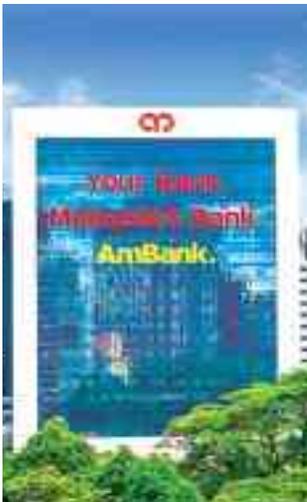


RESILIENT SUSTAINABLE TRUST



AmFIRST

Real Estate Investment Trust

**RM1.3
BILLION**
ASSETS UNDER
MANAGEMENT

**RM12.3
MILLION**
REVALUATION
GAIN

HEALTHY
GEARING
32.7%

**RM112.8
MILLION**
GROSS REVENUE
+2.7%

**RM76.5
MILLION**
NET PROPERTY
INCOME
+3.1%

**RM50.3
MILLION** **+7.1%**
REALIZED NET
INCOME

**7.35 SEN
PER UNIT**
TOTAL DPU
+7.9%

7.5%
DPU YIELD
+19.5%

“ Our prudent, conservative and value focused strategy is to continue to create and maintain value for our investors in line with our objective.

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



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←..... 31 March→

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
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Summary of Financial Position

Investment Properties	1,301,900	1,277,226	1,179,844	1,024,000	1,008,000
Total Asset Value	1,314,092	1,297,589	1,198,542	1,045,262	1,044,202
Net Asset Value ("NAV")	849,864	836,903	617,765	605,985	601,580
Borrowings	429,079	426,400	550,000	407,000	413,000
Gearing (%)	32.65	32.86	45.89	38.94	39.55
Units In Circulation (units) ('000)	686,402	686,402	429,001	429,001	429,001
NAV Per Unit (RM)					
- Before proposed final distribution	1.2381	1.2193	1.4400	1.4125	1.4023
- After proposed final distribution	1.2011	1.1828	1.3917	1.3631	1.3535
- Highest NAV during the year (ex-distribution)	1.2381	1.3941	1.3917	1.3631	1.3535
- Lowest NAV during the year (ex-distribution)	1.1967	1.1755	1.3617	1.3533	1.3250

Summary of Comprehensive Income

Gross Revenue	112,793	109,784	97,980	88,539	98,188
Net Rental Income	76,475	74,168	65,880	56,528	63,639
Net Income	63,068	51,797	52,192	45,362	54,057
Net Income for the year, consisting of:					
- Realized	50,268	46,920	39,994	41,750	41,915
- Unrealized	12,800	4,877	12,198	3,612	12,142
	62,068	51,797	52,192	49,362	45,057
Earnings Per Unit ("EPU") (sen)					
- Realized	7.32	7.87	9.32	9.73	9.77
- Unrealized	1.87	0.82	2.85	0.84	2.83
	9.19	8.69 ¹	12.17	10.57	12.60
Distribution Per Unit ("DPU") (sen) ²					
- Interim	3.65	3.16	4.48	4.81	4.88
- Final	3.70	3.65	4.83	4.94	4.87
	7.35	6.81	9.31	9.75	9.75
Distribution Yield (based on the respective closing market price) (%)	7.54	6.31	7.82	8.41	8.86
Management Expense Ratio ("MER") (%) ³	0.88	1.00	1.06	0.95	1.63
Portfolio Turnover Ratio ("PTR") (Times) ⁴	-	0.11	0.22	0.01	0.03

←..... 31 March→

	2014	2013	2012	2011	2010
Unit Price Performance					
As at 31 March	0.98	1.08	1.19	1.16	1.10
Highest Traded Price during the year (RM)	1.09	1.23	1.22	1.24	1.11
Lowest Traded Price during the year (RM)	0.91	1.02	1.11	1.10	0.85
Average Traded Price during the year (RM) ⁵	1.03	1.14	1.18	1.13	0.98
Average Volume Traded per day	384	435	235	279	191
Total Return (%)⁶					
Capital Growth	(10.22)	2.34	2.56	5.31	25.64
Income Distribution Yield	7.15	6.38	7.92	8.63	10.00
Total Return	(3.07)	8.72	10.48	13.94	35.64

Average Annual Return (%)⁷

2014

One year	(3.07)
Three years	5.38
Since listing date (21 December 2006)	10.37

1. Based on weighted average number of units in circulation.

2. Below were the distribution dates since the last five (5) years:

	2014	2013	2012	2011	2010
Interim	5/12/13	12/12/12	30/11/11	30/11/10	30/11/09
Final	12/6/14	31/5/13	31/5/12	31/5/11	27/5/10

3. The calculation of MER is based on total fees incurred by AmFIRST REIT, including the Manager's fees, Trustee's fees, Auditors' fee, Tax Agent's fees and administrative expenses, to the average net asset value during the financial year.

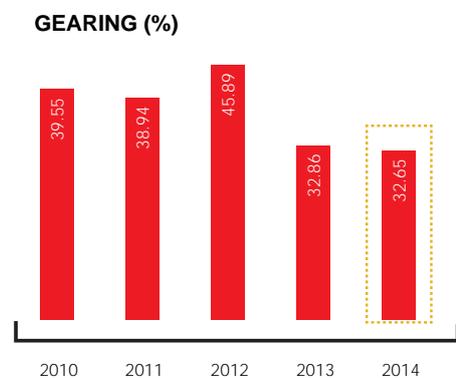
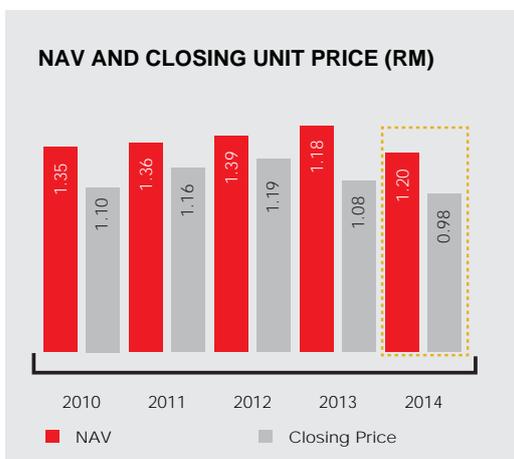
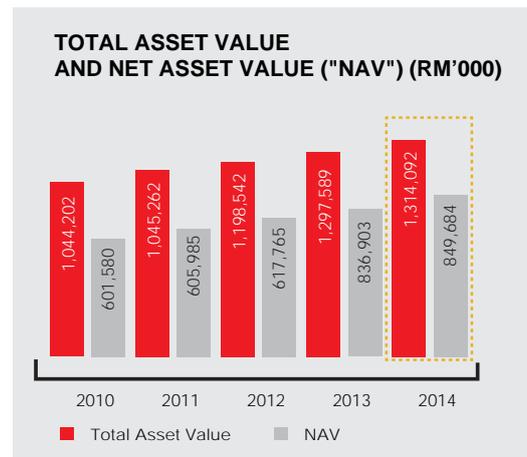
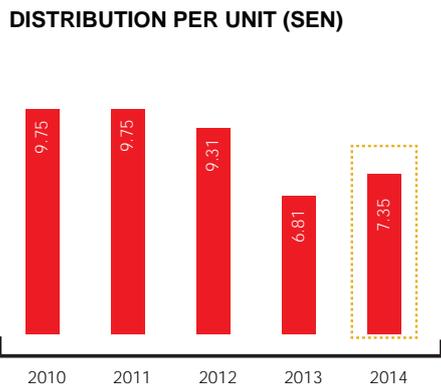
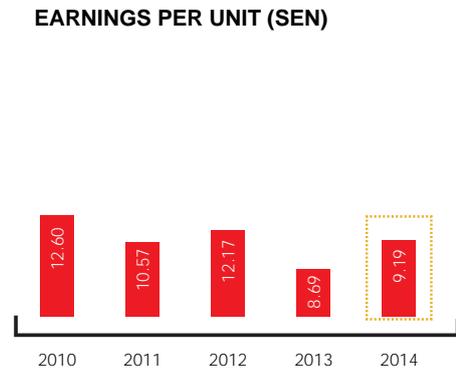
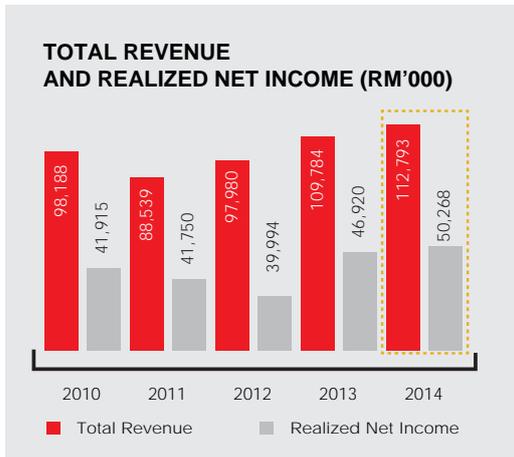
4. The calculation of PTR is based on the average of total acquisition and total disposal of investments in AmFIRST REIT for the financial year to the average net asset value during the financial year.

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

6. 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.

7. 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.





resilient



AmFIRST REIT

AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”) is a real estate investment trusts established in Malaysia and constituted by a Trust Deed dated 28 September 2006 (“Original Deed”) (as amended by the First Supplemented, Revised and Restated Trust Deed dated 15 December 2006 (“First Deed”) and the Second Restated Deed dated 13 September 2013 (“Second Deed or the “Deed”)) entered into between Am ARA REIT Managers Sdn Bhd (“Am ARA” or the “Manager”) and Maybank Trustees Berhad, as the Trustee of AmFIRST REIT (“Trustee”). The Second Deed has superseded the Original Deed and the First Deed. AmFIRST REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2006. AmFIRST REIT 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.

AmFIRST REIT is managed by the Manager who is responsible for the management and administration of AmFIRST REIT, as well as the implementation of AmFIRST REIT’s investment and business strategies.

THE MANAGER

The Manager, appointed pursuant to the Deed, was incorporated in Malaysia on 20 April 2006 and is wholly-owned by Am ARA REIT Holdings Sdn Bhd, which in turn is 70% owned by AmInvestment Group Berhad (“AIGB”) and 30% owned by ARA Asset Management (Malaysia) Limited (“ARA”).

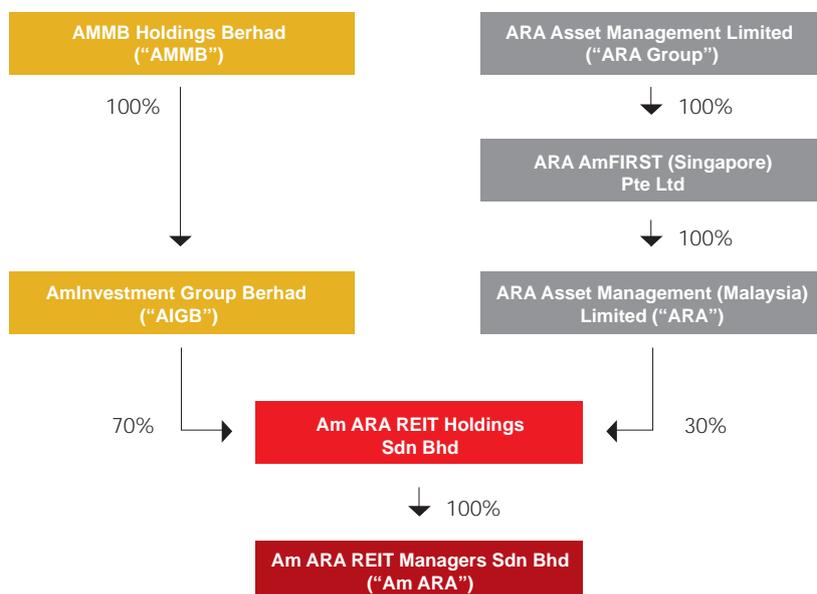
AIGB is a wholly owned subsidiary of AMMB Holdings Berhad (“AMMB”). AMMB is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activity of

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”), which is listed on the Main Board of the Singapore Exchange Securities Trading Limited. ARA Group is an Asian real estate fund management company focused on the management of public-listed real estate investment trusts (“REITs”) and private real estate funds and as at 31 December 2013 has total Assets Under Management of S\$25.5 billion.

ARA Group’s business is geographically diversified across Asia Pacific, and comprises following segments:-

- REITs – currently manages REITs listed in Singapore, Hong Kong and Malaysia with a diversified portfolio spanning the office/retail (commercial), industrial/office, logistics and hospitality sectors. These include Fortune REIT (dual-listed in Singapore and Hong Kong), Suntec REIT and Cache Logistics Trust (listed in Singapore), Hui Xian REIT and Prosperity REIT (listed in Hong Kong) and AmFIRST REIT (listed in Malaysia). The Group also manages two privately-held REITs in South Korea;
- Private Real Estate Funds;
- Real Estate Management Services; and
- Corporate Finance Advisory Services to related corporations



OUR MISSION

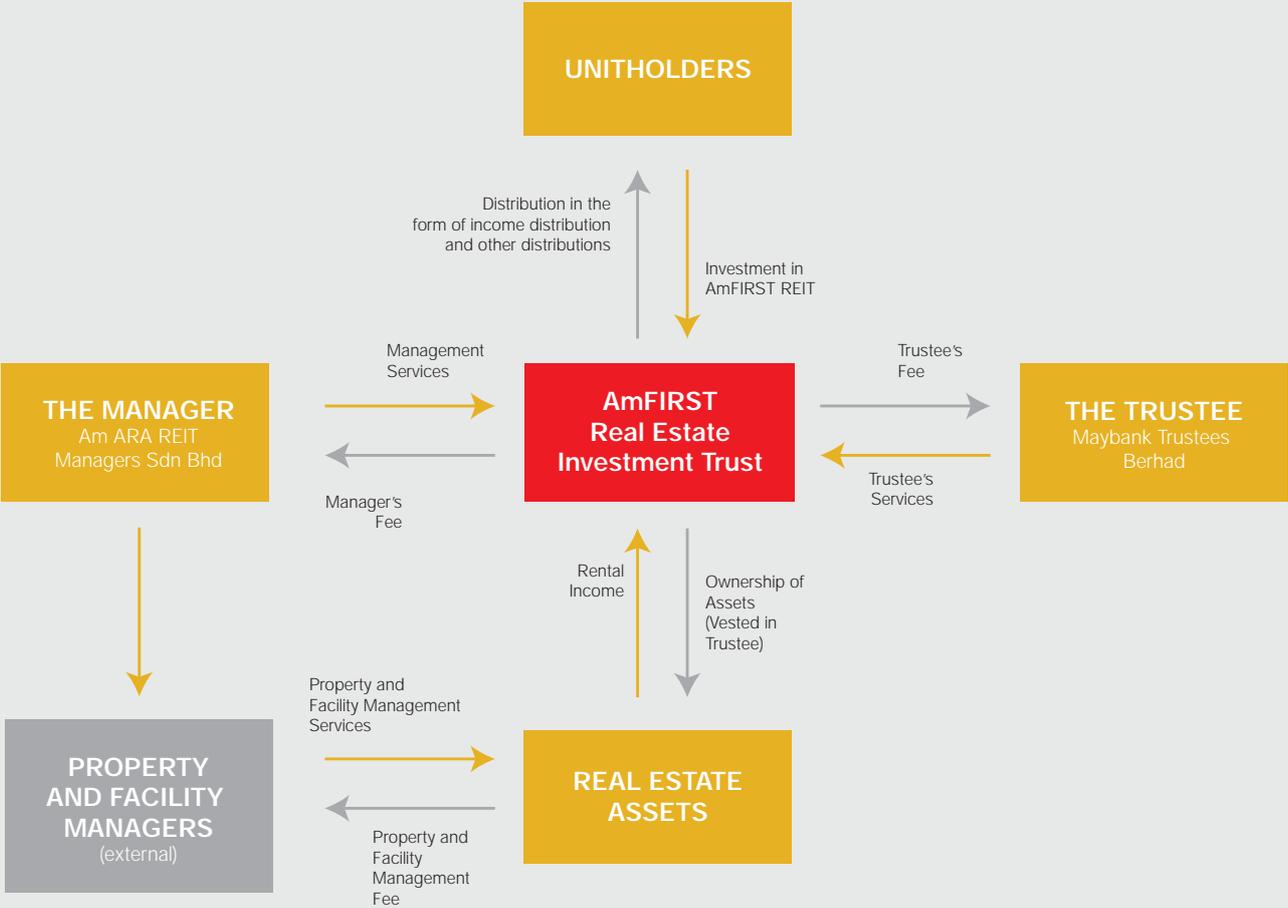
In everything we do, we are focused on delivering sustainable long-term income distributions and investment performance of our diversified portfolio of commercial real estate. In accomplishing and looking beyond our mission, we embrace the following attributes and deliverables to meet our objectives.



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.





Item	Brief Description
Name of Trust	AmFIRST REIT
Category of Trust	Real Estate Investment Trust
Type of Trust	Income and growth
Term of Trust	The Trust has no fixed termination date. However, the Deed provide a number of circumstances under which the Trust may be terminated.
Investment Objective	The key objective for AmFIRST REIT is to own and invest in real estate and real estate-related assets whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate and real estate-related assets.
Investment Strategies	<p>The principal strategies are as follows:-</p> <ul style="list-style-type: none"> • Invest in income-producing real estate and real estate-related assets directly and/or indirectly through the ownership of single-purpose companies whose principal assets comprise 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 estate, 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 REIT'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 cash, deposits and money markets must not exceed 25% of AmFIRST REIT's total assets.

Item	Brief Description
Borrowing Limit	Up to 50% of the total asset value of AmFIRST REIT at the time the borrowings are incurred.
Investors' Profile	AmFIRST REIT may appeal to investors with a long term investment horizon seeking sustainable distribution of income and long term capital growth.
Distribution Policy	Income distributions will be paid on a semi-annual basis (or such other intervals as the Manager shall determine). The Manager intends to distribute at least 90% of the distributable income for each financial year.
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 Securities Commission Malaysia's Guidelines on Real Estate Investment Trusts.



sustainable

A light blue rectangular area containing a horizontal red line on the left side and a series of horizontal white lines on the right side, resembling a list or a set of guidelines.



“Dear Unitholders,

On behalf of the Board of Directors of AmARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”), I am pleased to present AmFIRST REIT’s 8th Annual Report together with its audited financial statements for the financial year ended 31 March 2014”.

OVERVIEW

In 2013, the Malaysian economy expanded by 4.7% (2012: 5.6%), driven by the continued growth in aggregate domestic demand of 7.6%. Despite the weaker external environment in the first half of the year, domestic demand remained resilient through the year, led by robust private sector activities. Private consumption was supported mainly by favourable employment conditions and wage growth. Private consumption was also supported by Government transfers to low and middle-income households and continued access to financing for creditworthy borrowers. Public consumption recorded a higher growth of 6.3% in 2013 due mainly to higher expenditure on supplies and services. Private investment was underpinned by capital spending in the mining, services and manufacturing sectors.

The more moderate growth performance in 2013 was, to a large extent, due to developments in the external sector, with slower demand from the advanced and regional economies in the first half of the year contributing to the overall decline in real exports during the year. This was compounded by the continued expansion in real imports throughout 2013 arising from the increase in domestic investment and consumption, resulting in a contraction in net exports.

