are rental outstanding from companies related to the Manager amounting to RM745,426 (2012: RM531,930) which are subject to normal trade terms.

(b) Included in other receivables in the current year are advances to the Joint Management Body for the proposed re-development of The Summit Shopping Mall amounting to RM887,929 (2012: RM887,929).

The Trust's primary exposure to credit risk arises through its trade receivables. The Trust's trading terms with its tenants are mainly on credit. The credit period is generally for a period of seven (7) days as stipulated in the tenancy agreement. The Trust seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by Senior Management. The Trust's trade receivables relate to a large number of diversified customers, and other than the AmBank Group, there is no significant concentration of credit risk.

5. DEPOSITS WITH FINANCIAL INSTITUTION

	2013 RM	2012 RM
Placements maturing within three months placed with a licensed bank	11,741,009	8,078,805
Placements maturing more than three months placed with a licensed bank	-	1,155,728
	<u>11,741,009</u>	<u>9,234,533</u>

The deposits have been placed with a financial institution related to the Manager of the Trust.

Details of the interest rate and maturity of the deposits are disclosed in Note 22(b)(ii).

Included in placement with a licensed bank is an amount of RM2,623,795 (2012: NIL) held by the Trust on behalf of the vendor of Jaya 99 (Note 8 (ii)).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. RENTAL DEPOSITS

	2013 RM	2012 RM
<i>Non-current</i>		
Payable after 12 months	10,482,474	9,491,562
<i>Current</i>		
Payable within 12 months	16,157,889	15,928,009
	<u>26,640,363</u>	<u>25,419,571</u>

Included in the above are rental deposits received from companies related to the Manager, as summarized below:

	2013 RM	2012 RM
<i>Non-current</i>		
Payable after 12 months	3,642,011	3,481,923
<i>Current</i>		
Payable within 12 months	7,180,159	7,205,069
	<u>10,822,170</u>	<u>10,686,992</u>

7. BORROWINGS

	2013 RM	2012 RM
<i>Current</i>		
Term Loan (Fixed rate)	-	57,000,000
Term Loan (Floating rate)	30,000,000	71,000,000
Revolving Credit (Floating rate)	58,400,000	259,000,000
	<u>88,400,000</u>	<u>387,000,000</u>
<i>Non-Current</i>		
Term Loan (Fixed rate)	117,000,000	-
Term Loan (Floating rate)	11,000,000	30,000,000
Revolving Credit (Floating rate)	210,000,000	133,000,000
	<u>338,000,000</u>	<u>163,000,000</u>
Total borrowings	<u>426,400,000</u>	<u>550,000,000</u>

A term loan of RM57.0 million and a revolving credit of RM4.0 million are secured by way of a lien holder caveat over Menara AmFIRST. A revolving credit of RM210.0 million is secured by a first party first legal charge over Menara AmBank.

Details of the interest rate and maturity of the borrowings are disclosed in Note 22(b)(ii).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. PAYABLES

	2013 RM	2012 RM
Trade payables	91,064	3,880,447
Other payables and accruals	7,555,066	1,476,745
	<hr/> 7,646,130	<hr/> 5,357,192

Included in other payables and accruals are:

- (i) Amounts owing to the Manager and Trustee of RM534,215 (2012: RM474,905) and RM27,891 (2012: RM20,882) respectively, and
- (ii) The balance of cash retention sum as at 31 March 2013 of RM2,623,795 from the vendor of Kompleks Tun Sri Lanang (also known as Jaya 99). Deduction will be made from the cash retention sum if there is shortfall in the guaranteed gross proceed as stipulated in the Sale and Purchase Agreement. The gross annual proceed is guaranteed by the vendor from 1 November 2012 to 31 October 2018.

9. UNITHOLDERS' FUNDS

Unitholders' funds is represented by:

	2013 RM	2012 RM
Unitholders' capital	636,624,829	426,873,406
Undistributed income	25,302,132	20,792,631
Undistributed unrealized income (Note 25)	174,975,736	170,098,882
	<hr/> 836,902,697	<hr/> 617,764,919

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. UNITHOLDERS' FUNDS (cont'd)

	2013	2012
	Number of	Number of
	units	units
Number of units in circulation:		
Issued and fully paid:		
At beginning of the year	429,001,000	429,001,000
Issued for cash	257,400,600	-
At 31 March	<u>686,401,600</u>	<u>429,001,000</u>
	2013	2012
	RM	RM
At beginning of the year	426,873,406	426,873,406
Issue of right units:		
257,400,600 units @ RM0.83 per unit	213,642,498	-
Issuing expenses	(3,891,075)	-
At 31 March	<u>636,624,829</u>	<u>426,873,406</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. UNITHOLDERS' FUNDS (cont'd)