The US Federal Reserve on 19 March 2014 announced a third round of tapering by a further USD10 billion reduction in its monthly bond purchases, lowering its monthly bond buying to USD55 billion. Most economists expect the US Federal Reserve to continue to taper bond purchase progressively over 2014 as US economic data has been showing signs of improvement. As for its effects on the 10-year Malaysian Government Securities (“MGS”), markets have priced in the effects of the bond tapering as bond yields have plateaued, at close to 4.10%.



Within Malaysia, the current environment poses some challenges to Malaysian REITs (“MREITs”) in 2014. They include the increase in assessment rates by Dewan Bandaraya Kuala Lumpur, which MREITs may pass on partly or fully to tenants and which might affect other rental reversion opportunities; cost-push effects of subsidy rationalization (e.g. electricity hikes, which will be borne directly by the landlords and tenants); slower step-ups for office spaces due to the supply glut in the Klang Valley; consumer spending flattening out with the rising costs and expected decline in purchasing power; more intense competition amongst retailers with slower retail sales growth at 6.0% compared to an estimated 6.2% in the previous year (*source : Retail Group Malaysia*), additional supply of retail space in KL and Klang Valley, and the implementation of Goods and Services Tax (“GST”) in April 2015. Taking all these into account, MREITs may have to accept softer rental reversions in the new financial year in order to maintain occupancy as well as ensure tenant’s sustainability.

The listing of another two REITs in Malaysia in 2013 with aggregate asset size of approximately RM14.5 billion has increased the market capitalization of the MREITs to approximately RM33 billion as at 31 December 2013. The sentiment for the broader market remains cautious and there was a compression of distribution yields as a result of increase in MREITs unit prices during the first half of the year followed by a fall in unit prices in the second half of the year due to concerns on possible rising interest rates. Nevertheless, the sector has remained an attractive investment option for investors seeking long term steady returns.

There was no asset acquisition activity in 2013 and the first three months of 2014 by MREITs. This was partly due to the low cap rate environment. Consequently, MREITs have focused generally on organic growth.

OPERATION REVIEW

The Trust currently has nine (9) investment properties in its portfolio, with net lettable area of 2.78 million sq. ft. and 5,577 car park bays. The average occupancy as at 31 March 2014 has marginally declined to 88.1% from 89.3% compared to a year ago. With the current overall office market occupancy of 80% in the Klang Valley and assuming the projected 2014 supply comes in, the overall office market occupancy is expected to drop to 78.6%, with further declines to 75.9% in 2015 and 73.8% in 2016 respectively. Maintaining a high occupancy in our office properties has been challenging, with demand and supply imbalance as well as downward pressure on rental rates. The manager will continue to work hard on our active leasing and marketing programmes to ensure a high portfolio occupancy rate.

AmFIRST REIT has focused on organic growth strategy. We have undertaken various asset enhancement initiatives (“AEIs”) to upgrade some of the properties and improve their competitiveness to retain existing tenants and attract new tenants. The final phase of refurbishment at Wisma AmFIRST was completed in July 2013 and the occupancy rate has improved to 75.6% as at 31 March 2014 (2013: 69.7%). Major AEIs for four (4) of our properties will be undertaken during the next financial year; they include The Summit Subang USJ, Menara AmBank, AmBank Group Leadership Centre and Bangunan AmBank Group.

FAIR VALUE ADJUSTMENT

Fair value adjustment is a non-cash item and is part of the Malaysian Financial Reporting Standards ("MFRS") guidelines adopted on the valuation adjustment for AmFIRST REIT's property portfolio on an annual basis. Valuations are conducted by independent valuers whose reports are made objectively to determine the market value of a property at that time. Asset managers constantly look for ways to enhance or refurbish properties to improve their income generating potential and ultimately increasing their property values.

For the financial year ended 31 March 2014, a revaluation exercise was conducted on all nine (9) investment properties and registered a positive fair value gain of RM12.3 million. This, together with AEIs carried out throughout the year has resulted to the increase in Assets Under Management ("AUM") of AmFIRST REIT to RM1.3 billion from RM1.28 billion from a year earlier.

FINANCIAL REVIEW

We have recorded a better performance for the financial year under review as indicated by:

- **3% increase in total gross revenue and net property income to RM112.8 million and RM76.5 million respectively;**
- **7% increase in realized net income after tax to RM50.3 million;**

These positive results were mainly attributed to the full year income contribution from Jaya 99 (also known as Kompleks Tun Sri Lanang), lower property expenses (excluding Jaya 99) and interest savings.

DISTRIBUTION TO UNITHOLDERS

On 5 December 2013, we have distributed an interim income distribution of 3.65 sen per unit for the period from 1 April 2013 to 30 September 2013.

The Board of Directors of AmARA has declared a final income distribution of 3.70 sen per unit for the period from 1 October 2013 to 31 March 2014 to be paid on 12 June 2014, making a total income distribution ("DPU") with respect of the financial year ended 31 March 2014 totaling to 7.35 sen per unit, an increase by 8% from 6.81 sen per unit paid for FYE 2012/13.

The total DPU of 7.35 sen per unit translates to a distribution yield of 7.5% based on AmFIRST REIT's closing price of RM 0.975 per unit as at 31 March 2014.

The Trust will continue to maintain its income distribution policy of at least 90% of the distributable income for each year although current DPU is close to 100% of distributable income.

ANNUAL UNITHOLDERS' MEETING

On 9 July 2013, AmFIRST REIT held its inaugural Annual General Meeting ("AGM") to seek Unitholders' approvals on the following:-

- (i) Proposed authority to allot and issue new units pursuant to clause 14.03 of REITs Guidelines;
- (ii) Proposed increase in the existing approved fund size from 686,401,600 units up to a maximum of 823,681,920 units;
- (iii) Proposed amendment to the relevant clause in the Deed to allow the Manager to be paid either in the form of new units, cash or a combination thereof for its base fee and performance fee units; and
- (iv) Proposed amendments to certain clauses in the 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.

We are pleased to report that all resolutions put to the Unitholders at the AGM were passed.

The AGM of Unitholders serve as a good platform for the Manager to share the highlights of the Trust's financial results for the fiscal year. In turn, unitholders too can ask questions, clarify facts and provide feedback to the Manager about the Trust's performance and strategies.

PROSPECTS

Notwithstanding the challenging office market in terms of demand-supply imbalance in the Klang Valley, the outlook remains stable. As part of our internal growth strategies, AmFIRST REIT will continue to focus on maximizing returns of its properties by endeavoring to maintain high occupancy levels with competitive rental rates, controlling costs and enhancing operating efficiency. We will continue to proactively manage the Trusts' portfolio of assets and further strengthen marketing and leasing efforts to improve occupancy. We will also continue with selective AEs across the portfolio. The Manager will continue to work to strengthen the financial position of the Trust and expand its asset base. We will actively seek accretive acquisitions from the various opportunities generated by the steady growth of the Malaysian economy in the years ahead.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors of AmARA, I wish to extend our thanks and appreciation to the Manager's former Chief Executive Officer, Mr. Lim Yoon Peng, for his contributions during his service tenure since August 2008. He retired from his position with the Managers in July 2013.

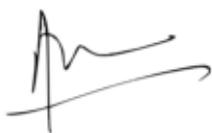
In his place, we congratulate Encik Zuhairy bin Md. Isa, who was appointed as the Acting Chief Executive Officer of AmARA on 1 August 2013 and subsequently joined the Board of Directors of AmARA on 28 March 2014 as the Executive Director. To my colleagues on the Board, I extend my sincere appreciation for their continued support and guidance to the Management, the Board and other Committees.

I would like to take the opportunity to thank the Management and staffs for their efforts during the year despite the challenging and difficult market conditions. I am confident the team will continue working hard to create sustainable value for investors.

To the Trustee, regulators, analysts, bankers, advisers, and consultants, I like to thank them for their invaluable support for AmFIRST REIT during the year.

Finally to our unitholders and tenants (our customers), we look forward to your continued support.

Sincerely,



Dato' Azlan bin Hashim
Chairman
12 May 2014.

The Board of Directors of Am ARA REIT Managers Sdn Bhd, ("Am ARA" or the "Manager"), the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST REIT" or the "Trust"), have the 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 2014.

THE TRUST, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The Trust was constituted pursuant to the execution of a Deed dated 28 September 2006 ("Original Deed") (as amended by the First Supplemented, Revised and Restated Trust Deed dated 15 December 2006 ("First Deed") and the Second Restated Deed dated 13 September 2013) ("Second Deed" or the "Deed") by the Manager and the Trustee, Maybank Trustees Berhad. The Second Deed has superseded the Original Deed and the First 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 is a private limited liability company incorporated and domiciled in Malaysia. The registered office of Am ARA is located at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of business of Am ARA is located at Penthouse, Menara AmFIRST, No. 1, Jalan 19/3, 46300 Petaling Jaya, Selangor.

Am ARA is principally involved in the business of managing real estate investment trusts and properties.

Am ARA, is a wholly-owned subsidiary of Am ARA REIT Holdings Sdn Bhd ("Am ARA Holdings"), a company incorporated in Malaysia. Am ARA Holdings 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") which is listed on the Main Board of the Singapore Exchange Securities Trading Limited.

TERM OF THE TRUST

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

INVESTMENT OBJECTIVES AND STRATEGIES

AmFIRST REIT's investment objectives are to deliver regular and stable income 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 REIT's investment objectives through three (3) key strategies as follows:-

(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 office 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 tenant 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
- Raise the profile of the properties

INVESTMENT OBJECTIVES AND STRATEGIES (contd.)**(ii) Acquisition Strategy**

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

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

The Manager expects to benefit from the network of the sponsor and its business partner, ARA Asset Management (Malaysia) Limited, which is part of ARA Group, 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 staffs have been involved in 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 REIT.

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

(iii) Capital Management Strategy

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

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

INVESTMENT POLICIES**(i) Permitted Investments and Restrictions**

AmFIRST REIT 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 investments which are permissible under Securities Commission Malaysia ("SC")'s Guidelines on Real Estate Investment Trusts ("REITs") ["REITs Guidelines"] or otherwise permitted by SC.

(ii) Portfolio Composition

AmFIRST REIT's investments may be allocated in the manner as prescribed by the REITs Guidelines as follows :-

- (a) Invest in real estate, single-purpose companies, real estate-related assets, non-real estate-related assets and liquid assets;
- (b) At least 50% of AmFIRST REIT'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 REIT's total assets.

INVESTMENT POLICIES (contd.)**(iii) Diversification**

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

(iv) Gearing

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

Summary of AmFIRST REIT's current and historical gearing is as tabulated as follows :-

	←----- FYE -----→				
	2014	2013	2012	2011	2010
Gearing (%)	32.65	32.86	45.89	38.94	39.55

There is capacity for additional debt financing of approximately RM454,000,000 prior to reaching the threshold of 50% of its total asset value as stipulated under the REITs Guidelines.

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

REVIEW OF PERFORMANCE

	As at 31 March 2014	As at 31 March 2013
Net asset value (RM'000)	849,864	836,903
Units in circulation (unit) (000)	686,402	686,402
Net asset value per unit (RM)		
- Before proposed final income distribution	1.2381	1.2193
- After proposed final income distribution	1.2011	1.1828
Market price per unit at close of the financial year (RM)	0.98	1.08
Highest traded price per unit during the financial year (RM)	1.09	1.23
Lowest traded price per unit during the financial year (RM)	0.91	1.02

DISTRIBUTION OF INCOME

Total realized income available for distribution in respect of the current financial year ended 31 March 2014 was RM50,267,496 which translated to realized earnings per unit of 7.32 sen per unit.

During the financial year, AmFIRST REIT paid an interim income distribution of 3.65 sen per unit (of which 3.64 sen per unit was subject to withholding tax and 0.01 sen per unit was tax exempt) amounting to RM25,053,655 for the six-month period from 1 April 2013 to 30 September 2013 on 5 December 2013.

The Board of Directors of Am ARA recommended a final income distribution of 3.70 sen per unit (of which 3.69 sen per unit is subject to withholding tax and 0.01 sen per unit is tax exempt) amounting to RM25,396,859 for the six-month period from 1 October 2013 to 31 March 2014 to be payable on 12 June 2014.

The financial statements for the current financial year do not reflect the proposed final income distribution. Such income distribution will be accounted for in the statement of changes in net asset value as distribution to Unitholders in the next financial year ending 31 March 2015.

This is in line with AmFIRST REIT's objective to deliver regular and stable income distributions to Unitholders.

INVESTMENTS OF THE TRUST

AmFIRST REIT's composition of investments as at 31 March 2014 are tabulated as follows:

	Amount RM million	% of Investment
At fair value		
Bangunan AmBank Group	240.0	18.4
AmBank Group Leadership Centre	22.0	1.7
Menara AmFIRST	69.5	5.3
Menara AmBank	310.0	23.7
Wisma AmFIRST	111.0	8.5
The Summit Subang USJ	314.9	24.1
Prima 9	77.0	5.9
Prima 10	68.0	5.2
Kompleks Tun Sri Lanang (also known as Jaya 99)	89.5	6.9
	1,301.9	99.7
Deposits with financial institution	4.2	0.3
	1,306.1	100.0

The values of investment properties have increased by RM24.7 million in the financial year ended 31 March 2014. This was due to the changes in the fair values on the revaluation of all investment properties and capitalization of refurbishments carried out at AmBank Group Leadership Centre, Bangunan AmBank Group, Menara AmBank, Wisma AmFIRST and The Summit Subang USJ during the financial year ended 31 March 2014.

BREAKDOWN OF UNIT HOLDINGS AS AT 31 MARCH 2014

	Number of Unitholders	Number of Units
5,000 and below	7,935	13,075,545
5,001 to 10,000	1,638	13,456,379
10,001 to 50,000	2,386	59,097,843
50,001 to 500,000	1,062	157,832,968
500,001 and above	122	442,938,865
	13,143	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
 Tuan Haji Mohd Salleh bin Akram
 Lim Hwee Chiang
 Pushpa Rajadurai
 Zuhairy bin Md Isa (Appointed on 28.03.2014)
 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 Manager might acquire benefits by means of acquisition of shares in or debentures of the Manager or any other body corporate, other than those arising from the scheme shares and options granted pursuant to the Executives' Share Scheme of AMMB Holdings Berhad ("AMMB"), the ultimate holding company of the Manager, 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 23 to the financial statements of the Trust.

DIRECTORS' INTEREST

The interests of the Directors of the Manager in the Trust during the financial year are as follows:

Direct Interest

<i>In the Trust</i>	Number of units in the Trust			
	As at 01.04.2013	Bought	Sold	As at 31.03.2014
Zuhairy bin Md Isa #	7,400	-	-	7,400

Disclosure of interest of director from the date of appointment.

Zuhairy bin Md Isa's interest in the Trust held through nominees account registered in the name of Malacca Equity Nominees (Tempatan) Sdn Bhd.

Indirect Interest

<i>In the Trust</i>	Name of Company	Number of units in the Trust			
		As at 01.04.2013	Bought	Sold	As at 31.03.2014
Lim Hwee Chiang *	Jadeline Capital Sdn Bhd	36,968,000	-	-	36,968,000

* By virtue of Lim Hwee Chiang's indirect interest in Jadeline Capital Sdn Bhd, a substantial shareholder of the Trust.

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.

PROPERTY PORTFOLIO REVIEW

ASSET MANAGEMENT

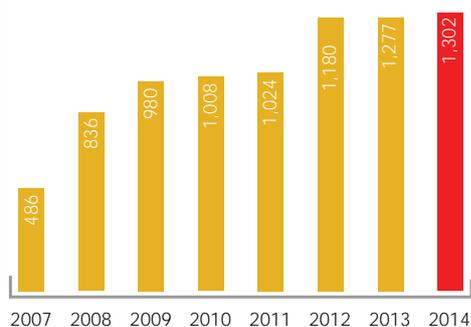
Asset management involves developing strategies across the investment portfolio of the Trust and these include:

- Asset Enhancements
- Leasing
- Property Management
- Lease Terms
- Tenancy Management

As the Manager of AmFIRST REIT, 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 nine (9) 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.

Assets Under Management (“AUM”)



Since the listing of AmFIRST REIT on 21 December 2006, the Trust has grown its AUM from RM486 million to RM1.3 billion as at 31 March 2014. The increase was attributed by the acquisitions of five (5) 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.

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

Portfolio Occupancy

FYE	AGLC	BAG	MAB	MA	WA	The Summit (Office)	The Summit (Retail)	Prima 9	Prima 10	Jaya 99	Overall Portfolio
2007	83.0%	97.0%	99.0%	91.0%	-	-	-	-	-	-	92.5%
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%
2014	100.0%	100.0%	95.3%	69.4%	75.6%	73.5%	88.2%	80.4%	100.0%	88.2%	88.1%

Top Ten (10) Largest Tenants by Rental Income

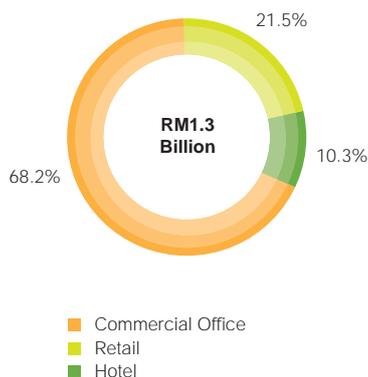
Name	Trade Sector	%
AmBank Group	Banking & Financial Institutions	37.7
Xperential Dynamics Sdn Bhd	Hospitality	5.4
Hewlett-Packard Multimedia Sdn Bhd	IT	4.6
RBC Investor Services (Malaysia) Sdn Bhd	Services	4.5
Prudential Assurance Malaysia Berhad	Services	2.1
Shook Lin & Bok	Advocates & Solicitors	2.1
Kimberly-Clark Group	Trading	1.4
Sudong Sdn Bhd	Services	1.2
Germanicher Loyd GLM Sdn Bhd	Oil & Gas	1.2
IMC Education Sdn Bhd (Formerly known as Pantai Education Sdn Bhd)	Education	0.9
Total		61.1

The top ten (10) tenants in the portfolio contributed 61.1% of the total rental income of the Trust in the financial year ended 31 March 2014, majority of which are reputable multinational corporations and professional firms. AmBank Group continues to remain as our top tenant, accounting for 37.7% 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 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.

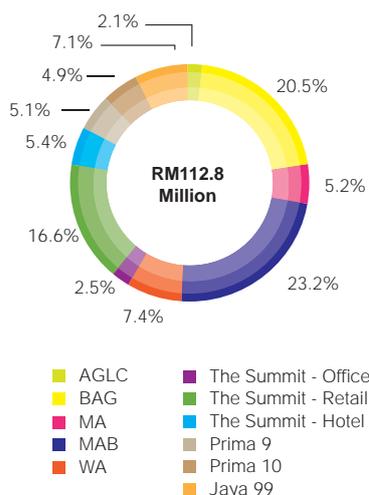
PORTFOLIO DIVERSIFICATION

AmFIRST REIT’s portfolios consists of Commercial Office, Retail and Hotel of which 68.2% of the portfolio are from Commercial Office whereas Retail and Hotel segment stand of 21.5% and 10.3%.

Portfolio Asset Diversification



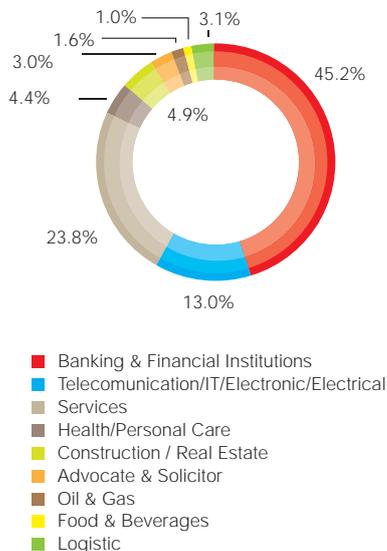
Revenue By Property



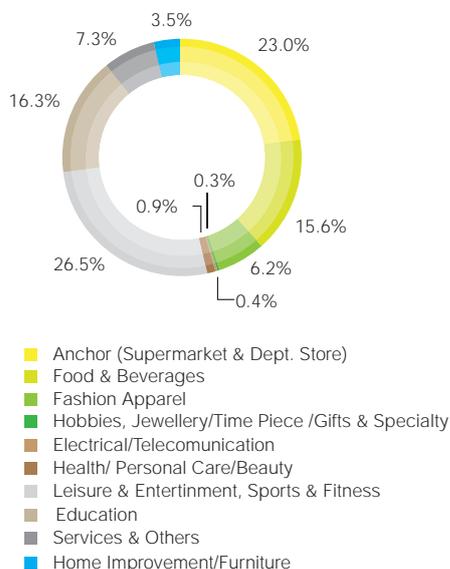
On the Gross Revenue contribution by each of the investment properties in the portfolio, the three (3) buildings in KL City Centre contribute 45.8% of the Gross Revenue and AmBank Group’s tenancies account for 37.7% of it.

TENANT DIVERSIFICATION BY SECTOR

Office Sector



Retail Sector

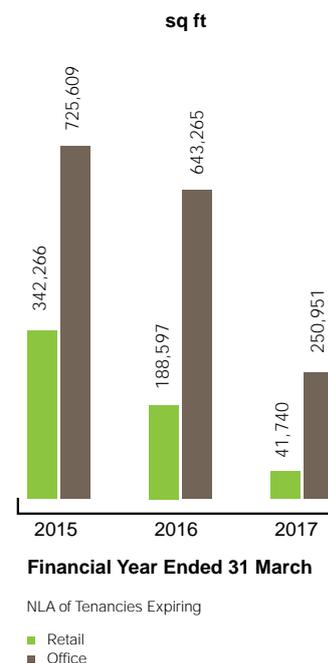


TENANT DIVERSIFICATION BY SECTOR (contd.)

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 Assets Enhancements Initiatives 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 Kuala Lumpur 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 three (3) years with option to renew with certain anchor tenants having multiple renewal terms. As at 31 March 2014, those leases expiring in 2015 accounted for 44.8% of the office leases and 59.8% for retail of the respective total NLA. The Asset Management Team will continue with the proactive leasing strategies to deliver improved results.

**ASSET ENHANCEMENT INITIATIVES (“AEI”)**

AmFIRST REIT 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 ongoing AEI program in place for all our properties across the portfolio, in which we plan and commit capital expenditure for upgrading and refurbishment works.

Bangunan AmBank Group (“BAG”)

We commenced the enhancement initiatives for BAG to principally upgrade the security and surveillance systems and mechanical and electrical systems. The objective is to provide continuous satisfactory services to tenants as well as maintaining the aged building at the competitive level. During the financial year, the replacement of entire ceiling boards, cleaning of air-duct and overhaul of chillers have been carried out. Further AEIs will be embarked in FYE 2014/15 on the enhancement of security and surveillance systems including the introduction of Visitors Management System (“VMS”) and upgrading of common halls, external façade cleaning and paintings. A total capital expenditure of RM9.4 million was allocated for the said initiatives which is programmed to complete by the second quarter of 2015.

AmBank Group Leadership Centre (“AGLC”)

We have initiated the upgrading of AGLC during the financial year under review with the aimed to meet tenants' expectations and transform its present look. These include replacement of two (2) existing lifts and upgrading of fire-fighting and electrical systems, toilets, carparks and external façade repainting etc. The revised capital expenditure is approximately RM7.0 million with target completion by third quarter of 2014.

Menara AmBank (“MAB”)

We have planned an extensive refurbishment for MAB with an estimated capital expenditure of RM25 million. There will be a major modernization of the entire lift systems and renovation to toilets and main lobby. The security and surveillance system will be enhanced with installation of new turnstiles and CCTVs including implementation of Visitors Management System (“VMS”). Others include upgrading mechanical and electrical systems, common areas, basic amenities including cafeteria. We expect the initiative to complete by last quarter of 2015.

The Summit Subang USJ

The proposed repositioning of the Summit Retail has commenced in April 2014 after final approval granted at the last Annual General Meeting of The Summit Subang Management Corporation at a total cost of RM70.5 million. The Trust will contribute RM50 million based on "share units" and the balance shall be borne by all other joint owners. Coinciding with the repositioning exercise, we have allocated RM30 million for expansion of our anchor tenant, relocation of existing tenants to the designated zones and interior setup for new tenants as well as the facelift of external façades for Menara Summit (Office block) and Summit Hotel (Hotel block) to blend with the modern designed glass façade of the Summit Retail Mall. The repositioning program is scheduled to complete in the third quarter of 2015.

REVALUATION OF INVESTMENT PROPERTIES

The Manager conducted the year end revaluation of its investment properties and registered a fair value gain of RM12.3 million. The valuation methodology is using comparison and investment method.

	Net Book Value As at 31.03.2014 (RM)	Market Value As at 31.03.2014 (RM)	Fair Value Gain/(Loss) (RM)
BAG	240,410,519	240,000,000	(410,519)
AGLC	24,344,431	22,000,000	(2,344,431)
MA	68,000,000	69,500,000	1,500,000
MAB	311,648,600	310,000,000	(1,648,600)
WA	115,067,126	111,000,000	(4,067,126)
The Summit	305,801,595	314,900,000	9,098,405
Prima 9	75,026,562	77,000,000	1,973,438
Prima 10	62,027,000	68,000,000	5,973,000
Jaya 99	87,246,678	89,500,000	2,253,322
TOTAL	1,289,572,511	1,301,900,000	12,327,489

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 enhancement initiatives. The ongoing capital management strategy involves undertaking stress test of cash flows and risks associated with interest rate exposure as well as maintaining an optimized gearing.

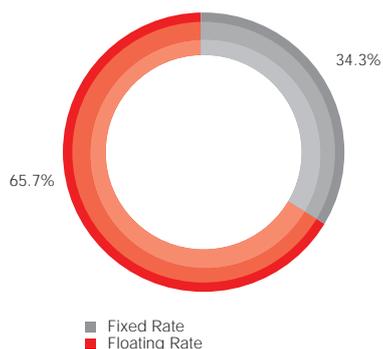
As at 31 March 2014, the total borrowings of the Trust stood at RM 429,078,673 with a gearing of 32.7% and average interest rate of 4.45% per annum. A summary of AmFIRST REIT's borrowings are shown as below:

	2014		2013	
	RM'000	%	RM'000	%
Term Loan (fixed rate)	117,000	27.3%	117,000	27.4%
Term Loan (floating rate)	11,000	2.5%	41,000	9.6%
Revolving Credit (fixed rate)	30,000	7.0%	-	-
Revolving Credit (floating rate)	270,000	63.0%	268,400	63.0%
Overdraft Facility	1,079	0.2%	-	-
Total Borrowings	429,079	100.0%	426,400	100.0%
Gearing(%) ¹	32.7%		32.9%	
Average Interest rate	4.45%		4.37%	
Interest Cover ²	3.62 Times		3.36 Times	

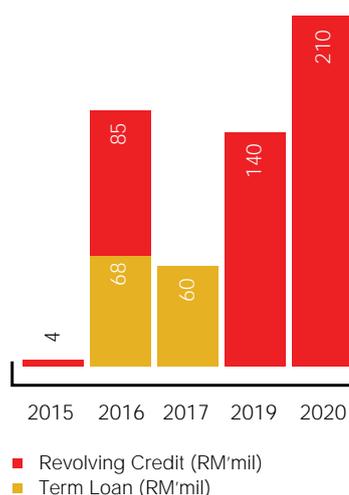
- 1. Total borrowing over total assets value
- 2. Realized Net Income before interest over interest expenses

Out of the total borrowings, 34.3% or RM147 million, comprising of RM117 million Term Loans and RM30 million Revolving Credit Facilities, are fixed rate borrowings over tenures of between two (2) to five (5) years. The balance of 65.7% or

Interest Rate Management



Loan Expiry Profile



RM282 million comprises of Term Loan and Revolving Credit Facilities with floating rates.

The current gearing of 32.65% provides the Trust with additional debt headroom of approximately RM454 million to fund any potential acquisitions and asset enhancements initiatives before it exceeds the gearing threshold of 50% of its total asset value as stipulated under the REITs Guidelines. Strategically, the Manager intends to maintain an ideal gearing between 35% - 40% and will consider fresh equity raising when this level is reached.

The Manager closely monitor 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 it interest

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% p.a 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 REIT 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 REIT (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 REIT.

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 bad 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.

AUDITORS

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

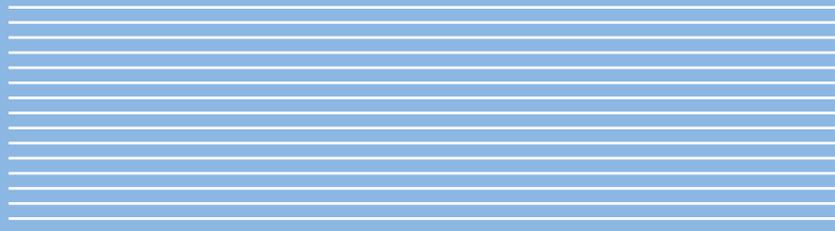
Signed on behalf of the Board of the Manager in accordance with a resolution of the Directors of the Manager.

**DATO' AZLAN BIN HASHIM****TUAN HAJI MOHD SALLEH BIN AKRAM**

Kuala Lumpur, Malaysia
12 May 2014



trust



BANGUNAN AmBANK GROUP (“BAG”)

**Bangunan
AmBank Group**
No. 55,
Jalan Raja Chulan
50200 Kuala Lumpur

DESCRIPTION OF PROPERTY

26-storey office building comprising 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 70 years)

ENCUMBRANCES

Nil

YEAR OF COMPLETION

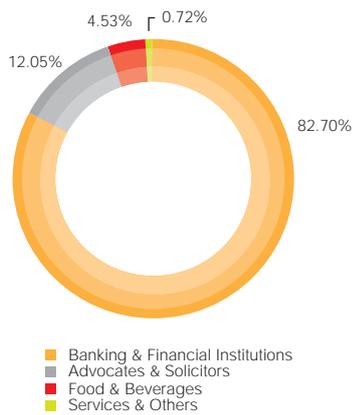
1987

AGE OF BUILDING

27 years



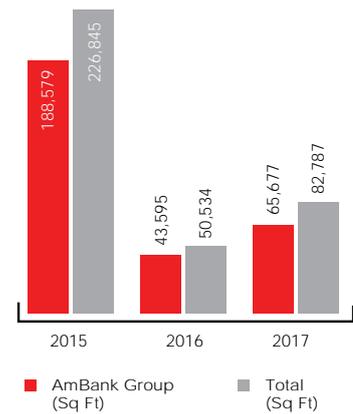
TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Banking & Financial Institutions	297,851	82.70%
Advocates & Solicitors	43,407	12.05%
Food & Beverages	16,330	4.53%
Services & Others	2,578	0.72%
Total	360,166	100.00%

FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2015	188,579	83.13%	226,845	62.98%
2016	43,595	86.27%	50,534	14.03%
2017	65,677	79.33%	82,787	22.99%
TOTAL	297,851	82.70%	360,166	100.00%

TENANCY RENEWAL PROFILE



Financial Year Ending 31 March

NET LETTABLE AREA
360,166 sq. ft.

EXISTING USE
Commercial Office

CAR PARK
522 bays

NO OF TENANTS
9

DATE OF ACQUISITION
21 December 2006

ACQUISITION COST
RM180.15 million

LATEST REVALUATION
RM240.00 million

DATE OF LATEST REVALUATION
10 March 2014

OCCUPANCY RATE
100.00%

GROSS REVENUE
RM23.15 million

NET PROPERTY INCOME
RM17.68 million

MAJOR CAPITAL EXPENDITURE
RM2.41 m

AVERAGE LEASE PERIOD
3 years

VALUER
Messrs Cheston International (KL)
Sdn Bhd

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

PROPERTY MANAGER
Malik & Kamaruzaman Property
Management Sdn Bhd

AmBANK GROUP LEADERSHIP CENTRE (“AGLC”)



**AmBank Group
Leadership Centre**
Lorong P. Ramlee
50250 Kuala Lumpur

DESCRIPTION OF PROPERTY

13-storey office building comprising 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

24 years

NET LETTABLE AREA

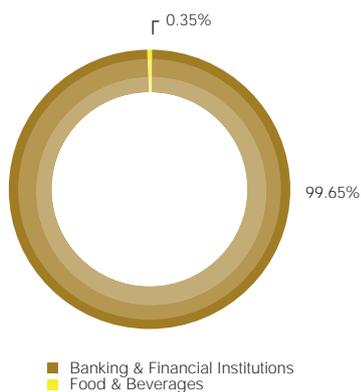
57,801 sq. ft.

EXISTING USE

Commercial Office



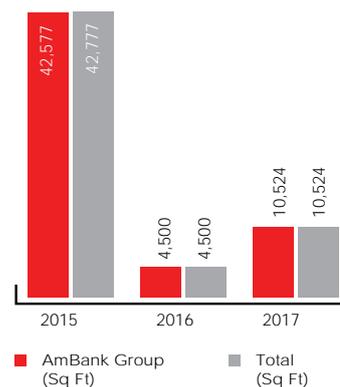
TENANTS' TRADE MIX ANALYSIS



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

FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2015	42,577	99.53%	42,777	74.01%
2016	4,500	100.00%	4,500	7.79%
2017	10,524	100.00%	10,524	18.21%
TOTAL	57,601	99.65%	57,801	100.00%

TENANCY RENEWAL PROFILE



CAR PARK
57 bays

NO OF TENANTS
2

DATE OF ACQUISITION
21 December 2006

ACQUISITION COST
RM19.05 million

LATEST REVALUATION
RM22.00 million

DATE OF LATEST REVALUATION
12 March 2014

OCCUPANCY RATE
100.00%

GROSS REVENUE
RM2.35 million

NET PROPERTY INCOME
RM1.26 million

MAJOR CAPITAL EXPENDITURE
RM2.34 million

AVERAGE LEASE PERIOD
3 years

VALUER
Messrs Cheston International (KL)
Sdn Bhd

MAJOR TENANTS
AmBank Group
Juara Saji

PROPERTY MANAGER
Malik & Kamaruzaman Property
Management Sdn Bhd

MENARA AmFIRST (“MA”)



Menara AmFIRST

No. 1, Jalan 19/3
46300 Petaling Jaya
Selangor Darul Ehsan

DESCRIPTION OF PROPERTY

22-storey purpose-built office building comprising 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

20 years

NET LETTABLE AREA

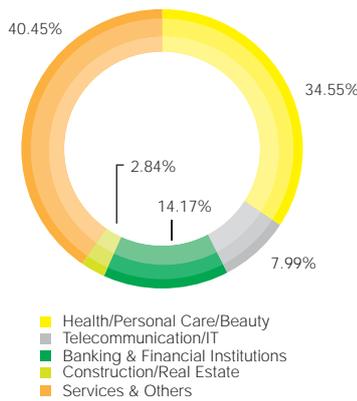
159,001 sq. ft.

EXISTING USE

Commercial Office



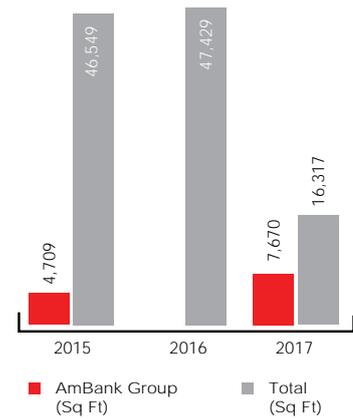
TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Health / Personal Care / Beauty	38,106	34.55%
Telecommunication / IT	8,817	7.99%
Banking & Financial Institutions	15,631	14.17%
Construction/ Real Estate	3,131	2.84%
Services & Others	44,610	40.45%
Total	110,295	100.00%

FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2015	4,709	10.12%	46,549	42.20%
2016	-	-%	47,429	43.00%
2017	7,670	47.01%	16,317	14.80%
TOTAL	12,379	11.22%	110,295	100.00%

TENANCY RENEWAL PROFILE



CAR PARK
324 bays

NO. OF TENANTS
26

DATE OF ACQUISITION
21 December 2006

ACQUISITION COST
RM57.08 million

LATEST REVALUATION
RM69.50 million

DATE OF LATEST REVALUATION
20 March 2014

OCCUPANCY RATES
69.37%

GROSS REVENUE
RM5.87 million

NET PROPERTY INCOME
RM3.75 million

MAJOR CAPITAL EXPENDITURE
Nil

AVERAGE LEASE PERIOD
1-3 years

VALUER
Messrs Raine & Horne International
Zaki + Partners Sdn Bhd

MAJOR TENANTS
KAO (M) Sdn Bhd
Groupon Sdn Bhd
Perfect Pentagon Sdn Bhd
Agfa (Asean) Sdn Bhd
AmTrustee Bhd

PROPERTY MANAGER
CB Richard Ellis (Malaysia)
Sdn Bhd

MENARA AmBANK



Menara AmBank

No.8,
Jalan Yap Kwan Seng
50450 Kuala Lumpur

DESCRIPTION OF PROPERTY

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

TITLE DETAILS

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

17 years

NET LETTABLE AREA

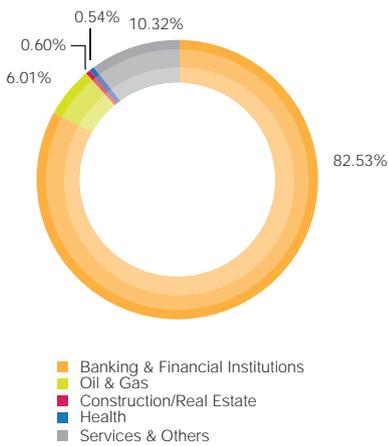
458,187 sq. ft.