	As at 31 March 2013		As at 31 March 2012	
	Number	Market value RM	Number	Market value RM
Unitholdings of companies related to the Manager				
AmEquities Sdn Bhd	-	-	80,000,000	95,200,000
AmCorp Group Berhad	41,779,353	45,121,701	26,112,096	31,073,394
AmBank (M) Berhad	168,551,177	182,035,271	25,344,486	30,159,938
Jadeline Capital Sdn Bhd	36,968,000	39,925,440	23,105,000	27,494,950
AmGeneral Insurance Berhad	10,000,000	10,800,000	-	-
AmInvestment Bank Berhad	14,937,961	16,132,998	9,336,226	11,110,109
AmLife Insurance Berhad on behalf of Life Non Par Fund	-	-	4,500,000	5,355,000
AmG Insurance Berhad on behalf of General Fund	4,800,000	5,184,000	3,000,000	3,570,000
AmLife Insurance Berhad on behalf of Life Fund	11,200,000	12,096,000	2,500,000	2,975,000
Indirect unitholdings of Directors of the Manager				
Lim Hwee Chiang ¹	36,968,000	39,925,440	23,105,000	27,494,950
Chief Executive Office of the Manager				
Lim Yoon Peng ²	92,000	99,360	50,000	59,500

¹ By virtue of Mr. Lim Hwee Chiang's indirect interest in Jadeline Capital Sdn Bhd.

² Deemed interest by virtue of his spouse's unitholding in AmFIRST.

The market value is determined by multiplying the number of units with the market closing price of RM1.08 per unit as at 31 March 2013 (2012: RM1.19 per unit).

10. GROSS REVENUE

	2013 RM	2012 RM
Gross rental income	101,312,363	90,500,375
Car park income	8,220,461	7,213,133
Other income	250,817	266,318
	109,783,641	97,979,826

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. PROPERTY EXPENSES

Included in property expenses are the following:

	2013	2012
	RM	RM
Property management fee*	1,423,834	2,381,853
Rates and assessment	5,471,619	4,874,818
Quit rent	154,356	144,963

* Property management fee was charged by property managers in accordance with the Valuers, Appraisers and Estate Agent Act 1981 with permissible discount.

12. MANAGER'S FEE

Pursuant to the Deed, the Manager is entitled to receive 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 3.00% per annum of net property income (excluding any taxes payable), accruing monthly but before deduction of property management fee. The Manager's fee for the current financial year consists of a base fee of only 0.30% (2012: 0.30%) per annum.

13. TRUSTEE'S FEE

Pursuant to the Deed, the Trustee is entitled to receive a fee up to 0.10% per annum of the net asset value. The Trustee's fee for the current financial year is calculated based on 0.04% (2012: 0.04%) per annum on the net asset value.

14. OTHER EXPENSES

Included in other expenses are:

	2013	2012
	RM	RM
Auditors' remuneration	20,000	20,000
Bad debts written off	397,679	174,855
Reversal of impairment loss on trade receivables	(182,485)	(456,537)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. TAXATION

	2013 RM	2012 RM
Current tax expense	-	-

Domestic current income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate of the Trust is as follows:

	2013 RM	2012 RM
Income before taxation	51,797,455	52,192,234
Income tax using Malaysian tax rate of 25% (2012: 25%)	12,949,364	13,048,059
Effects of non-deductible expenses	120,681	50,501
Effect of fair value adjustment on investment properties not subject to tax	1,263,175	3,060,146
Effects of income exempted from tax	(14,333,220)	(16,158,706)
Tax expense	-	-

16. EARNINGS PER UNIT

	2013	2012
Net income for the year (RM)	51,797,455	52,192,234
Weighted average number of units in circulation during the year (units)	596,135,088	429,001,000
Basic EPU per unit (sen)	8.69	12.17

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. INCOME DISTRIBUTION

In respect of the current financial year ended 31 March 2013, the Manager had paid an interim income distribution of 3.16 sen per unit for the six-month financial period from 1 April 2012 to 30 September 2012 and has proposed a final income distribution of 3.65 sen per unit for the six-month financial period from 1 October 2012 to 31 March 2013, totalling RM25,053,658 which is in line with the objectives of AmFIRST to deliver regular and stable distributions to Unitholders. The total income distribution of 6.81 sen for the financial year ended 31 March 2013 is from the following sources:

	2013 RM	2012 RM
Gross revenue	109,783,641	97,979,826
Interest income	316,057	104,102
Compensation from land acquisition	-	91,154
Other income	1,488	15,859
	<hr/> 110,101,186	<hr/> 98,190,941
Less: Expenses	(63,180,585)	(58,197,094)
	<hr/> 46,920,601	<hr/> 39,993,847
Add: Distributable undistributed income as at 1 April	72,155	18,301
	<hr/> 46,992,756	<hr/> 40,012,148
Less: Distributable undistributed income, as at 31 March	248,811	72,155
	<hr/> 46,743,945	<hr/> 39,939,993
	<hr/> <hr/>	<hr/> <hr/>
Gross distribution per unit (sen)	6.81	9.31
	<hr/> <hr/>	<hr/> <hr/>
Net distribution per unit (sen)	6.81	9.31
	<hr/> <hr/>	<hr/> <hr/>

18. PORTFOLIO TURNOVER RATIO

	2013	2012
Portfolio Turnover Ratio ("PTR") (Times)	0.11	0.22
	<hr/> <hr/>	<hr/> <hr/>

The calculation of PTR is based on the average of total acquisitions and total disposals of investments in the Trust for the financial year calculated to the average net asset value during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

19. MANAGEMENT EXPENSE RATIO

	2013	2012
Management Expense Ratio ("MER") (%)	1.00	1.06

The calculation of MER is based on total fees of the Trust incurred, including the Manager's fee, Trustee's fee, Auditors' remuneration, Tax Agent's fee and administrative expenses, to the average net asset value during the financial year. Comparison of MER of the Trust with other real estate investment trusts which use different basis of calculation may not be an accurate comparison.

20. CAPITAL COMMITMENT

	2013 RM	2012 RM
Approved but not contracted for		
Investment properties	10,042,588	3,558,644
Approved and contracted for		
Investment properties	4,809,807	2,405,266

21. TRANSACTIONS WITH THE COMPANIES RELATED TO THE MANAGER

	2013 RM	2012 RM
Rental earned from AMMB Holdings Berhad and its subsidiaries and associates ("AmBank Group")	42,605,533	41,458,244
Interest earned from AmBank (M) Berhad	316,057	104,102
Interest paid to AmBank (M) Berhad	17,828,633	17,363,869

Other than as disclosed in the respective notes, the other balances and transactions with companies related to the Manager include:

	2013 RM	2012 RM
AmBank Group		
Bank balances and deposits placed with AmBank (M) Berhad	12,749,408	10,261,266
Bank borrowing from AmBank Group	396,400,000	490,000,000
Rentals deposits received from the AmBank Group	10,822,170	10,686,992
Am ARA REIT Managers Sdn Bhd		
1% acquisition fees paid to the Manager	860,000	1,330,000
AmInvestment Bank Berhad		
Corporate Advisory fee	436,504	-
Underwriting fee	2,540,828	-

The above transactions have been entered into in the normal course of business and have been established on terms and conditions that have been negotiated between the related parties.

22. FINANCIAL INSTRUMENTS

AmFIRST operates within clearly defined guidelines as set out in the REIT Guidelines. REIT Guidelines have been formulated with the objective of providing a regulatory framework that would protect the interests of the investing public. AmFIRST's risk management policies, which ensure compliance with the spirit of REIT Guidelines, are set out below. It is not the Trust's policy to engage in speculative transactions.

(a) Fair value of financial instruments by classes

The following are classes of financial instruments which are not carried at fair values but whose carrying amounts which are reasonable approximations of their fair value:

	2013	2012
	RM	RM
Loans and receivables		
Receivables	7,602,738	8,427,773
Deposits with financial institution	11,741,009	9,234,533
Cash and bank balances	1,019,659	1,035,252
	<hr/> 20,363,406	<hr/> 18,697,558
Financial liabilities		
Payables	7,646,130	5,357,192
Rental deposits	26,640,363	25,419,571
Borrowings	426,400,000	550,000,000
	<hr/> 460,686,493	<hr/> 580,776,763

The following methods and assumptions were used to estimate the fair values of financial assets and liabilities as at the reporting date:

(i) Cash and bank balances, deposits with financial institution, receivables and payables

The carrying values of these financial assets and financial liabilities approximate their fair value due to the short-term maturity of these instruments.

(ii) Rental deposits and borrowings

Fair value is estimated by discounting expected future cash flows at the market incremental lending rate for similar types of borrowings and payables at the reporting date.

(b) Financial risk management objectives and policies

AmFIRST is exposed to financial risks arising from operations and the use of financial instruments. The key financial risks include interest rate, credit and liquidity risks.

(i) Interest rate risk

AmFIRST's exposure to changes in interest rates relate primarily to interest-earning financial assets and interest bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movements in interest rate.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

22. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Interest rate risk (cont'd)

The interest rate profile of AmFIRST's significant interest bearing financial instruments, based on carrying amounts as at the end of reporting period is as follows:

	2013 RM	2012 RM
Financial assets:		
<i>Floating rate instrument</i>		
Deposits with financial institution	11,741,009	9,234,533
Financial liabilities:		
<i>Fixed rate instrument</i>		
Term Loan	117,000,000	57,000,000
<i>Floating rate instrument</i>		
Term Loan	41,000,000	101,000,000
Revolving credit	268,400,000	392,000,000
	309,400,000	493,000,000

(ii) Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest bearing liabilities, the following table indicates their weighted average effective interest rates at the reporting date and the periods in which they mature.