EXISTING USE

Commercial Office



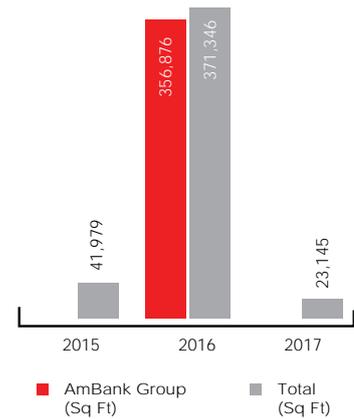
TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Banking & Financial Institutions*	360,216	82.53%
Oil & Gas	26,251	6.01%
Construction/ Real Estate	2,600	0.60%
Health	2,349	0.54%
Services & Others	45,054	10.32%
Total	436,470	100.00%

FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2015	-	-	41,979	9.62%
2016	356,876	96.10%	371,346	85.08%
2017	-	-	23,145	5.30%
TOTAL	356,876	81.76%	436,470	100.00%

TENANCY RENEWAL PROFILE



CAR PARK
776 bays

NO. OF TENANTS
16

DATE OF ACQUISITION
21 December 2006

ACQUISITION COST
RM230.16 million

LATEST REVALUATION
RM310.00 million

DATE OF LATEST REVALUATION
10 March 2014

OCCUPANCY RATE
95.26%

GROSS REVENUE
RM26.15 million

NET PROPERTY INCOME
RM17.63 million

MAJOR CAPITAL EXPENDITURE
RM1.65 million

AVERAGE LEASE PERIOD
3 years

VALUER
Messrs Cheston International (KL)
Sdn Bhd

MAJOR TENANTS
AmBank Group
Germanischer Lloyd (GLM) Sdn Bhd
Acer Sales & Services Sdn Bhd

PROPERTY MANAGER
CB Richard Ellis (Malaysia) Sdn Bhd

WISMA AmFIRST



Wisma AmFIRST

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

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

LAND TITLE

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

STATUS OF HOLDING

Leasehold of 99 years expiring on 19 February 2094 (unexpired term of approximately 80 years)

ENCUMBRANCES

Lien Holder's Caveat

YEAR OF COMPLETION

2001

AGE OF BUILDING

13 years

NET LETTABLE AREA

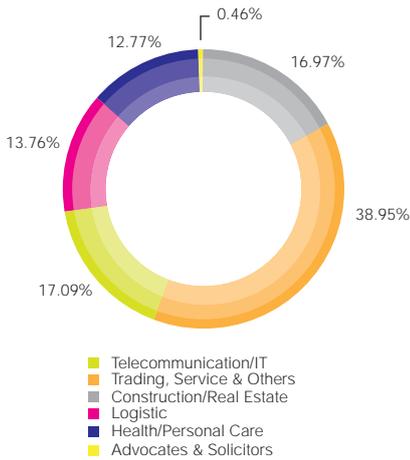
285,461 sq. ft.

EXISTING USE

Commercial Office



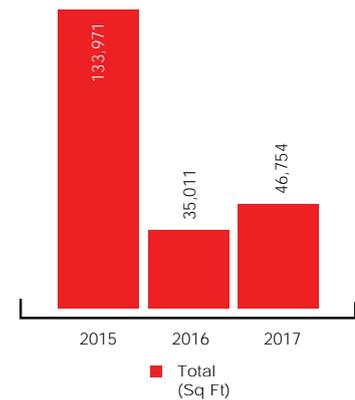
TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Telecommunication/ IT	36,868	17.09%
Trading, Service & Others	84,021	38.95%
Construction/ Real Estate	36,611	16.97%
Logistic	29,686	13.76%
Health/ Personal Care	27,550	12.77%
Advocates & Solicitors	1,000	0.46%
Total	215,735	100.00%

FYE	Total (sq ft)	%
2015	133,971	62.10%
2016	35,011	16.23%
2017	46,754	21.67%
TOTAL	215,736	100.00%

TENANCY RENEWAL PROFILE



CAR PARK
645 bays

NO. OF TENANTS
24

DATE OF ACQUISITION
21 June 2007

ACQUISITION COST
RM86.05 million

LATEST REVALUATION
RM111.00 million

DATE OF REVALUATION
13 March 2014

OCCUPANCY RATE
75.57%

GROSS REVENUE
RM8.35 million

NET PROPERTY INCOME
RM5.34 million

MAJOR CAPITAL EXPENDITURE
RM5.07 million

AVERAGE LEASE PERIOD
2 - 3 years

VALUER
Rahim & Co Chartered Surveyors
Sdn Bhd

MAJOR TENANTS
Kimberly-Clark Trading (M) Sdn Bhd
LG Electronics (M) Sdn Bhd
Gapurna Sdn Bhd
Welch Allyn (M) Sdn Bhd

PROPERTY MANAGER
Malik & Kamaruzaman Property
Management Sdn Bhd

PRIMA 9



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 Darul Ehsan

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

2009

AGE OF BUILDING

5 years

NET LETTABLE AREA

111,224 sq. ft.

EXISTING USE

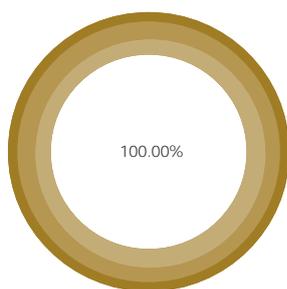
Commercial Office

CAR PARK

414 bays



TENANTS' TRADE MIX ANALYSIS

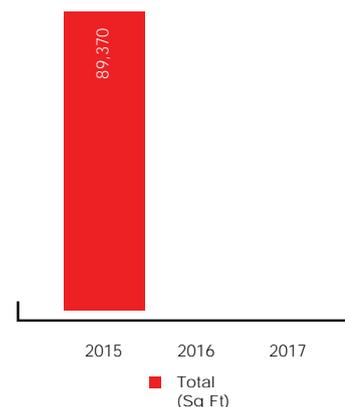


■ Telecommunication/IT

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

FYE	Total (sq ft)	%
2015	89,370	100.00%
TOTAL	89,370	100.00%

TENANCY RENEWAL PROFILE



NO. OF TENANTS
1

DATE OF ACQUISITION
30 November 2011

ACQUISITION COST
RM72.89 million

LATEST REVALUATION
RM77.00 million

DATE OF LATEST REVALUATION
20 March 2014

OCCUPANCY RATE
80.35%

GROSS REVENUE
RM5.78 million

NET PROPERTY INCOME
RM4.68 million

MAJOR CAPITAL EXPENDITURE
Nil

AVERAGE LEASE PERIOD
3 years

VALUER
Raine & Horne International Zaki +
Partners Sdn Bhd

MAJOR TENANTS
Hewlett Packard Multimedia Sdn Bhd

PROPERTY MANAGER
Malik & Kamaruzaman Property
Management Sdn Bhd

PRIMA 10**Prima 10**

Prima Avenue II
Block 3544,
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 207774
Lot 23589
Mukim of Dengkil
District of Sepang
State of Selangor Darul Ehsan

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

2010

AGE OF BUILDING

4 years

NET LETTABLE AREA

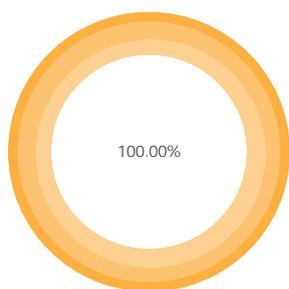
100,272 sq. ft.

EXISTING USE

Commercial Office



TENANTS' TRADE MIX ANALYSIS

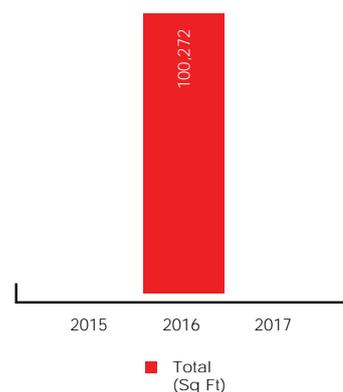


■ Services & Others

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

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

TENANCY RENEWAL PROFILE



CAR PARK
322

NO. OF TENANTS
1

DATE OF ACQUISITION
30 November 2011

ACQUISITION COST
RM61.75 million

LATEST REVALUATION
RM68.00 million

DATE OF LATEST REVALUATION
20 March 2014

OCCUPANCY RATE
100.00%

GROSS REVENUE
RM5.49 million

NET PROPERTY INCOME
RM4.82 million

MAJOR CAPITAL EXPENDITURE
Nil

AVERAGE LEASE PERIOD
3 years

VALUER
Raine & Horne International Zaki
+ Partners Sdn Bhd

MAJOR TENANTS
RBC Investor Services (Malaysia)
Sdn Bhd

PROPERTY MANAGER
Malik & Kamaruzaman Property
Management Sdn Bhd

KOMPLEKS TUN SRI LANANG (ALSO KNOWN AS JAYA 99)



Kompleks Tun Sri Lanang

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

DESCRIPTION OF PROPERTY

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

LAND TITLE

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

STATUS OF HOLDING

Leasehold 99 years expiring on 7 October 2109 (unexpired term of approximately 95 years)

ENCUMBRANCES

Nil

YEAR OF COMPLETION

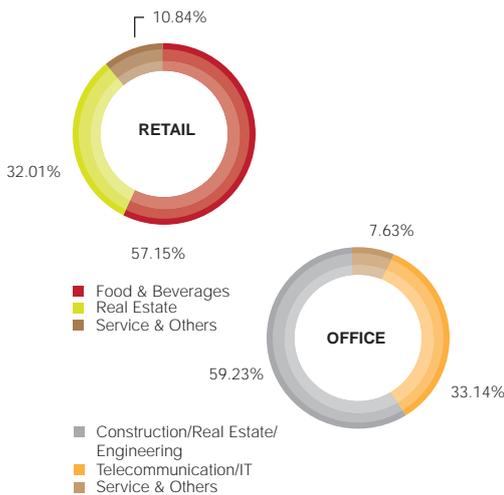
2011

AGE OF BUILDING

3 years



TENANTS' TRADE MIX ANALYSIS

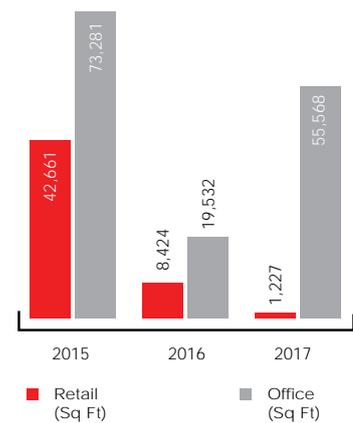


CATEGORY	SQ FT	%
RETAIL		
Food & Beverages	29,894	57.15%
Real Estate	16,746	32.01%
Services & Others	5,672	10.84%
Total	52,312	100.00%

CATEGORY	SQ FT	%
OFFICE		
Construction/ Real Estate/Engineering	11,318	7.63%
Telecommunication/IT	49,170	33.14%
Services & Others	87,893	59.23%
Total	148,381	100.00%

FYE	Retail Total (sq ft)	%	Office (sq ft)	%
2015	42,661	81.55	73,281	49.39%
2016	8,424	16.10	19,532	13.16%
2017	1,227	2.35	55,568	37.45%
TOTAL	52,312	100.00	148,381	100.00%

TENANCY RENEWAL PROFILE



NET LETTABLE AREA
227,662 sq. ft.

EXISTING USE
Commercial Office

CAR PARK
551 bays

NO. OF TENANTS
21

ACQUISITION DATE
1 November 2012

ACQUISITION COST
RM87.23 million

LATEST VALUATION
RM89.50 million

DATE OF LATEST REVALUATION
13 March 2014

OCCUPANCY RATE
88.15%

GROSS REVENUE
RM8.05 million

NET PROPERTY INCOME
RM5.94 million

MAJOR CAPITAL EXPENDITURE
Nil

AVERAGE LEASE PERIOD
3 - 6 years

VALUER
Messrs Cheston International (KL)
Sdn Bhd

MAJOR TENANTS
Prudential Assurance Malaysia
Berhad
Sudong Sdn Bhd

PROPERTY MANAGER
Malik & Kamaruzaman Property
Management Sdn Bhd

THE SUMMIT SUBANG USJ (“THE SUMMIT”)



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 Darul Ehsan

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

1998

AGE

16 years

NET LETTABLE AREA

Retail - 599,474 sq ft

Office - 138,431 sq ft

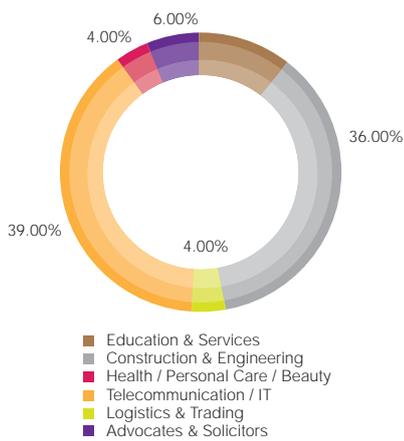
Hotel - 286,600 sq ft

EXISTING USE

Commercial Office, Hotel and Retail
Mall



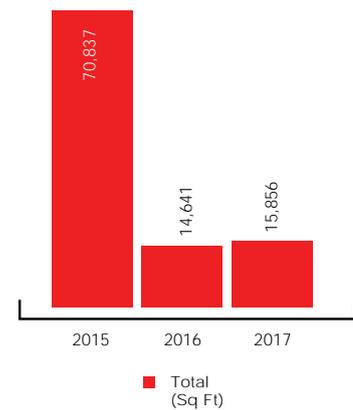
TENANTS' TRADE MIX ANALYSIS - OFFICE



CATEGORY	SQ FT	%
Education & Services	21,619	11.00%
Construction & Engineering	26,064	36.00%
Health / Personal Care / Beauty	3,963	4.00%
Telecommunication / IT	25,948	39.00%
Logistic & Trading	19,638	4.00%
Advocates & Solicitors	4,102	6.00%
TOTAL	101,333	100.00%

FYE	Total (sq ft)	%
2015	70,837	69.90%
2016	14,641	14.45%
2017	15,856	15.65%
TOTAL	101,334	100.00%

TENANCY RENEWAL PROFILE - OFFICE



CAR PARK

1,966 bays

NO. OF TENANTS

Retail - 99
Office - 20

DATE OF ACQUISITION

31 March 2008

ACQUISITION COST

RM278.72 million

LATEST REVALUATION

RM314.90 million

DATE OF LATEST REVALUATION

4 March 2014

OCCUPANCY RATES

Retail - 88.23%
Office - 73.43%
Hotel - 100.00% leased

GROSS REVENUE

RM27.60 million

NET PROPERTY INCOME

RM15.38 million

MAJOR CAPITAL EXPENDITURE

RM1.16 million

AVERAGE LEASE PERIOD

1 to 3 years

VALUER

Rahim & Co. Chartered Surveyors
Sdn Bhd

MAJOR TENANTS – OFFICE

Salcon Resources Sdn Bhd
NOL Global Services Centre Sdn Bhd
Bakat Pintar Sdn Bhd

MAJOR TENANTS – RETAIL

Point B!
Giant Supermarket
Popular Book Sore
Pantai Education Medical College
Fitness First
Golden Screen Cinemas
Ampang Superbowl
Ace Hardware
Adidas Factory Outlet
Reject Shop

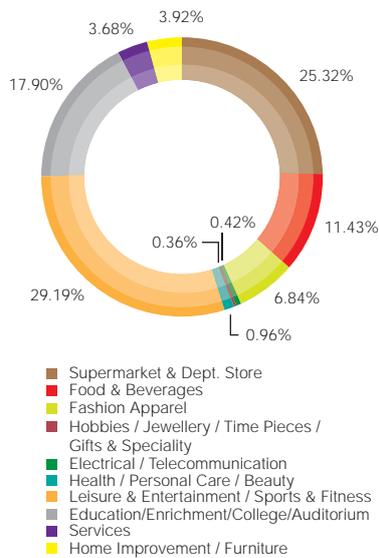
PROPERTY MANAGER

DTZ Nawawi Tie Leung Property
Consultants Sdn Bhd

THE SUMMIT SUBANG USJ (“THE SUMMIT”) (contd.)

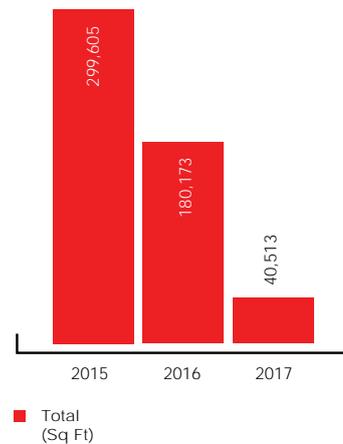


TENANTS' TRADE MIX ANALYSIS - RETAIL



CATEGORY	SQ FT	%
Anchor Supermarket & Dept. Store	131,730	25.32%
Food & Beverages	59,465	11.43%
Fashion Apparel	35,564	6.84%
Hobbies, Jewellery / Time Piece / Gifts & Speciality	1,847	0.36%
Electrical / Telecommunication	2,175	0.42%
Health / Personal Care / Beauty	4,994	0.96%
Leisure & Entertainment, Sports & Fitness	151,857	29.19%
Education / Enrichment /College / Auditorium	93,141	17.90%
Services & Others	19,129	3.68%
Home Improvement / Furniture	20,389	3.90%
TOTAL	520,291	100.00%

TENANCY RENEWAL PROFILE - RETAIL



FYE	Total (sq ft)	%
2015	299,605	57.58%
2016	180,173	34.63%
2017	40,513	7.79%
TOTAL	520,291	100.00%

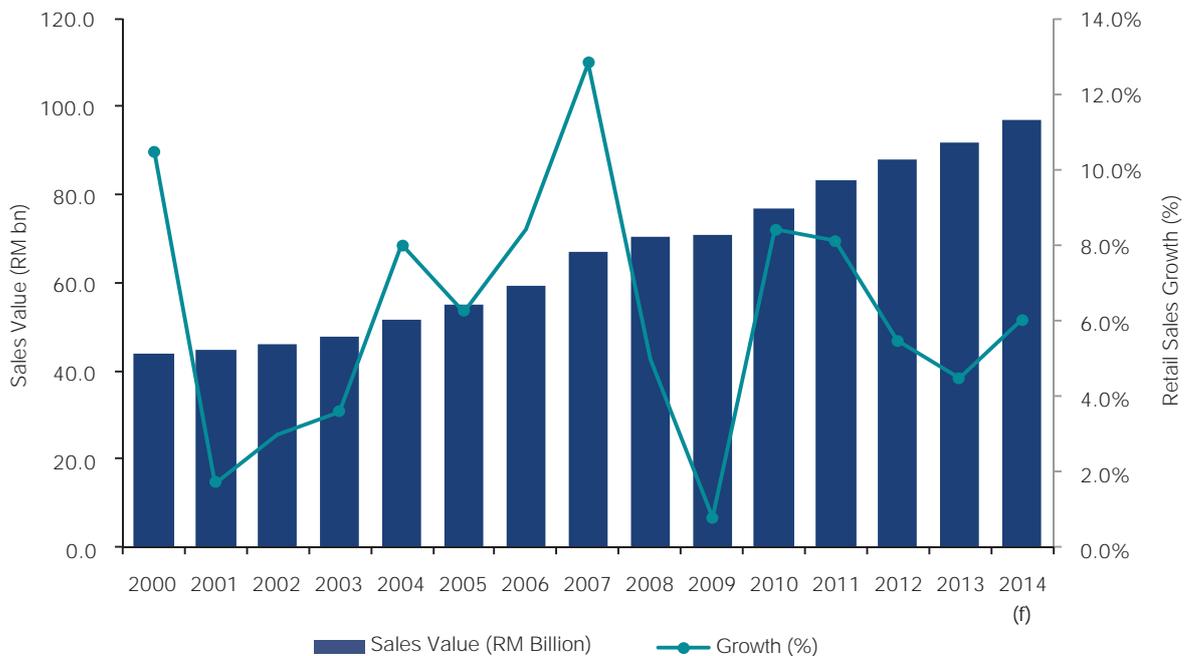


1 RETAIL SECTOR

1.1 Kuala Lumpur

Malaysian retail sales slowed in 2013 to 4.5% (2012: 5.5%) with total sales of RM91.7 billion (2012: RM88 billion), pulled down by slower performance in all retail sub-sectors. According to Retail Group Malaysia (RGM), Malaysia's retail industry is expected to register better performance of 4.8% in Q1 2014, compared to 3.9% in the previous quarter, contributed by the Chinese New Year celebrations and payment of BRIM benefiting some 7 million recipients. For the whole of 2014, RGM forecasts retail sales to grow 6%, in conjunction with the tourism campaign, Visit Malaysia 2014 (Figure 1.0).