	Weighted average effective interest rate %	Total RM	Within 1 year RM	> 1 - 5 years RM
2013				
Financial assets				
Deposits with financial institution	2.99	11,741,009	11,741,009	-
Financial liabilities				
Term loans	4.44	158,000,000	30,000,000	128,000,000
Revolving credit facilities	4.33	268,400,000	58,400,000	210,000,000
2012				
Financial assets				
Deposits with financial institution	2.57	9,234,533	9,234,533	-
Financial liabilities				
Term loans	4.40	158,000,000	128,000,000	30,000,000
Revolving credit facilities	4.28	392,000,000	259,000,000	133,000,000

22. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Credit risk

Credit risk is the risk of loss that may arise on the outstanding financial assets should a counterparty default on its obligation.

As at the reporting date, other than the amount due from AmBank Group, the Trust does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

The Trust's credit risk profile of its trade receivables as at the reporting date is tabled as follows:

	Gross RM	Individual Impairment RM	Net RM
2013			
Current	3,822,094	-	3,822,094
Past due but not impaired:			
Past due 30 - 60 days	997,689	-	997,689
Past due 61 - 90 days	881,635	-	881,635
Impaired:			
Past due more than 90 days	1,169,842	(1,169,842)	-
	<u>6,871,260</u>	<u>(1,169,842)</u>	<u>5,701,418</u>
2012			
Current	2,680,575	-	2,680,575
Past due but not impaired:			
Past due 30 - 60 days	646,442	-	646,442
Past due 61 - 90 days	591,768	-	591,768
Impaired:			
Past due more than 90 days	1,404,503	(1,352,327)	52,176
	<u>5,323,288</u>	<u>(1,352,327)</u>	<u>3,970,961</u>

All of the Trust's other receivables are neither past due nor impaired.

Movement in the allowance for the impairment of receivables is as follows:

	2013 RM	2012 RM
As at beginning of the year	1,352,327	1,808,864
Less: Impairment loss for the year	(182,485)	(456,537)
As at 31 March	<u>1,169,842</u>	<u>1,352,327</u>

22. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iv) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its financial obligations as they fall due.

The Trust manages its liquidity risk by maintaining a portion of its resources in deposits and balances with financial institutions to meet estimated commitments arising from financial liabilities.

The table below summarises the maturity profile of the Trust's financial liabilities at the reporting date based on contractual repayment obligations.

	Within one year RM	1 - 5 years RM	Total RM
2013			
Rental deposits	16,157,889	10,482,474	26,640,363
Payables	7,646,130	-	7,646,130
Borrowings	88,400,000	338,000,000	426,400,000
Total financial liabilities	112,204,019	348,482,474	460,686,493
2012			
Rental deposits	15,928,009	9,491,562	25,419,571
Payables	5,357,192	-	5,357,192
Borrowings	387,000,000	163,000,000	550,000,000
Total financial liabilities	408,285,201	172,491,562	580,776,763

23. SIGNIFICANT EVENTS

(a) Acquisition of investment property

On 1 November 2012, the Trust completed its acquisition of Kompleks Tun Sri Lanang (also known as Jaya 99) in accordance with the terms and conditions as stipulated in the Sale and Purchase Agreement.

(b) New issue of securities: Renounceable rights issue and increase in the existing approved fund size

On 10 August 2011, the Trust proposed to undertake the following:-

- (i) A renounceable rights issue on the basis of three (3) new units for every five (5) existing units at an entitlement date to be determined later ("Rights Issue"); and
- (ii) Proposed increase in the existing approved fund size of the Trust from 429,001,000 units to 686,401,600 units.

(collectively, referred to as the "Corporate Exercises")

The Corporate Exercises were completed on 7 August 2012 following the listing of and quotation for 257,400,600 rights units on the Main Market of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

24. CAPITAL MANAGEMENT

The Trust's objective when managing capital are to safeguard the Trust's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize unitholder's value.

Management monitors capital based on gearing. Under the REIT Guidelines, the Trust is required to maintain a gearing not exceeding 50%.

The gearing is calculated as gross borrowings divided by total assets, based on the latest valuations. Gross borrowings refer to the gross interest-bearing borrowings as set out in Note 7.

	2013	2012
Total borrowings (RM)	426,400,000	550,000,000
Total assets (RM)	1,297,589,190	1,198,541,682
Gearing (%)	32.9%	45.9%

25. SUPPLEMENTARY INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD**Disclosure On Realized And Unrealized Income**

The breakdown of undistributed income of the Trust into realized and unrealized profits, pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on 25 March 2010 are as follows:

	2013	2012
	RM	RM
Realized		
Distributable undistributed income	25,302,132	20,792,631
Unrealized		
Cumulative net change arising from the fair value of investment properties	174,217,344	169,164,644
Gain arising from measuring non-current financial liabilities at amortized cost	758,392	934,238
	<hr/> 200,277,868	<hr/> 190,891,513

ANALYSIS OF UNITHOLDERS

THIRTY (30) LARGEST UNITHOLDERS AS AT 15 MAY 2013

No.	Names	No. of Unit Held	% of Unitholdings
1	AmBank (M) Berhad*	168,551,177	24.56
2	Amcorp Group Berhad*	41,779,353	6.09
3	UOBM Nominees (Tempatan) Sdn Bhd* Pledged Securities Account For Jadeline Capital Sdn Bhd (PCB)	36,968,000	5.39
4	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For American International Assurance Berhad	23,018,432	3.35
5	Valuecap Sdn Bhd	22,778,700	3.32
6	AmInvestment Bank Berhad	14,937,961	2.18
7	AMSEC Nominees (Tempatan) Sdn Bhd AmLife Insurance Berhad (on behalf of Life Fund)	11,200,000	1.63
8	AmGeneral Insurance Berhad	10,000,000	1.46
9	HwangDBS Investment Bank Berhad	8,943,520	1.30
10	Nam Heng Oil Mill Company Sdn Bhd	5,388,888	0.79
11	Lim Soon Huat	5,122,272	0.75
12	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Berhad For AmGeneral Insurance Berhad-General Fund	4,800,000	0.70
13	AMSEC Nominees (Tempatan) Sdn Bhd - Ng Bee Lan	4,400,000	0.64
14	AMSEC Nominees (Tempatan) Sdn Bhd - Eng Guan Chan Sdn Berhad	3,480,000	0.51
15	Tan Kim Chuan	3,200,000	0.47
16	DFN Resources Sdn Bhd	2,384,000	0.35
17	Sze See Chuen	2,265,300	0.33
18	Lim Kew Seng	2,083,080	0.30
19	Wing Kwong @ Chan Wing Kwong	2,062,024	0.30
20	Che King Tow	1,920,000	0.28
21	Wong Taek Boon @ Guan Taek Boon	1,788,888	0.26
22	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Pee Siew Boon	1,700,000	0.25
23	Ramanathan A/L L.Manickavasagan	1,648,000	0.24
24	AMSEC Nominees (Tempatan) Sdn Bhd - Tigarar Berkat Sdn Bhd	1,600,000	0.23
25	Chow Soi Wah	1,600,000	0.23
26	Oh Eng Hoe	1,600,000	0.23
27	Radhakrishnan A/L Menon	1,600,000	0.23
28	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Woo Beng Keong	1,519,300	0.22
29	Citigroup Nominees (Asing) Sdn Bhd - CBNY For DFA International Real Estate Securities Portfolio Of DFA Investment Dimensions Group Inc	1,497,540	0.22
30	Tan Ka Leh	1,430,000	0.21
Total		391,266,435	57.02

* Substantial Unitholders (5% and above)

ANALYSIS OF UNITHOLDERS (cont'd)

DISTRIBUTION SCHEDULE OF UNIT AS AT 15 MAY 2013

Size of Unitholdings	No. of Unitholders	No. of Units Held	% of Unitholdings
Less than 100	491	21,170	0.00
100 - 1,000	3,513	2,321,158	0.34
1,001 - 10,000	5,646	23,736,405	3.45
10,001 - 100,000	2,698	89,919,110	13.10
100,001 to less than 5% of issued unit	613	323,105,227	47.08
5% and above of issued unit	3	247,298,530	36.03
Total	12,964	686,401,600	100.00

CLASSIFICATION OF UNITHOLDERS AS AT 15 MAY 2013

No.	Category of Unitholder	No. of Unitholders		No. of Unit Held		% of Total Unitholdings	
		Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1.	Individuals	10,577	198	201,453,721	5,958,118	29.35	0.87
2.	Body Corporate						
	- Banks/Finance Companies	11	-	217,690,638	-	31.71	-
	- Investment Trusts/Foundation/ Charities	3	-	376,308	-	0.05	-
	- Industrial and Commercial Companies	177	7	72,237,356	440,073	10.52	0.06
3.	Government Agencies/Institutions	2	-	51,421	-	0.01	-
4.	Nominees	1,816	173	178,669,267	9,524,698	26.04	1.39
	Total	12,586	378	670,478,711	15,922,889	97.68	2.32

CORPORATE DIRECTORY

Manager

Am ARA REIT Managers Sdn Bhd (730964-X)

Registered Office:

22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur
Tel: 03 - 2036 2633 Fax: 03 - 2032 1914

Business Address:

Penthouse, Menara AmFIRST
No. 1, Jalan 19/3, 46300 Petaling Jaya, Selangor
Tel: 03 - 7955 8780/8782 Fax: 03 - 7955 8360/80
Website: www.amfirstreit.com.my

Board of Directors of the Manager

Dato' Azlan Hashim

Non-Independent Non-Executive Director/Chairman

Dato' Teo Chiang Quan

Independent Non-Executive Director

Sr. Tuan Haji Mohd Salleh Akram

Independent Non-Executive Director

Pushpa Rajadurai

Non-Independent Non-Executive Director

Lim Hwee Chiang

Non-Independent Non-Executive Director

Anthony Ang Meng Huat

(Alternate Director to Lim Hwee Chiang)

Company Secretaries

Koid Phaik Gunn (MAICSA 7007433)

Chin Woon Li (MAICSA 7008636)

22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03 - 2036 2633 Fax: 03 - 2032 1914