Figure 1.0: Retail Sales Growth

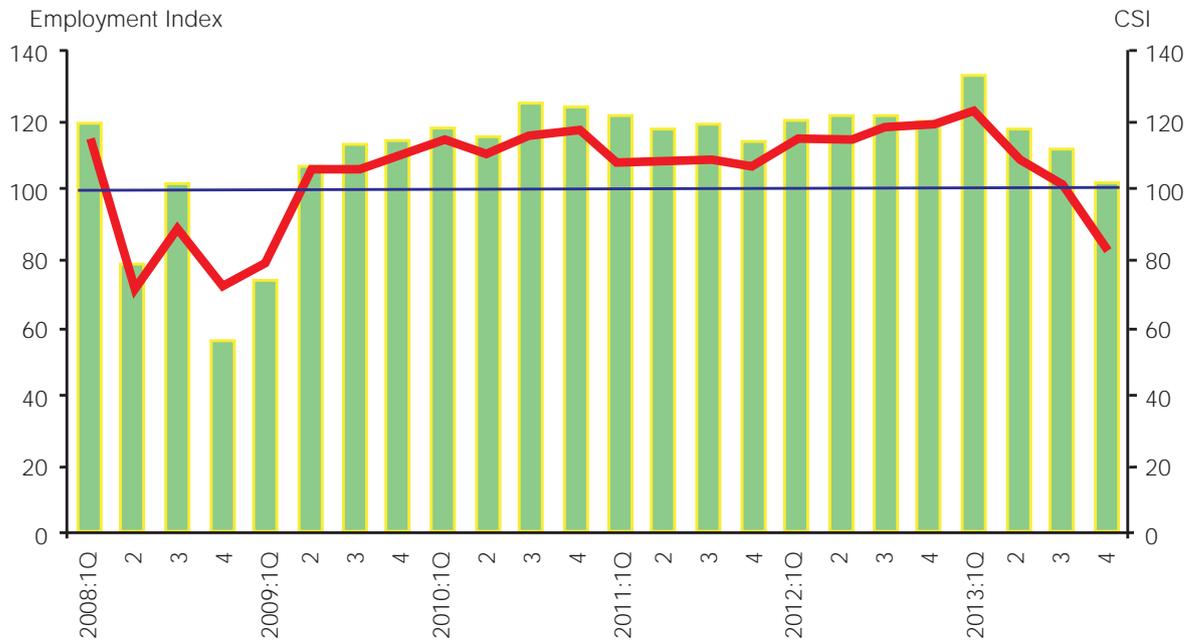


Source: DTZ Consulting & Research, April 2014

Despite the resilient economy, consumer confidence as measured by Consumer Sentiment Index has fallen to its lowest level in five years, to 82.4 points in Q4 2013, which is below the 100-point threshold for the first time since the Global Financial Crisis (Figure 1.1). The revealed that Malaysian consumers are becoming more prudent and delaying expenditure on big-ticket items following rising prices due to the fiscal consolidation measures by the government. The fall in consumer confidence will be exacerbated further by the implementation of a GST in April 2015 and expectations of more subsidy cuts. Growing concern about future prices has led Malaysian consumers to save more and change their spending habits to tighten household expenses. This has further eroded consumers' confidence and slow down retail spending.



Figure 1.0: Retail Sales Growth



Source: Malaysian Institute of Economic Research

Despite weakening consumers' confidence, occupancy rate remains unaffected in the short term, coming in at a high of 93%. This was driven by the completion of a new mall and strong take-up of a refurbished mall in the city centre. Generally, prime malls in urban and suburban areas are still enjoying strong occupancy of 95% and above.

As at Q1 2014, the retail stock in Kuala Lumpur stood at 22.9 million sq ft, a marginal decline from 23 million sq ft due to the closure of Capsquare for refurbishment and repositioning after being acquired by a major textile retailer, Jakel.

The retail market is expected to become more challenging in 2014 with the completion of several major malls in both urban and suburban areas which will add a total of about 5 million sq ft of retail space (Table 1.0). On the back of the increasing cost of doing business and the depreciation in the Malaysian Ringgit, retailers were cautious on their expansion plans and operational expenses.



Table 1.0
The Upcoming Shopping Malls in Kuala Lumpur

Shopping Malls	Location	Net Floor Area (sq ft)	Expected Completion
Nu Sentral, KL Sentral	Brickfield	680,000	2014
Sunway Putra Place (expansion)	Jalan Raja Laut	120,000	2014
Glomac Damansara	Damansara	350,000	2015
Sunway Velocity	Jalan Peel	800,000	2015
Pavilion (extension)	Bukit Bintang	225,000	2016
Quill City Mall, Kuala Lumpur	Jalan Sultan Ismail	770,000	2016
Four Seasons	KLCC	120,000	2016
Melati Mall	Taman Melati	635,000	2016
KLCC (expansion)	KLCC	300,000	2017

Source : DTZ Consulting and Research, April 2014

In terms of sales transactions, two malls were transacted in Kuala Lumpur in 2013 i.e. part of the retail podium at Menara 3 Petronas (one of the assets injected into KLCC REIT) and Capsquare Mall acquired by Jakel.

There continues to be signs that the retail market is at or close to saturation point as more 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



1.2 Petaling Jaya/Subang Jaya

As at Q1 2014, the existing retail stock in the Klang Valley (Kuala Lumpur and outside of Kuala Lumpur) is 47.1 million sq ft and out of this, about 23.0% or 10.9 million sq ft are located in Petaling Jaya and Subang Jaya (PJ/SJ). These come from 24 major shopping centres and hypermarkets in PJ/SJ area and some of these major malls are listed below (Table 1.1). Two of them are regional shopping centres, namely Sunway Pyramid and 1 Utama.

Table 1.1
Selected Major Shopping Malls in Petaling Jaya/Subang Jaya

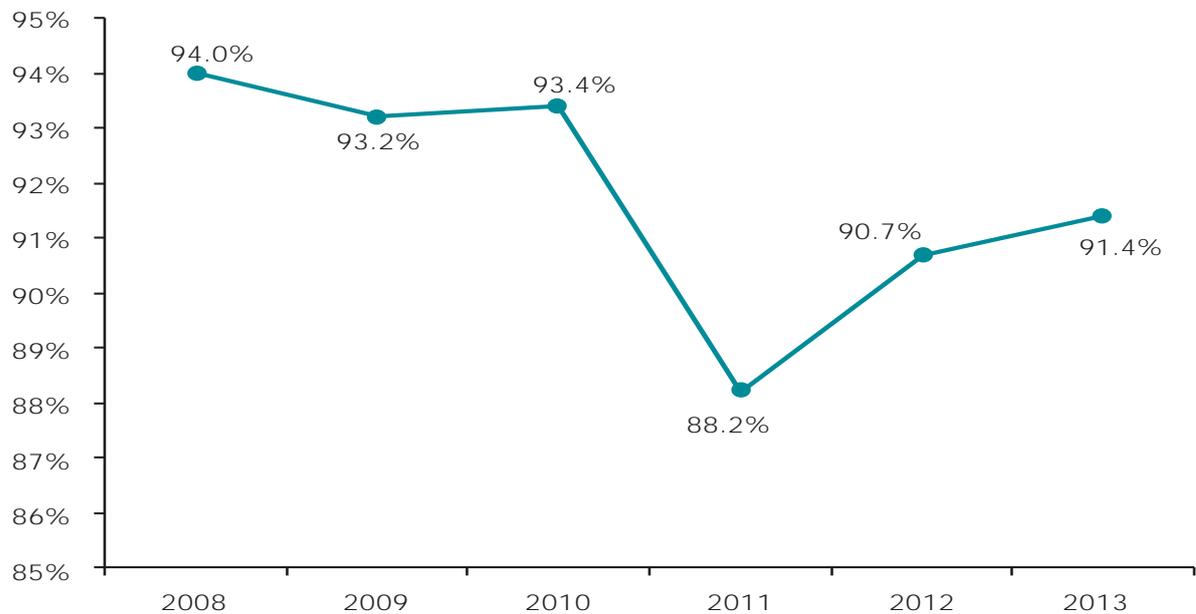
Shopping Malls	Net Lettable Area (sq ft)
1 Utama Phase	1,618,000
Sunway Pyramid	1,505,000
Summit City	800,000
Ikea & Ikano	770,000
The Curve	700,000
The Paradigm	700,000
Subang Parade	450,000
SSTwo Mall	463,000
Tropicana City Mall	450,000
Citta Mall	424,400

Source : DTZ Consulting and Research, April 2014

Retail market was relatively stable between 2008 and 2010 with the average occupancy rate of malls in PJ/SJ was in the range of 93% to 94%. In 2011, a drop of 88.2% was registered due to the challenges faced by some of the new malls, such as Citta Mall and SSTwo Mall in securing tenants. However, from 2012 onwards the average occupancy rate increased to above 90% as the occupancy rate of these centres improved and boosted up by the entry of The Paradigm Mall which successfully obtained above 90% occupancy upon opening in 2012. Whilst in 2013, the completion of two hypermarkets further enhanced the occupancy rate to above 91% (Figure 1.2).



Figure 1.2
Average Occupancy Rate of Shopping Malls in Petaling Jaya/Subang Jaya



Source: DTZ Consulting and Research, April 2014

There was no major new stock in PJ/SJ in 2013 but by 2014, about 2.7 million sq ft of retail space are anticipated to enter the market from five new shopping malls and 910,000 sq ft in 2015 from three malls. In the pipeline, another 1.4 million sq ft of retail space is being planned.

We anticipate that the completion of eight new malls in within two years will put some pressure on the occupancy rate to go downwards. Among major completions, include the shopping centres within Empire City with NLA of 1.5 million sq ft, PJ Sentral Garden City of 1.0 million sq ft in NLA and redevelopment of Atria Shopping Mall at NLA of 450,000 sq ft.



The table below lists down the upcoming shopping centres in PJ/SJ area.

Table 1.2
The Upcoming Shopping Malls in Petaling Jaya/Subang Jaya

Shopping Malls	Location	Net Lettable Area (sq ft)	Expected Completion
Main Place	Subang Jaya	219,000	2014
Jaya Sect 14	Sect 14, Petaling Jaya	260,000	2014
The Strand Mall	Kota Damansara	309,000	2014
Empire City	Damansara Perdana	1,500,000	2014
Atria Shopping Mall (redevelopment)	Petaling Jaya	450,000	2014
Total in 2014		2,738,000	
Damen	Subang Jaya	400,000	2015
The Starling	Damansara Uptown	360,000	2015
The Place @ One City	Subang Jaya	150,000	2015
Total in 2015		910,000	
PJ Sentral Garden City	Petaling Jaya	1,000,0000	Planning
SJCC, Subang Jaya	SS16, Subang Jaya	400,000	Planning
Tropicana Gardens Mall	Tropicana Golf & Country Resort	na	Planning
Total (Planning)		1,400,000	
TOTAL		14,048,000	

Source : DTZ Consulting and Research, April 2014

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 RM11.50 per sq ft per month in 2013. Other malls such as Subang Parade have attained RM7.50 and The Paradigm at RM7.00 per sq ft per month. Whilst, NAPIC shows that rentals of ground floor shops at Empire Gallery were in the range of RM9.30 – RM27.20 per sq ft per month whilst ground floor shops at The Curve (Fashion Mall) fetched around RM9.80 per sq ft per month.



1.3 Melaka

According to the National Property Information Centre (NAPIC), retail stock in Melaka stood at 3.9 million sq ft as in Q4 2013. Out of this, 66% or 2.6 million sq ft are located within Melaka town. Currently, Dataran Pahlawan Melaka Megamall with a net lettable area of 800,000 sq ft is the largest shopping centre in Melaka city. It was fully completed in 2008 and developed by the Hatten Group. Other major shopping centres in Melaka are listed in Table 1.3 below.

Table 1.3
Major Shopping Malls in Melaka

Shopping Malls	Net Lettable Area (sq ft)
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 2014

In terms of future supply, NAPIC reported that approximately 1.2 million sq ft of retail space are on stream, mainly (66%) in Melaka Town and 34% in Melaka Tengah. Two new malls are expected to enter the market by the end of 2014. Hatten Group is developing Element Mall, an 8-storey mall with NLA of about 1 million sq ft in Bandar Hilir. Whilst, Kerjaya Prospek Group is developing a 155,600 sq ft of The Shore Shopping Mall, located in Melaka Town. The Shore has secured Tangs as the anchor tenant and will boast a world's longest aquarium tunnel and coral reef aquarium.

A more exciting retail market in 2015, which Melaka will see an opening of its first premium outlet. Freeport A'Famosa Outlet Village spreads on 310,000 sq ft of NLA, is a joint-venture project between A'Famosa Resort and Freeport Retail (a London-based developer) that will house for over 210 stores. The first phase with 170,000 sq ft of NLA is scheduled to open in April 2015 with 82 fashion boutiques.



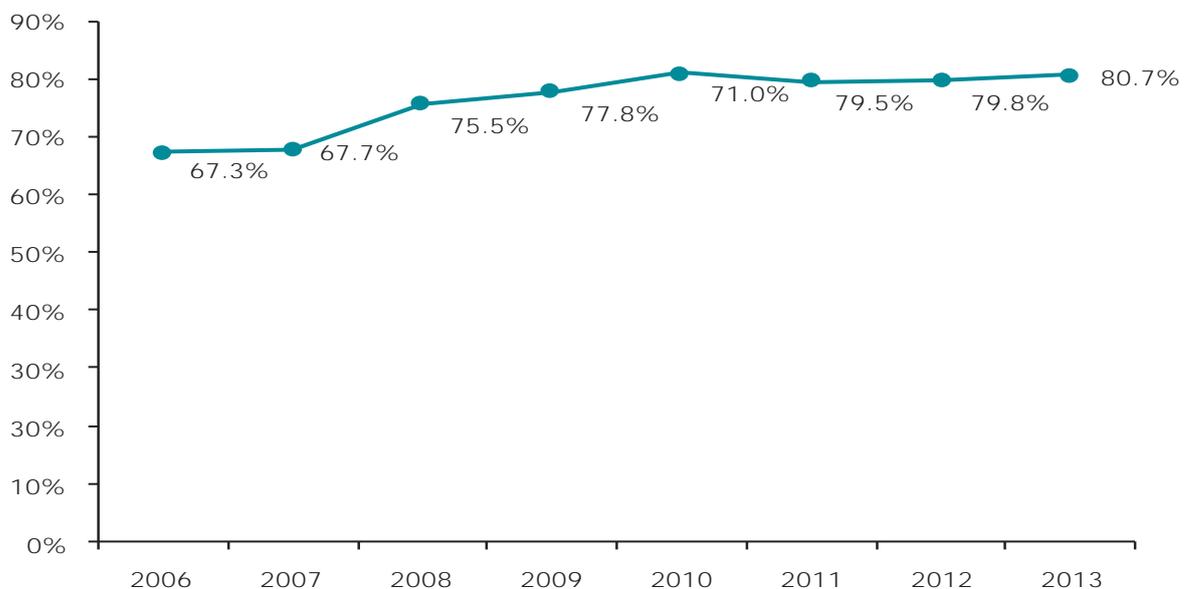
The major upcoming malls are shown below.

Shopping Malls	Location	Net Lettable Area (sq ft)	Expected Completion
Elements Mall @ Hatten City	Bandar Hilir	1,000,000	2014
The Shore Shopping Mall @ Malacca River	Melaka Town	155,600	2014
Freeport A'Famosa Outlet Village	A'Famosa Resort	310,000	Phase 1 of 170,000 sq ft, to open in 2015
Imperio Mall @ Hatten City	Bandar Hilir	350,000	2015
Vedro by the River (former Melaka Central Market)	Melaka Tengah	107,000	2016
Proposed Mall @ Ayer Keroh Business Park	Ayer Keroh	800,000	planning

Source : DTZ Consulting and Research, April 2014

The overall occupancy rate of shopping centres in Melaka showed an increasing trend over 2006 – 2010 but dropped to 79.5% in 2011. However, improving leasing rate of malls in Melaka Town has boosted marginally the average occupancy rate and as in 2013, it stood at 80.7% (Figure 1.3).

Figure 1.3
Average Occupancy Rate of Shopping Malls in Melaka



Source : NAPIC, DTZ Consulting and Research, April 2014

Generally, rentals of retail space were on a stable mode. During the first half of 2013, 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 of Jusco Ayer Keroh achieved rental rates between RM2.50 – RM10.50 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.



1 OFFICE SECTOR

2.1 Kuala Lumpur

Kuala Lumpur's office property market remained resilient in 2013 despite weakening market conditions. In the first quarter of 2014, the office stock in Kuala Lumpur has registered an increase of 2.5% (y-o-y) to 69.8 million sq ft, compared to 68.1 million sq ft in the same review period last year. In 2013, six completed buildings entered the market i.e CIMB Mapletree, Menara Shell, 1 Sentrum, Glomac Damansara (Block A and D) and Menara LGB. The latest additional supply was 273,000 sq ft from the completion of The Crest on Jalan Sultan Ismail in Q1 2014 (Table 2.0).