Trustee

Maybank Trustees Bhd

34th Floor, Menara Maybank
100, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03 - 2074 8424 Fax: 03 - 2070 9387

Property Managers

Malik & Kamaruzaman Property Management Sdn Bhd

3rd Floor, Wisma Yakin
Jalan Melayu
50100 Kuala Lumpur
Tel: 03 - 2698 5522 Fax: 03 - 2692 5202

CB Richard Ellis (M) Sdn Bhd

#9-1, Level 9, Menara Millennium
Jalan Damanlela, Bukit Damansara
50490 Kuala Lumpur
Tel: 03 - 2092 5955 Fax: 03 - 2092 5966

DTZ Nawawi Tie Leung Property Consultants Sdn Bhd

Suite 34.01, Level 34, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
Tel: 03 - 2161 7228 Fax: 03 - 2161 1633

Auditors

Ernst & Young

Chartered Accountants
Level 23A, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03 - 7495 8000 Fax: 03 - 2095 5332

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
P.O. Box 10192, 50706 Kuala Lumpur
Tel: 03 - 2173 1188 Fax: 03 - 2173 1288

Bankers

AmBank (M) Berhad

Level 18, Menara Dion, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03 - 2026 3939 Fax: 03 - 2026 6855

Bangkok Bank Berhad

105, Jalan Tun HS Lee, 50000 Kuala Lumpur
Tel: 03 - 2173 7200 Fax: 03 - 2173 7300

Unit Registrar

Symphony Share Registrars Sdn Bhd

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor
Tel: 03 - 7841 8000 Fax: 03 - 7841 8151/8152

NOTICE OF FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting ("First AGM") of the unitholders of AmFIRST Real Estate Investment Trust ("AmFIRST REIT") will be held at Manhattan III, Level 14, Berjaya Times Square Hotel, Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 9 July 2013 at 10.30 a.m. or at any adjournment thereof, for the following purposes:

ORDINARY BUSINESS

- (1) To receive the Audited Financial Statements for the financial year ended 31 March 2013 of AmFIRST REIT together with the reports of the Trustee and Auditors attached thereon.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

- (2) **PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO CLAUSE 14.03 OF THE SECURITIES COMMISSION MALAYSIA'S GUIDELINES ON REAL ESTATE INVESTMENT TRUSTS ("REIT GUIDELINES")** **ORDINARY RESOLUTION NO. 1**

"THAT pursuant to the REIT Guidelines, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and subject to the passing of Ordinary Resolution No. 2 below and the approvals being obtained from all relevant authorities and/or parties, where required, the Board of Directors of Am ARA REIT Managers Sdn Bhd (the "Manager") (the "Directors") be and are hereby authorised to allot and issue new units in AmFIRST REIT ("Units") from time to time to such persons and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of new Units issued, when aggregated with the number of Units to be issued pursuant to this resolution does not exceed 20% of the existing approved fund size of AmFIRST REIT for the time being comprising 686,401,600.

AND THAT the new Units to be issued pursuant to this resolution shall, upon allotment and issuance, rank equally in all respects with the existing Units, except that the new Units will not be entitled to any distributable income, rights, benefit, entitlement and/or any other distributions that may be declared prior to the date of allotment and issuance of such new Units.

AND THAT the Directors and Maybank Trustees Berhad (the "Trustee"), acting for and on behalf of AmFIRST REIT, be and are hereby authorised to give effect to this resolution with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be imposed by the relevant authorities or as the Manager and the Trustee may deem to be in the best interest of the Unitholders and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and to give full effect to this resolution."

NOTICE OF FIRST ANNUAL GENERAL MEETING (cont'd)

- (3) **PROPOSED INCREASE IN THE EXISTING APPROVED FUND SIZE OF AmFIRST REIT FROM 686,401,600 UNITS UP TO A MAXIMUM OF 823,681,920 UNITS IN AmFIRST REIT ("UNITS")** **ORDINARY RESOLUTION NO. 2**

"THAT subject to the passing of Ordinary Resolution No. 1 above and the approvals being obtained from all relevant authorities and/or parties, where required, the existing approved fund size of AmFIRST REIT be increased from 686,401,600 Units up to a maximum of 823,681,920 Units by the creation of up to 137,280,320 new Units.

AND THAT the Board of Directors of Am ARA REIT Managers Sdn Bhd and Maybank Trustees Berhad, acting for and on behalf of AmFIRST REIT, be and are hereby authorised to give effect to the increase in fund size with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as they may deem fit in the best interest of AmFIRST REIT and/or as may be required by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as may be deemed necessary or expedient to implement, finalise and to give full effect to the increase in fund size."