Table 2.0
New Office Buildings Completed in Kuala Lumpur, 2013

Buildings	Location	Net Floor Area (sq ft)
The Crest	Jalan Sultan Ismail	273,000
CIMB Mapletree	KL Sentral	609,000
Menara Shell	KL Sentral	567,000
1 Sentrum	KL Sentral	450,000
Glomac Damansara (Block A)	Jalan Damansara	98,000
Glomac Damansara (Block D)	Jalan Damansara	255,000
Menara LGB	Jalan Damansara	414,000

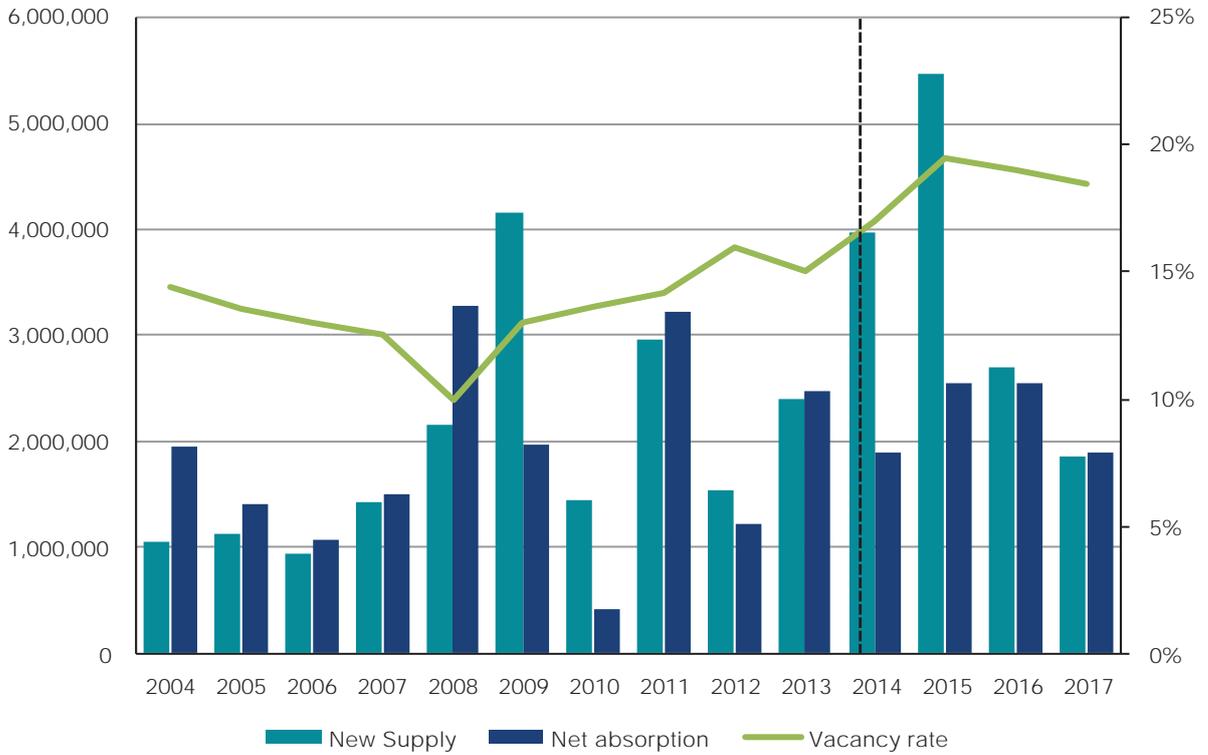
Source : DTZ Consulting and Research, April 2014

Over the next 4 years, there is a substantial office supply pipeline of approximately 16.3 million sq ft will enter the Kuala Lumpur market. Nearly 50% of this future supply is expected to be completed in the remainder of 2014 and in 2015, with 3.7 million sq ft and 5.5 million sq ft respectively. 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 2017, will have a major impact on the overall market in the longer term.

For the past 10 years, the absorption rate was quite strong, registering an average of 1.8 million sq ft per annum vis-à-vis average new supply of 1.9 million sq ft per annum. For the whole of 2013, net absorption rate was 2.5 million sq ft, higher than the 10-year average of 1.8 million sq ft per annum with new supply of 2.4 million sq ft (Figure 2.0). The average occupancy rate remained at 85%.



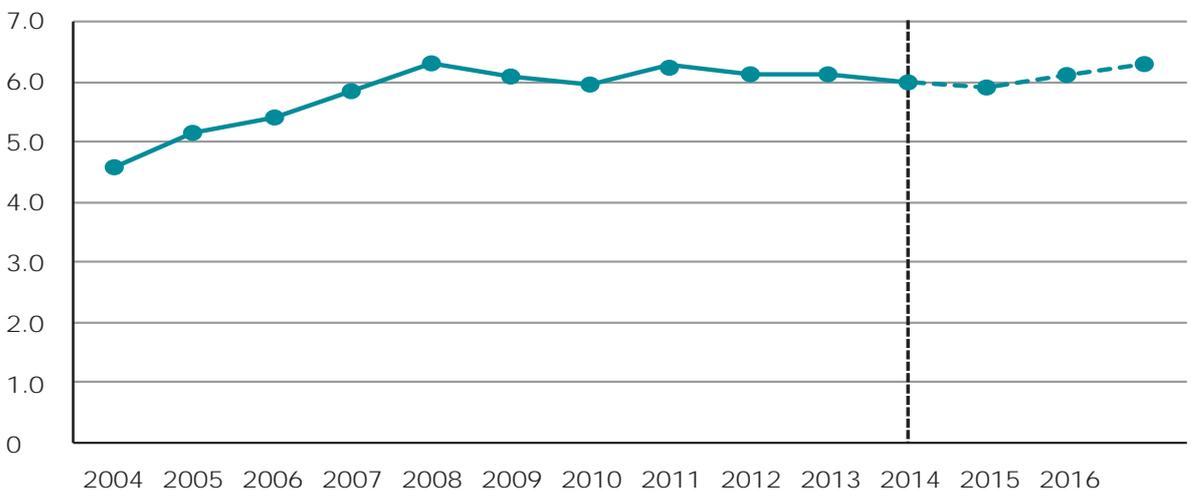
Figure 2.0
Projected Office Supply and Demand in Kuala Lumpur



Source : DTZ Consulting and Research, April 2014

The average prime office rents in Kuala Lumpur have declined to RM6.13 since 2012 from RM6.25 in 2011. Under the current projected demand and 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 2015 before recovering from 2016 onwards (Figure 2.1).

Figure 2.1
Trend in Prime Office Rental



Source : DTZ Consulting and Research, April 2014



In terms of capital value, the average capital values of prime office buildings remained at RM838 per sq ft. The recent transactions of office on an en-bloc basis indicated a range of price of between RM500- RM1,100 per sq ft, with the exception of the Petronas Towers which were injected to be part of a stapled REIT in a related party transaction. The recent office transactions are shown in Table 2.1.

Table 2.1
Office Transactions in Kuala Lumpur, 2013

Buildings	Price (RM million)	Price (psf)
The Icon (East Wing)	226	844
Damansara Town Centre	140	750
Platinum Starhill Business Centre Block C	20.9	500
Menara PMI	60	571
Petronas Twin Towers	6,500	2,034
Menara ExxonMobil	450	1,137
Menara 3 Petronas	1,544	1,900
Menara Green Packet	49	525
ex-MIM bldg	82.5	1,014

Source : DTZ Consulting and Research, April 2014

Considering the challenging market conditions and oversupply in the market, there is increasing competition amongst office landlords to secure tenants, resulting in the lack of rental and capital value growth. With more supply to be completed in 2014 and 2015, the pressure to secure a high occupancy rate at new office buildings is expected to persist in the coming years, thereby placing downward pressure on rents.



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 (Map 2.0).

**Map 2.0
Emerging Office Locations**



Source : DTZ Consulting and Research, April 2014

The current total stock of office space in Petaling Jaya and Subang Jaya is 20.4 million sq ft. On average, supply has been growing at about 633,745 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 to 1.1 million sq ft and end of 2013 recorded 2.2 million sq ft of new supply from the completion of office buildings in Empire Damansara, Sky Park USJ, Plaza 33, Plaza TSR, Garden Office and the Pinnacle Sunway.

In terms of future supply, there is approximately 5.4 million sq ft of incoming office space scheduled for completion in within four years. It is estimated that 1.9 million sq ft are scheduled for completion by end of 2014 and another 500,000 sq ft in 2015 (Table 2.2).



Some of the proposed buildings are identified as follows:-

Table 2.2
Future Office Supply in Petaling Jaya/Subang Jaya

Shopping Malls	Location	Net Lettable Area (sq ft)	Expected Completion
The Ascent, Paradigm	Kelana Jaya	484,000	2014
Sunway Nexis Biz suite	Kota Damansara	297,000	2014
Centrestage Office Suites	Section 13, PJ	312,000	2014
Corporate Office @ Cascades Kota Damansara	Kota Damansara	240,000	2014
Atria Twin SOFO Towers	Damansara Jaya	240,000	2014
Jaya One Evolution (Phase 2)	Section 13, PJ	165,000	2014
The Prime @ The Altium	Damansara Perdana	237,400	2014
Tropicana Avenue	Tropicana Resort	172,468	2015
Oasis Corporate Park Centum	Ara Damansara	327,000	2015
Corporate Office Tower @ One City (Phase 3)	USJ	1,500,000	2016
HCK Tower @ Empire City	Damansara Perdana	440,000	2016
Mercu Mustapha Kamal	Damandsara Perdana	468,000	2016
The Star Tower @ Pacific Star	Sect 13, PJ	270,000	2016
SJCC	Subang Jaya	250,000	2017

Source : DTZ Consulting and Research, April 2014

Some of the upcoming office projects such as 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. These projects include PJ Sentral in Section 52 Petaling Jaya (The first phase of the development would comprise five office towers), the Corporate and Detached Offices at Empire City, and the Corporate and Boutique offices at Icon City.

Average rental in PJ/SJ remained stable, ranging 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 are Jaya 33 and The Pinacle Sunway at RM5.00 – 5.50 per sq ft (Table 2.3).



Table 2.3
Asking Rental of Selected Office Buildings in Petaling Jaya/Subang Jaya

Buildings	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
The Pinnacle Sunway	5.00 - 5.50
Sky Park, One City	2.50 - 3.00
Menara TSR	4.00 - 4.50

Source : DTZ Consulting and Research, April 2014

There was quite active market in Petaling Jaya with six office sales were reported in 2013 at RM650-RM850 per sq ft (Table 2.4).

Table 2.4
Office Transactions in Petaling Jaya/Subang Jaya, 2013

Buildings	Price (RM million)	Price (psf)
PJ Sentral Tower 6	250	850
V Square	140	856
Proposed office at Damansara Town Centre	140	750
Jaya 33	324	689
Menara HCK	293	844
Oasis Square Ara Damansara, Blk H	124.5	650

Source : DTZ Consulting and Research, April 2014

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 2013. 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. In addition, the proposed MRT Line 2 connecting Sungai Buloh to Serdang, and then extended to Putrajaya, would provide a great boost to Cyberjaya.

Currently, office stock in Cyberjaya stands at about 8.0 million sq ft with the latest completion was Quill 18 with NLA of 523, 000 sq ft in 2013.

Approximately 2.8 million sq ft office space will be added to the current stock from seven major projects, which in 2014 alone about 753,000 sq ft will enter the market. 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. The latest stratified offices launched were Star Sentral at RM550, whilst Biro @ Cybersquare is for en bloc sale (Table 2.5).



Table 2.5
Future Office Supply in Cyberjaya

Buildings	NLA (sq ft)	Completion Year
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
Star Sentral (17 blocks of 8-storey office)	1881-2838 per floor	2015
Biro@ Cybersquare (2 blocks of 6-storey office)	84,000	2016

Source: DTZ Consulting and Research, April 2014

In terms of rental, it remained stable at between RM4.50-RM4.80 per sq ft per month. As for the occupancy rate, the average occupancy rate in Cyberjaya registered a marginal drop to 68.7% in Q4 2013, compared to 69.8% in Q1 2013 due to the entry of Quill 18 at the end of 2013.

Nevertheless, 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. There was no completion recorded in 2013. Office buildings in Melaka Tengah are predominantly occupied by the public sector, with 18 out of 28 buildings are government buildings. The scenario in Melaka Town is the reverse with 27 out of 32 buildings being private buildings.

On the incoming supply, there are about 209,906 sq ft office space is under construction, located within the Melaka Tengah district.

The average occupancy rate in Melaka Tengah was at 80.4% due to high occupancy in government buildings. In Melaka Town, mainly private buildings, the occupancy rate was at 76.7%. In general, the average occupancy rate of office market in Melaka was stable at 80.1%.

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. Nevertheless, some buildings such as Bangunan Telekom Malaysia Berhad (MITC) and Bangunan PEKESO at MITC Ayer Keroh achieved rental of RM3.00 per sq ft.

Corporate Social Responsibility (“CSR”) 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 REIT’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.



Chinese New Year Launching 11th January 2014

Jointly organized with Subang Jaya Buddhist Association, we had invited 20 (twenty)less fortunate families from multi races to witness the launch and received angpaw and hampers from Summit Management. YB Hannah was invited to attend the event.



Jom Durian 18 August 2013

Jointly organized with Children Wish Society and Summit, this is the biggest CSR event for Summit. This event drew more than 2,000 people to eat durian together and manage to raise fund about RM220,000 for the Children Wish Society.



**“Beraya di Summit Bersama Boboboy” Raya Launching”
18 July 2013**

>
Launching of Toys 4 Kids
15 October 2013



- 01 "Give Blood, Save Life" Program **17 March 2014**
- 02 2nd Juniors Open Chess Tournament - National Rated **30 June 2013**
- 03 2nd National Diabolo Championship 2013 **10 & 11 December 2013**
- 04 4th Malaysia Sudoku Championship **30 November 2013 to 1 December 2013**
- 05 Minionful @ Summit and Christmas Celebration **21 to 31 December 2013**
- 06 WSSA Summit 2013 Malaysia Open Sport Stacking Championship **16 September 2013**

As the Manager for AmFIRST REIT, 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:

Bursa Malaysia Securities Berhad ("Bursa Securities")

We make timely disclosures, including quarterly financial results, annual reports, media releases, corporate presentations and other material announcements to Bursa Securities pursuant to the Listing Requirements.

Unitholders' Meeting

On 9 July 2013, AmFIRST REIT convened its first Annual General Meeting ("First AGM") at Berjaya Times Square Hotel Kuala Lumpur to seek Unitholders' approval on the followings:-

- (i) Proposed authority to allot and issue new units pursuant to clause 14.03 of the REITs Guidelines (119,764,376 units voted in favor, representing 99.85% present and voting).
- (ii) Proposed increase in the existing approved fund size from 686,401,600 units up to a maximum of 823,681,920 units (119,764,376 units voted in favor, representing 99.84% present and voting).
- (iii) Proposed amendment to the relevant clause in the Deed to allow the Manager to be paid either in the form of new units, cash or a combination thereof for its base fee and performance fee units (119,033,824 units voted in favor, representing 96.33% of all Unitholders at the meeting).
- (iv) Proposed amendments to certain clauses in the 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 (119,038,954 units voted in favor, representing 96.34% of all Unitholders at the meeting).

All the resolutions as set out in the Notice of the First AGM were voted on a poll and were carried based on the results from the Unit Registrar, Symphony Share Registrars Sdn Bhd and Scrutineers, Ernst & Young. All resolutions put to Unitholders at the First AGM were passed. The results of the First AGM have been announced on the Bursa Securities and AmFIRST REIT's websites on the even date.

The forthcoming Annual General Meeting is scheduled on 23 June 2014. This provides opportune time for the management of the Manager to engage with unitholders in their enquiries and discussion about the Trust's performance and strategies.

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 AmFIRST REIT's 2014/2015 Calendar

Second Annual General Meeting JUNE 2014	Announcement of First Quarter Results AUGUST 2014	Announcement of Second Quarter Results Book Closure Date for Interim Income Distribution NOVEMBER 2014
Announcement of Third Quarter Results FEBRUARY 2015	Announcement of Fourth Quarter Results and Book Closure Date for Final Income Distribution MAY 2015	

* The above 2014/2015 Calendar are provisional.

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:

Encik Zuhairy bin Md Isa
Executive Director/Acting Chief Executive Officer
E-mail: zuhairy-isa@ambankgroup.com

Abdul Rahman bin Mohd Joned
Manager, Finance
E-mail: rahman-joned@ambankgroup.com



Y Bhg Dato' Azlan bin Hashim

Non-Independent Non-Executive Director / Chairman

Y Bhg Dato' Azlan bin Hashim, a Malaysian, aged 72, joined the Board of Am ARA 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 (2) years. In 1972, he became a Partner of a public accounting firm, namely Messrs Azman Wong Salleh & Co., and was a Senior Partner of the firm prior to joining Amcorp Properties Berhad's Board from 1982 to July 2007.

Dato' Azlan is a Fellow Member 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.

Y Bhg Dato' Teo Chiang Quan
Independent Non-Executive Director

Y Bhg Dato' Teo Chiang Quan, a Malaysian, aged 65, was appointed to the Board of Am ARA REIT Managers Sdn Bhd ("the Manager") on 24 August 2006. He is the Chairman of the Manager's Audit Committee of Directors.

Dato' Teo is an entrepreneur and 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 has helmed Paramount since 1989, driving it to become the successful group of companies it is today. Dato' Teo is currently the Executive Deputy Chairman and the Group Chief Executive Officer of Paramount.

Dato' Teo is also the Chairman of the Board of ECS ICT Berhad ("ECS"), and a substantial shareholder of ECS, a MSC status company that he co-founded, which is listed on the Main Market of Bursa Malaysia Securities Berhad. ECS is principally involved in the distribution of Information and Communications Technology products in Malaysia.



Sr. Tuan Haji Mohd Salleh bin Akram
Independent Non-Executive Director

Sr. Tuan Haji Mohd Salleh bin Akram, a Malaysian, aged 65, was appointed to the Board of Am ARA REIT Managers Sdn Bhd ("the Manager") on 24 August 2006. He is a member of the Manager's Audit Committee of Directors.

Tuan Haji Mohd Salleh 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 Member of The Royal Institution of Chartered Surveyors, United Kingdom (FRICS) and the Royal Institution of Surveyors, Malaysia (FRISM). He is also a Registered Valuer & Estate Agent with the Board of Valuers, Appraisers & Estate Agents, Malaysia and a Life Member of the Institute of Directors, Malaysia.

Tuan Haji Mohd Salleh served as a Valuation Officer in the Valuation Division, Federal Treasury, Ministry of Finance from April 1974 to 1980 and saw postings in Selangor, Penang, Johor and Kelantan. He became the Kelantan State Director of Valuation in 1975 until 1977 followed by his appointment as the Deputy Regional Director of Valuation Selangor Region.

In April 1980, he joined a chartered valuation firm and 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 & 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 56, was appointed to the Board of Am ARA REIT Managers Sdn Bhd (the “Manager”) on 1 April 2013. She is a member of the Manager’s Audit Committee of Directors.

Ms. Pushpa is currently the Managing Director of Wholesale Banking Coverage, a new banking structure of AmBank Group and prior to that, she was the Managing Director of Corporate & Institutional Banking. She was previously the Executive Director of AmInvestment Bank Berhad, 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.

Ms. Pushpa 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 regulators at consultative forums and sits on the Board of FIDE Forum.

Ms. Pushpa 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, John

Non-Independent Non-Executive Director

Mr Lim Hwee Chiang, John, a Singaporean, aged 57, was appointed to the Board of Am ARA REIT Managers Sdn Bhd (the “Manager”) on 24 August 2006.

Mr John Lim is the Group Chief Executive Officer (“CEO”) 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 Holdings Sdn Bhd, ARA-CWT Trust Management (Cache) Limited and Hui Xian Asset Management Limited. Mr John 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 John Lim is an independent director and the Chairman of the Remuneration Committee of Singapore-listed Teckwah Industrial Corporation Limited, the Chairman of the Property Management Committee of the Singapore Chinese Chamber of Commerce & Industry, the Managing Director of Chinese Chamber Realty Private Limited and a director of the Financial Board of the Singapore Chinese Chamber of Commerce. He is also a member of the Consultative Committee to the Department of Real Estate, National University of Singapore.

Mr John Lim 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 Singapore 2012, Ernst & Young Entrepreneur of the Year – Financial Services 2012 and the Outstanding CEO of Year 2011 at the Singapore Business Awards 2012. Mr John 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 John Lim holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering and a Master of Science in Industrial Engineering and a Diploma in Business Administration from the National University of Singapore.