- (4) **PROPOSED AMENDMENT TO THE RELEVANT CLAUSE IN THE DEED DATED 28 SEPTEMBER 2006 AS AMENDED BY THE FIRST SUPPLEMENTED, REVISED AND RESTATED DEED DATED 15 DECEMBER 2006 ENTERED INTO BETWEEN Am ARA REIT MANAGERS SDN BHD (THE "MANAGER") AND MAYBANK TRUSTEES BERHAD (THE "TRUSTEE") CONSTITUTING AmFIRST REIT (THE "FIRST RESTATED DEED") TO ALLOW THE MANAGER TO BE PAID EITHER IN THE FORM OF NEW UNITS IN AmFIRST REIT, CASH OR A COMBINATION THEREOF FOR ITS BASE FEE AND PERFORMANCE FEE ("PROPOSED AMENDMENT TO MANAGEMENT FEE CLAUSE")** **TWO-THIRD RESOLUTION NO. 1**

"THAT subject to the approvals being obtained from all relevant authorities and/or parties, where required, approval be and is hereby given to the Board of Directors of the Manager (the "Directors") to adopt the Proposed Amendment to Management Fee Clause as set out in Section 1, Appendix I of the circular dated 31 May 2013 and restatement of the deed in its entirety as the new deed governing AmFIRST REIT ("Second Restated Deed") with effect from the date of registration of the Second Restated Deed with the Securities Commission Malaysia;

AND THAT authority be and is hereby given to the Directors and the Trustee, acting for and on behalf of AmFIRST REIT, to give effect to the Proposed Amendment to Management Fee Clause with full power to assent to any condition, modification, variation and/or amendments as they may deem fit in the best interest of AmFIRST REIT and/or as may be imposed by the relevant authorities;

AND FURTHER THAT the Directors and the Trustee, acting for and on behalf of AmFIRST REIT, are to do all such acts, deeds and/or things, including executing such documents as may be required, in order to implement, finalise and complete the Proposed Amendment to Management Fee Clause."

NOTICE OF FIRST ANNUAL GENERAL MEETING (cont'd)

- (5) **PROPOSED AMENDMENTS TO CERTAIN CLAUSES IN THE DEED DATED 28 SEPTEMBER 2006 AS AMENDED BY THE FIRST SUPPLEMENTED, REVISED AND RESTATED DEED DATED 15 DECEMBER 2006 ENTERED INTO BETWEEN Am ARA REIT MANAGERS SDN BHD (THE “MANAGER”) AND MAYBANK TRUSTEES BERHAD (THE “TRUSTEE”) CONSTITUTING AmFIRST REIT (THE “FIRST RESTATED DEED”) TO BE ALIGNED WITH THE APPLICABLE LAWS, REGULATIONS AND GUIDELINES GOVERNING THE REAL ESTATE INVESTMENT TRUSTS AND TO PROVIDE FOR AMENDMENTS WHICH ARE ADMINISTRATIVE AND/OR TECHNICAL IN NATURE (“PROPOSED AMENDMENTS TO OTHER CLAUSES”)**

**TWO-THIRD
RESOLUTION NO. 2**

“THAT subject to the approvals being obtained from all relevant authorities and/or parties, where required, approval be and is hereby given to the Board of Directors of the Manager (the “Directors”) to adopt the Proposed Amendments to Other Clauses as set out in Section 2, Appendix I of the circular dated 31 May 2013 and restatement of the deed in its entirety as the new deed governing AmFIRST REIT (“Second Restated Deed”) with effect from the date of registration of the Second Restated Deed with the Securities Commission Malaysia;

AND THAT authority be and is hereby given to the Directors and the Trustee, acting for and on behalf of AmFIRST REIT to give effect to the Proposed Amendments to Other Clauses with full power to assent to any condition, modification, variation and/or amendments as they may deem fit in the best interest of AmFIRST REIT and/or as may be imposed by the relevant authorities;

AND FURTHER THAT the Directors and the Trustee, acting for and on behalf of AmFIRST REIT, are to do all such acts, deeds and/or things, including executing such documents as may be required, in order to implement, finalise and complete the Proposed Amendments to Other Clauses.”

**By Order of the Board of
Am ARA REIT MANAGERS SDN BHD (730964-X)**
The Manager of AmFIRST Real Estate Investment Trust

Koid Phaik Gunn (MAICSA 7007433)
Chin Woon Li (MAICSA 7008636)
Company Secretaries

31 May 2013
Kuala Lumpur

NOTICE OF FIRST ANNUAL GENERAL MEETING (cont'd)