Encik Zuhairy bin Md Isa
Executive Director/
Acting Chief Executive Officer

Encik Zuhairy bin Md Isa, a Malaysian, aged 44, joined the Board of Am ARA REIT Managers Sdn Bhd (the "Manager") on 28 March 2014. He is currently the Acting Chief Executive Officer ("Acting CEO")/Executive Director of the Manager.

He joined Am ARA on 15 April 2008 as the Head, Asset Management where he was 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.

On 1 August 2013, he was appointed as the Acting CEO of Am ARA and responsible for the strategic direction, investment objectives and operations of AmFIRST and Am ARA as well as overseeing the roles as the Head, Asset Management.

Encik Zuhairy has more than 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 a director for the subsidiaries involved in logistics in Malaysia and property development in Indonesia, namely MIEL Logistics Sdn Bhd and PT Miel Nusantara Development.

Presently, Encik Zuhairy holds the Chairmanship of The Summit Subang USJ Management Corporation representing AmFIRST, spearheading the management, operations and also the planned repositioning of the mall. He is also the Vice Chairman of the Malaysian REIT Managers Association (MRMA).

He graduated from the University of Newcastle Upon-Tyne, United Kingdom with Postgraduate Diploma and Bachelor of Arts (Hons) Degree, both in Town Planning.

Mr. Anthony Ang Meng Huat

Alternate Director to Mr. Lim Hwee Chiang, John

Mr Anthony Ang Meng Huat, a Singaporean, aged 59, was reappointed to the Board of Am ARA REIT Managers Sdn Bhd ("the Manager") as Alternate Director to Mr. Lim Hwee Chiang, John on 1 August 2009. He is presently the Chief Executive Officer, a Board member and Responsible Officer of ARA Asset Management (Fortune) Limited, the Manager of Fortune Real Estate Investment Trust which is dual-listed on the Singapore Exchange and the Hong Kong Stock Exchange. He is also a Board member of ARA Asia Dragon Limited, the flagship private fund of ARA Group of Singapore.

Mr Anthony 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.

Prior to joining Am ARA, he held various senior positions with GIC Real Estate Pte Ltd, a global real estate fund management company, Armstrong Industrial Corporation Limited (a leading precision engineering company), Vertex Management Pte Ltd. (a global venture capital company) and Majulah Connection Limited (a global business networking and consulting organisation).

Mr Anthony Ang holds a Bachelor of Science Degree (Mechanical Engineering) with First Class Honours from the Imperial College, London University, and Master of Business Administration from the European Institution of Business Administration (INSEAD) in 1982 on a scholarship from the Singapore and French Governments.

He is a Fellow Member of the Chartered Management Institute (United Kingdom) and an Executive Committee ("EXCO") member of the EDB Society in Singapore.



ZUHAIRY BIN MD ISA

Executive Director/Acting Chief Executive Officer

Encik Zuhairy bin Md Isa joined Am ARA on 15 April 2008 as the Head, Asset Management where he was responsible for overseeing property management, marketing and leasing and the implementation of organic growth strategies to enhance the performance of AmFIRST REIT's portfolio as well as planning and implementing the asset enhancement initiatives.

On 1 August 2013, he was appointed as Acting Chief Executive Officer of Am ARA responsible for the strategic direction, investment objectives and operations of AmFIRST REIT and Am ARA as well as overseeing the roles of Head, Asset Management.

On 28 March 2014, he was appointed to the Board of Am ARA REIT Managers Sdn Bhd as an Executive Director.

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.

Presently, he holds the Chairmanship of The Summit Subang USJ Management Corporation representing AmFIRST, spearheading the management, operations and also the planned repositioning of the mall and Vice Chairman of the Malaysian REIT Managers Association (MRMA).

He graduated from the University of Newcastle Upon-Tyne, United Kingdom with Postgraduate Diploma and Bachelor of Arts (Hons) Degree, both in Town Planning.

Other directorship of Public Companies

Encik Zuhairy has no other directorship with any public companies.

Family relationship with any Director and/or substantial Unitholders

Encik Zuhairy 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

Encik Zuhairy has not been convicted of offences for the past 10 years.

PANNEER SELVAM A/L NARAYANAN

Head, Investment

Panneer Selvam a/l 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 completion of transaction. He is also jointly in charge with Head, Asset Management in the planning and implementation of asset enhancement initiatives for AmFIRST REIT'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 REIT 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 REIT 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. Currently, she reports to Acting Chief Executive Officer responsible for the marketing and leasing of space involving negotiating with new and existing tenancies and property management of the AmFIRST REIT'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 BIN MOHD JONED

Manager, Finance

Abdul Rahman bin 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 the full spectrum of financial matters relating to AmFIRST REIT and this includes financial and management reporting, capital management, treasury and risk management. He is also the designated Compliance Person for all statutory and regulatory matters and assists in investor relation matters.

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 and his responsibilities include auditing, accounting, taxation, secretarial and due diligence work. He graduated from Universiti Teknologi MARA with a Degree in Accountancy (Hons). He is a member of the Malaysian Institute of Accountants.

ANUAR BIN HUSIN

Manager, Property Management

Anuar Husin was appointed as Manager, Property Management of Am ARA effective from 10 January 2010.

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 Acting Chief Executive Officer and is responsible for overseeing AmFIRST REIT'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 REIT's investment portfolio. He also participates actively in AmFIRST's asset enhancement projects which include coordinating and evaluating tenders.

He holds both a Master in Property Investment and a Bachelor of Science (Hons) in Estate Management from Universiti Teknologi MARA.

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.

She 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.

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

Am ARA REIT Managers Sdn Bhd (“Am ARA” or the “Manager”) the Manager of AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”) recognizes the importance to have good and effective corporate governance culture to promote and safeguard the best interest of the unitholders and also the interest of other stakeholders, thereby enhancing the credibility and reputation of the trust. This is also critical to the performance of the Manager and consequently, the success of AmFIRST REIT.

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 and other stakeholders by emphasizing on the transparency of decision making process, fairness and trustworthiness in managing AmFIRST REIT.

The Manager also recognises the need to adapt and improve the principles and practices to meet the ongoing changes and challenges in regulatory requirements, international developments and investor expectations.

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 Malaysia (“SC”) (“REITs Guidelines”), The Malaysian Code on Corporate Governance 2012 (“MCCG 2012” or the “Code”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and that the Manager’s obligations as described in the Deed.

UNITHOLDERS

The Manager, in particular, the Board and Management recognize their responsibilities to protect the best interest of all Unitholders with the objective of maximizing Unitholders values.

Summary of Unitholders’ profile and shareholding are set out on page 124 of this Annual Report.

Pursuant to Clause 15.33A of REITs Guidelines, the Manager shall call for a general meeting of unitholders once in every calendar year and not more than fifteen (15) months from the last preceding annual general meeting. Section 305(1) of the Capital Markets and Services Act 2007 (“CMSA”) further provides that a general meeting of unitholders must be convened upon a written request of not less than fifty (50) unitholders or one-tenth (1/10) of all unitholders having a right to vote at that meeting, and deposited at the Manager’s registered office at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

On 9 July 2013, AmFIRST REIT convened its first Annual General Meeting (“AGM”) at Berjaya Times Square Hotel Kuala Lumpur to seek its unitholders’ approval on the following:-

- (i) Proposed authority to allot and issue new units pursuant to clause 14.03 of REITs Guidelines.
- (ii) 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.
- (iii) Proposed amendment to the relevant clause in the Original Deed as amended by 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.

UNITHOLDERS (contd.)

- (iv) Proposed amendments to certain clauses in the Original Deed as amended by 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.

All the resolutions were voted on a poll and were carried based on the results from the Unit Registrar, Symphony Share Registrars Sdn Bhd and Scrutineers, Ernst & Young.

THE MANAGER

AmFIRST REIT, constituted as a trust, is externally managed by the Manager and, thus 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 REIT. All the Directors and employees of the Manager are remunerated by the Manager and not the Trust.

Subject to the provisions of the Deed and the applicable laws and regulations, the Manager has general powers of management over the assets of AmFIRST REIT. Its main objective is to manage the assets and liabilities of AmFIRST REIT 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. The primary roles and functions of the Manager as outline in the Deed are to set the strategic directions of AmFIRST REIT and make recommendations to the Trustee on acquisition, enhancement or divestment of assets of AmFIRST REIT in accordance with its stated investment strategy as provided under the Deed. Other general roles and functions of the Manager are, including but not limited to, as follows:

Asset Management

Supervise and oversee the management of AmFIRST REIT'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.

Finances

Formulate plans for equity and debt financing for AmFIRST REIT'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 REIT 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 REIT's business in a proper and efficient manner and to conduct all transactions with, or on behalf of AmFIRST REIT, at arm's length basis.

THE MANAGER (contd.)**Risk Management**

Responsible for the risk management of AmFIRST REIT which include but not limited to identifying the principal risks associated with the business activities and ensuring the appropriate measures, systems and internal controls are in place to mitigate the risk exposure.

CMSA was amended to expand the definition of fund management to include management of assets in a unit trust scheme by an asset fund manager. Under this new regime, the Manager is required to be appropriately licensed in order to carry out the regulated activity.

On 22 April 2014, SC issued a Capital Markets and Services License (“CMSL”) to the Manager to carry out the regulated activity of fund management in relation to asset management restricted to real estate investment trusts pursuant to the requirements under the CMSA and the Executive Director of the Manager is also licensed to comply with the licensing requirements.

THE BOARD OF DIRECTORS OF THE MANAGER

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 REIT, including establishing goals for management and monitoring the achievements of these goals.

Each Director has a duty to act honestly and in good faith, with due care and diligence, and in the best interest of the unitholders. The Board ensures that proper and effective controls are in place to assess and manage business risk, and compliance with applicable laws, regulations, guidelines and policies.

The Board is supported by an Audit Committee of Directors to look into, amongst other, the risk management, internal control and financial management of AmFIRST REIT, which in turn is supported by the Group Internal Audit and Group Regulatory Compliance Departments of the ultimate holding company of the Manager.

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

Board Composition

The Board has six (6) members comprising five (5) Non-Executive Directors and one (1) Executive Director, one (1) of whom is a female director. Two (2) of the Board members are Independent Directors in compliance with the REITs Guidelines whereas the Chairman of the Board is a Non-Independent Director.

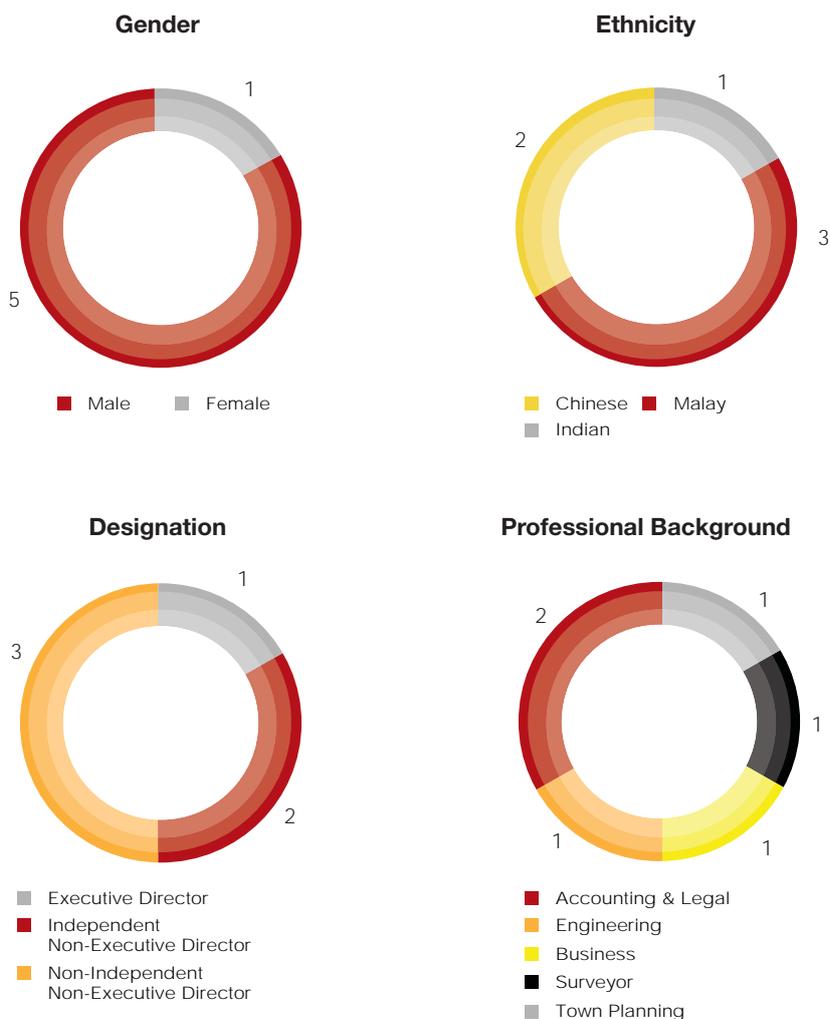
Pursuant to Recommendation 3.5 of MCCG 2012, the Board must comprise a majority of Independent Directors where the Chairman of the Board is a Non-Independent Director.

Notwithstanding that Recommendation 3.5 of MCCG 2012 is not met, one-third (1/3) of the Board comprised Independent Directors and is in compliance with the Listing Requirements and REITs Guidelines and the Board strongly believes that all the directors act in the best interest of all stakeholders.

THE BOARD OF DIRECTORS OF THE MANAGER (contd.)

Board Composition (contd.)

The Board diversity in terms of gender, ethnicity, professional background and experience are illustrated below:



As at the date of this Report, none of the Directors held directorships in more than five (5) public listed companies including the Manager.

The relationships among the Board members are also disclosed on page 90 of this Annual Report. In addition to this, information on direct and indirect unitholdings related to the Manager and transaction with the companies related to the Manager are disclosed in Note 11 and Note 23 of this Annual Report.

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 68 to 71. 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 REIT’s operations.

THE BOARD OF DIRECTORS OF THE MANAGER (contd.)**Board Composition (contd.)**

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 REIT, 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 to ensure that an appropriate mix of expertise, independence, experience and knowledge in business, finance and management skills critical to AmFIRST REIT'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 REIT, its strategic directions and policies and the regulatory environment in which AmFIRST REIT 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 REIT's units and restrictions on the disclosure of price-sensitive information.

Chairman and Executive Director/Acting Chief Executive Officer

The roles and responsibilities of the Chairman and Executive Director/Acting Chief Executive Officer are separate and the positions are held by two (2) different individuals. Dato' Azlan bin Hashim is a Non-Independent Non-Executive Director/Chairman while Encik Zuhairy bin Md Isa, the Executive Director also holds the position as the Acting Chief Executive Officer. This is to ensure an appropriate balance of power and increased accountability. The segregation ensures a clear distinction between the Chairman's responsibilities to lead and manage the Board and the Executive Director/Acting Chief Executive Officer's responsibilities to manage the Trust and the Manager.

The Chairman, Dato' Azlan bin Hashim, leads the Board and ensures that members of the Board work together with the management in a constructive manner to address strategies, business operations, financial performance, risk management and internal control issues.

The Executive Director/Acting Chief Executive Officer, Encik Zuhairy bin Md Isa, has full executive responsibilities over the business directions and operational decisions of AmFIRST REIT. The Executive Director/Acting Chief Executive Officer lead the management and provides direction on the day-to-day operations and he works with the Board to determine the overall business, investment and operational strategies for AmFIRST REIT and ensures that they are implemented as planned and in accordance with the Deed and REITs Guidelines. In addition, the Executive Director/Acting Chief Executive Officer is also responsible for the overall planning in respect of the future strategic development and growth of AmFIRST REIT.

On 28 March 2014, Encik Zuhairy bin Md Isa, was appointed to the Board of the Manager as an Executive Director and continues to hold his position as the Acting Chief Executive Officer.

THE BOARD OF DIRECTORS OF THE MANAGER (contd.)**Board Meeting Attendance**

Board meetings are scheduled at least four (4) times per annum with the purpose, amongst others, to discuss and review the operations of AmFIRST REIT and to approve the release of the interim and the audited financial statements of AmFIRST REIT. Additional meetings are held as and when necessary between the scheduled meetings.

During the financial year ended 31 March 2014, the Board met five (5) times. The number of meetings attended by each Board member is as follow:

Directors	Designation	Board Meeting	% of Attendance
Dato' Azlan bin Hashim	Non-Independent Non-Executive Director / Chairman	3/5	60%
Dato' Teo Chiang Quan	Independent Non-Executive Director	4/5	80%
Sr. Tuan Haji Mohd Salleh bin Akram	Independent Non-Executive Director	5/5	100%
Pushpa Rajadurai	Non-Independent Non-Executive Director	5/5	100%
Lim Hwee Chiang (i)	Non-Independent Non-Executive Director	5/5	100%
Zuhairy bin Md. Isa (ii)	Executive Director/ Acting Chief Executive Officer	-	-

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

(ii) Appointed to the Board of Am ARA on 28 March 2014. There was no Board meeting held thereafter until end of the financial year.

(iii) All attendances reflect the number of meetings attended during the Directors' tenure of service.

All directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the Listing Requirements.

Directors' Remuneration

The directors' remuneration is paid by the Manager and not from the Trust. For Non-Executive Directors, they receive a director's fee, additional fee for serving on any of the committees and attendance fee for participation in meetings of the Board and any of the Board 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 2014 are shown in the table below:-

Directors	FYE 2013 Directors' Fees	FYE 2014 Directors' Fees
Dato' Azlan bin Hashim	46,000	46,000
Dato' Teo Chiang Quan	40,000	40,000
Sr. Tuan Haji Mohd Salleh bin Akram	40,000	40,000
Pushpa Rajadurai	40,000	40,000
Lim Hwee Chiang	40,000	40,000

THE BOARD OF DIRECTORS OF THE MANAGER (contd.)**Directors' Training**

During the financial year under review, the Directors had attended various conferences, seminars and workshops to enhance their knowledge and expertise and to keep abreast with the relevant changes in laws, regulations and the business environment. The training programs attended by the Directors during the financial year ended 31 March 2014 were, inter alia, on areas relating to real estates, corporate leadership and governance, professional development, risk management, financial and tax issues conducted by the Group Organizational Development of the ultimate holding company of the Manager, AMMB Holdings Berhad.

Encik Zuhairy bin Mat Isa who was recently appointed to the Board on 28 March 2014 has up to 27 July 2014 to complete the mandatory accreditation programme ("MAP") within four (4) months of his appointment pursuant to the Listing Requirements.

The Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

Appointment and Removal, Retirement by Rotation and Re-election of Directors**(i) 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.

(ii) Retirement by Rotation and Re-election

The Manager's Articles of Association provides that one-third ($\frac{1}{3}$) 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.

Access to 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 REIT 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 Company Secretary 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 Board Committees so that they can familiarize themselves with the matters prior to the meetings. Meetings are usually half-a-day affairs and include presentations by 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 Secretary will assist the Board in obtaining such advice upon request.

The Board has separate and independent access to the Management and the Company Secretary, and vice versa. The Company Secretary 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 Secretary's responsibilities include ensuring good information flows within the Board and its committees and between Management and the Directors as well as facilitating orientation and assisting with professional development as required.