Notes:-

- (1) *In respect of deposited securities, only unitholders whose names appear in the Record of Depositors on 2 July 2013 shall be eligible to attend the meeting of unitholders.*
- (2) *A unitholder entitled to attend and vote at the meeting of unitholders is entitled to appoint another person (whether a unitholder or not) as its proxy to attend and vote. There shall be no restrictions as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the unitholder to speak at the meeting.*
- (3) *Where a unitholder is a corporation, its duly authorised representative shall be entitled to attend and vote at the meeting and shall be entitled to appoint another person (whether a unitholder or not) as its proxy to attend and vote. The instrument appointing a proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if the appointor is a corporation, the Form of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.*
- (4) *If the unitholder is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds with units of AmFIRST REIT standing to the credit of the said securities account.*
- (5) *Where a unitholder of AmFIRST REIT is an exempt authorised nominee which holds units in AmFIRST REIT for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
- (6) *Where a unitholder appoints two (2) proxies, the appointment shall be invalid unless it specifies the proportions of its holdings to be represented by each proxy.*
- (7) *To be valid, the instrument appointing a proxy duly completed must be deposited at the registered office of the Manager at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*
- (8) **Note to Ordinary Resolution No. 1 – Proposed Authority to Allot and Issue New Units Pursuant to Clause 14.03 of the Securities Commission Malaysia's Guidelines on Real Estate Investment Trusts**
Ordinary Resolution No. 1, if passed, will give the Board of Directors of the Manager (the "Directors"), from the date of the forthcoming First AGM, authority to allot and issue up to twenty percent (20%) of the existing approved fund size of AmFIRST REIT for the time being, as and when the need or business opportunities arise which the Directors consider would be in the interest of AmFIRST REIT. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.
- (9) **Note to Ordinary Resolution No. 2 – Proposed Increase in the Existing Approved Fund Size of AmFIRST REIT from 686,401,600 Units in AmFIRST REIT up to a maximum of 823,681,920 Units**
Ordinary Resolution No. 2, if passed, would facilitate the allotment and issuance of Units pursuant to Ordinary Resolution No. 1.
- (10) **Two-third resolution** - *Pursuant to Section 295(4)(a) of the Capital Markets and Services Act 2007, the supplementary deed submitted for registration shall be accompanied by a resolution of not less than two-thirds of all unit holder at a unitholders' meeting duly convened and held according to the provisions and covenants of the deed sanctioning the proposed modification to the deed.*
- (11) **Note to Two-Third Resolution No. 1 – Proposed Amendment to Management Fee Clause**
The Proposed Amendment to Management Fee Clause aims to provide the flexibility of payment of the base fee and performance fee to the Manager, either in new Units, cash or a combination thereof, as well as to strengthen the alignment of the Manager's interest in AmFIRST REIT.
- (12) **Note to Two-Third Resolution No. 2 – Proposed Amendments to Other Clauses**
The Proposed Amendments to Other Clauses are in accordance with the applicable laws, regulations and guidelines governing the real estate investment trusts and to provide for amendments which are administrative and technical in nature to provide better clarity to certain provisions in the First Restated Deed that will result in:-
 - (a) *the Manager and Trustee being able to perform their duties and responsibilities more effectively under AmFIRST REIT; and*
 - (b) *more expeditious decision making process.*



AmFIRST

Real Estate Investment Trust

AmFIRST REAL ESTATE INVESTMENT TRUST

(established in Malaysia under the Deed dated 28 September 2006 (as amended by the First Supplemental, Revised and Restated Deed dated 15 December 2006) entered into between Am ARA REIT Managers Sdn Bhd and Mayban Trustees Berhad (now known as Maybank Trustees Berhad), companies incorporated under the Companies Act, 1965)

FORM OF PROXY

*I/We (full name)
(*NRIC No./Passport No./Company No.)
of (full address)
.....
.....

CDS Account No.
**CDS Account No. of Authorised Nominee
Number of Units held

being a unitholder of **AmFIRST Real Estate Investment Trust ("AmFIRST REIT")** hereby appoint:-

First Proxy "A"

Full Name:		Proportion of Unitholdings Represented	
		No. of Units	%
NRIC No./Passport No.:			
Full Address:			

and/or failing *him/her,
Second Proxy "B"

Full Name:		Proportion of Unitholdings Represented	
		No. of Units	%
NRIC No./Passport No.:			
Full Address:			

100%

or *failing him/her, *the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the First Annual General Meeting of the unitholders of AmFIRST REIT to be held at Manhattan III, Level 14, Berjaya Times Square Hotel, Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 9 July 2013 at 10.30 a.m. or at any adjournment thereof.

No.	Resolution	For	Against
1	Ordinary Resolution No. 1		
2	Ordinary Resolution No. 2		
3	Two-Third Resolution No. 1		
4	Two-Third Resolution No. 2		

Please indicate with an "X" in the spaces above as to how you wish your votes to be casted. In the absence of specific directions, your proxy will vote or abstain as *he/she thinks fit.

Date this _____ day of _____, 2013.

Signature of Unitholder/Common Seal

Tel: _____ (O/H) _____ (H/P)

* Strike out whichever is not applicable.
** Applicable to Units held through a nominee account.

Notes:-

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PLEASE FOLD HERE TO SEAL

Affix
Stamp

The Company Secretaries
AmFIRST Real Estate Investment Trust
Am ARA REIT Managers Sdn Bhd
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

PLEASE FOLD HERE TO SEAL



Manager

AmARA REIT Managers Sdn Bhd (730964-X)

Penthouse, Menara AmFIRST, No. 1, Jalan 19/3, 46300 Petaling Jaya, Selangor Darul Ehsan
Tel: 03-7955 8780/82 Fax: 03-7955 8360/80

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