COMPANY SECRETARY

The Company Secretary reports directly to the Board and is the source of guidance and advice to the Directors on areas of corporate governance, relevant legislations, regulations and policies besides ensuring compliance with the Listing Requirements and other regulatory requirements.

The Company Secretary attends Board and Board Committee meetings and is responsible for the accuracy and adequacy of records of the proceedings of the Board and the Board committee meetings and resolutions.

MANAGEMENT PERSONNEL

The management personnel have the responsibilities to ensure the successful implementation of the strategies and directions which have been set by the Board. In discharging these responsibilities, they apply business principles and ethics which are consistent with those expected by the Board, Unitholders and other stakeholders are guided by the Deed, REITs Guidelines, Listing Requirements, other applicable laws and regulations together with the established policies and procedures.

Details and profiles of the senior management personnel are set out on page 72 of this Annual Report.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26 (b) of Bursa Securities Listing Requirements

RISK MANAGEMENT

The Board of the Manager (the "Board") has established sound risk management framework which is currently being adopted by the Manager that enables it to continuously identify, evaluate, mitigate and monitor risks that affect AmFIRST REIT in achieving its business objectives within the defined risk parameters and acceptable risk appetite

The Manager applies the risk management framework as a structured process in making risk based strategies and decisions across the respective functions which consist of the following components which are incorporated within the Manager's Risk Profile Register. The Risk Profile Register is reviewed by the Audit Committee of Directors on a half-yearly basis and as and when required:-

- (i) an assessment of the Manager's internal and external environments
- (ii) understand the business model, objectives and strategies
- (iii) Identify events that effect the business objectives and strategies
- (iv) Assessment of inherent risks within the business
- (v) Establish appropriate risk responses
- (vi) Ensure control activities operate effectively
- (vii) Ensure accurate and sufficient information and communication
- (viii) Monitor the effectiveness of the Framework

The risk management process is integrated with the business processes, enabling proper risk management at operation level of each property, as well as at the 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 a continuous basis.

A Risk Management Committee at the Manager level was established to assist the Audit Committee in assessing the adequacy of internal control and risk management. The Risk Management Committee comprises the Manager's Chief Executive Officer, Head of AmBank Group Operational Risk, Head of ARA Group Risk Management and Internal Audit and the Manager's respective Head of Departments ("HOD"). 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 AmFIRST REIT on a periodic basis;
- (iii) Review identified key risks at AmFIRST REIT's operations and the status of each activity;
- (iv) Guide managerial staffs in operations in identifying, evaluating and managing key risks; and
- (v) Report to the Board on material and pervasive findings which exceeded the risk appetite and make appropriate recommendations.

INTERNAL CONTROL

The Board has voluntarily adopted the best practices in corporate governance by establishing an Audit Committee and internal audit function, of which this function is undertaken by the Group Internal Audit Department of the ultimate holding company of the Manager, although it is not compulsory for a REIT to comply with such requirements under the Listing Requirements. These efforts demonstrate that the Board recognizes a sound and effective internal control system is one of the key priorities for an effective corporate governance culture.

The Board is committed to maintain a sound and effective system of internal control which consists of policies and procedures designed to provide reasonable assurance to the Board that the Trust will achieve its objectives to safeguard the interests of the Unitholders including reliability of financial reporting, compliance with applicable laws and regulations and effectiveness and efficiency of operations. These policies and procedures are regularly reviewed and updated to reflect changes in the business and regulatory requirements. Changes in the policies and procedures are communicated on a timely manner to the management and other affected stakeholders upon approval by the Board.

The system provides reasonable but not absolute assurance against material misstatement of management and financial information, against financial losses and/ or fraud and the occurrence of unforeseeable circumstances.

Internal Audit Function

The Group Internal Audit operates under a charter from the Audit Committee that gives it unrestricted access to the Manager's personnels, premises, documents, records, information, and is authorized to obtain such information and explanations considered necessary to fulfill and discharge its responsibilities. The Head of Group Internal Audit reports to the Audit and Examination Committee.

Group Internal Audit performs the audit reviews in accordance with an audit plan, which is based on the risk assessment of all activities undertaken by the Manager. The risk-based audit plan is reviewed annually taking into account the changing business and risk environment. The Audit Committee reviews and approves the annual audit plan of Group Internal Audit.

The main objective of the audit reviews is to assess the adequacy and effectiveness of the Manager's system of internal control and risk management. When required, the Group Internal Audit also undertakes investigations and other reviews as directed by the Audit Committee.

Audit findings, recommendations and the Manager's action plans to rectify the findings are highlighted in an audit report which is tabled to the Audit Committee. Group Internal Audit conducts follow-up and report on the status of implementation of Management action plans arising from the internal audit report.

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.

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.

As part of the External Auditors' audit of the financial statements, the External Auditors obtain an understanding of internal controls sufficient for their planning of the audit and to assist in their expression of an opinion on the financial statements of AmFIRST REIT as a whole. Any significant deficiencies and material weaknesses identified during the audit are communicated to the Audit Committee. As part of continuous refinement of AmFIRST REIT's internal control system, the Audit Committee reviews the effectiveness of measures taken by the Manager in response to those significant deficiencies and material weaknesses identified.

The Trustee has appointed Messrs Ernst & Young ("EY") as the External Auditors to conduct the statutory audit for the financial year ended 31 March 2014. EY has written to the Audit Committee confirming that there is no relationship between them and the Trust and/or the Manager which may impair their independence.

INTERNAL CONTROL (contd.)**Compliance Person**

The Manager has a designated Compliance Person working towards ensuring the compliance with the Deed as well as all rules and guidelines issued by Securities Commission, Bursa Securities and other laws and regulations which are applicable to the Trust and the Manager.

Dealings with Related Parties

In general, the Manager has to ensure that related party transactions are undertaken in compliance with the REITs 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 REIT 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 for approval.

In dealing with any related party transactions, all related party transactions carried out by or on behalf of AmFIRST REIT should be:

- (i) at arm's length basis and on normal commercial terms;
- (ii) in the best interests of AmFIRST REIT's unitholders;
- (iii) adequately disclosed to AmFIRST REIT's unitholders;
- (iv) in relation to a real estate transaction:-
 - (a) consented by the Trustee;
 - (b) consistent with the investment objective and strategy of AmFIRST REIT; 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 provides 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 prior approval of the unitholders (by way of an ordinary resolution) is obtained where the transaction value with related parties is equal to or exceeding 5% of the total asset value of AmFIRST REIT (post acquisition). Where the transaction value does not exceed 5% of the total asset value of AmFIRST REIT (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 REIT's best interest in relation to decision affecting it when they vote as a member of the Board. In addition, Directors and Acting Chief Executive Officer of the Manager are expected to act with honesty and integrity at all times.

INTERNAL CONTROL (contd.)**Role of the Audit Committee for Related Party Transactions**

Audit Committee together with the Management review the related party transactions to ensure compliance with the internal control procedures, relevant provisions of the Deed, REITs Guidelines and the Listing Requirements. The review includes 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 is to abstain from participating in the review and the recommendation process in relation to the transaction.

The related party transactions for the financial year ended 31 March 2014 are as disclosed in Note 23 of this Annual Report.

Dealings with Conflict of Interest

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

The Directors of the Manager are under a fiduciary duty to AmFIRST REIT to act in its best interests in relation to decisions affecting AmFIRST REIT 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 REIT (as disclosed on page 20 of the Manager's Report) and the transactions with companies related to the Manager (as disclosed in Note 23 of this Annual Report), no conflict of interest has arisen during the financial year under review.

TRADING IN AmFIRST REIT's UNITS

The Manager adopts best practices and issues guidelines to its Directors and employees which prohibit dealings in AmFIRST REIT'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 REIT's units during the period commencing on and from one month prior to the targeted date of announcement of AmFIRST REIT's quarterly results to Bursa Securities, up to one full market day after the announcement of AmFIRST REIT's quarterly results. If any of such affected persons deal in AmFIRST REIT's units during such closed period, they are required to comply with the conditions as set out in the Listing Requirements and the related policies of the Manager. They are also made aware of the applicability of the insider trading laws at all times.

There were no dealings in AmFIRST REIT's units during the closed periods neither by the Directors nor the employees of the Manager reported during the financial year up to the date of this Report.

WHISTLEBLOWER PROTECTION POLICY

The Manager being part of AMMB Holdings Berhad, has in place a policy to provide employees of the Manager and members of the public with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to AmFIRST REIT and the Manager. The aim of the Whistleblower Protection Policy ("the 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.

The Policy provides protection to whistleblower which includes not only the employees but also any person that provides information, causing information to be provided or otherwise assisting in an investigation regarding improper conduct and/or filing, causing to be filed, testifying, participating in or otherwise assisting in a proceeding filed or about to be filed relating to the violation of this Policy or legislative requirements.

CONCLUSION

The Board has received assurance from the Executive Director/Acting Chief Executive Officer that the risk management and internal control system is operating adequately and effectively, in all material aspects. The External Auditors has reviewed and provided assurance that the Manager has adequate and effective system of risk management and internal control in place.

The Board is of the view that the system of internal control instituted by the Manager is sound and provides a level of confidence on which the Board relies for assurance

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 REIT, the Unitholders are being informed in a timely manner of all major developments in its business that impact AmFIRST REIT through public announcement on Bursa's website and via AmFIRST REIT's website at www.amfirstreit.com.my. 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.

Corporate presentations are also posted on the Bursa Securities and AmFIRST REIT's websites and investors can have access to the presentations by downloading from the websites. Unitholders and potential stakeholders can access to AmFIRST REIT's website for information on AmFIRST REIT's major developments, property descriptions, announcements and other corporate information. Also available on the website is an archive of AmFIRST REIT's announcements, press releases and annual reports. The latest information is posted on the website as soon as it is released to Bursa Securities and the media.

While the Manager endeavors 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.

An Audit Committee of Directors ("AC") was established by the Board of the Manager to assist the Manager in fulfilling the statutory and fiduciary responsibilities relating to internal controls, financial reporting and reviewing policies as well as to carry certain oversight functions on behalf of the Board of the Manager with the main objective of protecting the interests of unitholders.

The AC comprises three (3) members, all of whom are Non-Executive Directors, of which two (2) members are Independent Directors.

COMPOSITION

The AC members of the Manager since the date of the last report and at the date of this report are:

Y Bhg Dato' Teo Chiang Quan (Chairman)
Sr. Tuan Haji Mohd Salleh bin Akram
Ms Pushpa Rajadurai

The Manager is of the view that the AC members have the relevant expertise to discharge the functions of an AC.

The primary role and responsibilities of the AC is to monitor and evaluate the effectiveness of AmFIRST REIT and the Manager's internal controls and to ensure that the financial statements comply with the applicable financial reporting standards.

The AC has a set of terms of reference defining its scope of authority which includes, in relation to its management of AmFIRST REIT.

TERMS OF REFERENCE

The AC is governed by the following terms of reference which have been revised on 6 November 2013, as follows:-

Primary Roles and Responsibilities

- (i) To provide assistance to and to review and report to the Board of the Manager 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 have 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 of the Manager.
- (iv) To review the quarterly and annual financial statements of the Trust prior to the approval by the Board of the Manager 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.

TERMS OF REFERENCE (contd.)**Primary Roles and Responsibilities** (contd.)

- (vi) To evaluate the adequacy and effectiveness of the Manager's 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 of the Manager summarizing the work deemed performed in fulfilling the AC'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 AC shall meet at quarterly intervals or such other intervals as the AC shall decide . The quorum necessary for the transaction of the business of the AC shall be two (2) members.

For the financial year ended 31 March 2014, the AC had met a total of four (4) times. The frequency of meetings and the attendance of each of the members of the AC held in the financial year ended 2014 are as follows:-

Member	Designation	AC Meeting
Y Bhg Dato' Teo Chiang Quan	Independent Non-Executive Director/Chairman	3/4
Sr. Tuan Haji Mohd Salleh bin Akram	Independent Non-Executive Director	4/4
Ms Pushpa Rajadurai	Non-Independent Non-Executive Director	4/4

SUMMARY OF ACTIVITIES OF THE AC

The activities of the Audit Committee for the financial year ended 31 March 2014 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.

SUMMARY OF ACTIVITIES OF THE AC (contd.)

- (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 of the Manager for approval before release to Bursa Securities.
- (vii) Reviewed and endorsed all related party transactions entered into by AmFIRST REIT.
- (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 REIT 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 of the Manager on significant issues and concerns discussed during the AC meetings, together with applicable recommendations. Minutes of the AC meetings were tabled, discussed and noted by the Board of the Manager.
- (xii) Reviewed and recommended to the Board of the Manager on re-appointment of external Auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

(PURSUANT TO PARAGRAPH 15.26 (A) OF BURSA SECURITIES' LISTING REQUIREMENTS)

The Board of Directors of the Manager is responsible to ensure that the financial statements for the financial year ended 31 March 2014 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 REIT and the REITs Guidelines, so as to give a true and fair view of the financial position of AmFIRST REIT as at 31 March 2014 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 2014, 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 of the Manager are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of AmFIRST REIT. 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.

A Non-Audit Fee

There was no non-audit fee incurred for services rendered to the Trust for the financial year ended 31 March 2014 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 2014.

C Material Contract

There was no material contract entered by the Trust that involved the Directors of the Manager or major Unitholders of the Trust during the financial year under review.

D Material Litigation

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

E 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 bin Hashim, who is a brother of Y Bhg Tan Sri Azman bin Hashim, a substantial Unitholder of AmFIRST REIT.

F Conflict of Interest

No Conflict of interest has arisen during the financial year under review.

G Convictions for Offences (other than traffic offences)

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

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

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	Note	As at 31 March 2014 RM	As at 31 March 2013 RM
ASSETS			
Non-Current Assets			
Investment properties	5	1,301,900,000	1,277,225,784
Current Assets			
Receivables	6	7,896,028	7,602,738
Deposits with financial institution	7	4,165,344	11,741,009
Cash and bank balances		130,822	1,019,659
		12,192,194	20,363,406
TOTAL ASSETS		1,314,092,194	1,297,589,190
FINANCED BY UNITHOLDERS' FUNDS			
Unitholders' capital	11	636,624,829	636,624,829
Undistributed income	11	213,239,017	200,277,868
Total unitholders funds		849,863,846	836,902,697
LIABILITIES			
Non-Current Liabilities			
Rental deposits	8	12,163,692	10,482,474
Borrowings	9	424,000,000	338,000,000
		436,163,692	348,482,474
Current Liabilities			
Payables	10	8,692,348	7,646,130
Rental deposits	8	14,293,635	16,157,889
Borrowings	9	5,078,673	88,400,000
		28,064,656	112,204,019
TOTAL LIABILITIES		464,228,348	460,686,493
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES		1,314,092,194	1,297,589,190
NET ASSET VALUE		849,863,846	836,902,697
NUMBER OF UNITS IN CIRCULATION			
		686,401,600	686,401,600
NET ASSET VALUE PER UNIT			
- before proposed final income distribution		1.2381	1.2193
- after proposed final income distribution		1.2011	1.1828

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

AmFIRST Real Estate
Investment Trust

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	Note	2014 RM	2013 RM
Gross revenue	12	112,792,974	109,783,641
Property expenses	13	(36,318,265)	(35,615,997)
Net rental income		76,474,709	74,167,644
Interest income		140,888	316,057
Change in fair value of investment properties	5	12,327,488	5,052,700
Gain/(loss) arising from measuring non-current financial liabilities at amortized cost		473,452	(175,846)
Other income		152,639	1,488
		89,569,176	79,362,043
Administrative expenses			
Manager's fee	14	(6,245,149)	(5,985,846)
Trustee's fee	15	(333,371)	(302,829)
Valuation fee		(254,000)	(238,600)
Auditors' remuneration			
- Current Year		(30,000)	(20,000)
- Prior year underprovision		(5,000)	-
Tax agent's fee		(12,000)	(15,000)
Other expenses	16	(449,938)	(1,141,076)
Interest expense		(19,171,282)	(19,861,237)
		(26,500,740)	(27,564,588)
Income before taxation		63,068,436	51,797,455
Taxation	17	-	-
Income for the financial year		63,068,436	51,797,455
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		63,068,436	51,797,455
Total comprehensive income for the year is made up as follows:			
- Realized		50,267,496	46,920,601
- Unrealized		12,800,940	4,876,854
		63,068,436	51,797,455

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

	Note	2014	2013
Earnings per unit (sen)			
- after manager's fee	18	9.19	8.69
- before manager's fee		10.10	9.69
Net income distribution (RM)			
Interim income distribution of 3.65 sen per unit paid on 5 December 2013 (FYE 2013: 3.16 sen per unit paid on 12 December 2012)	19	25,053,655	21,690,287
Proposed final income distribution of 3.70 sen per unit payable on 12 June 2014 (FYE 2013: of 3.65 sen per unit paid on 31 May 2013)		25,396,859	25,053,658
		50,450,514	46,743,945
Income distribution per unit * (sen)			
- Interim		3.65	3.16
- Final		3.70	3.65
		7.35	6.81

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

	2014	2013
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%

STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

AmFIRST Real Estate
Investment Trust

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	Unitholders' Capital RM	Undistributed Income Realized RM	Unrealized RM	Unitholders' Fund RM
2014				
As at 1 April 2013	636,624,829	25,302,132	174,975,736	836,902,697
Total comprehensive income for the year	-	50,267,496	12,800,940	63,068,436
	636,624,829	75,569,628	187,776,676	899,971,133
<u>Unitholders' transactions</u>				
Distribution to Unitholders				
- 2013 final	-	(25,053,632)	-	(25,053,632)
- 2014 interim	-	(25,053,655)	-	(25,053,655)
	-	(50,107,287)	-	(50,107,287)
As at 31 March 2014	636,624,829	25,462,341	187,776,676	849,863,846
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
<u>Unitholders' transactions</u>				
Issuance of Rights Units	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

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before taxation	63,068,436	51,797,455
<i>Adjustments for:</i>		
Interest income from placements with financial institution	(140,888)	(316,057)
Interest expense	19,171,282	19,861,237
(Reversal)/provision of impairment loss on trade receivables	(399,097)	215,194
Change in fair value of investment properties	(12,327,488)	(5,052,700)
(Gain)/loss arising from measuring non-current financial liabilities at amortized cost	(473,452)	175,846
Operating profit before working capital changes	68,898,793	66,680,975
<i>Changes in working capital:</i>		
Decrease in receivables	105,807	609,841
Increase in payables	1,425,578	1,279,226
Increase in rental deposits	290,416	1,044,946
Net cash generated from operating activities	70,720,594	69,614,988
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investment properties	-	(87,225,784)
Enhancements of investment properties	(12,346,728)	(5,103,176)
Interest income	140,888	316,057
Net cash used in investing activities	(12,205,840)	(92,012,903)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(19,550,642)	(18,851,525)
Distribution paid to Unitholders	(50,107,287)	(42,411,100)
Drawdown/(repayment) of borrowings	2,678,673	(123,600,000)
Proceeds from issuance of Rights Units	-	213,642,498
Issuance expenses	-	(3,891,075)
Net cash (used in)/generated from financing activities	(66,979,256)	24,888,798
Net (decrease)/increase in cash and cash equivalents	(8,464,502)	2,490,883
Cash and cash equivalents as at the beginning of the financial year	12,760,668	10,269,785
Cash and cash equivalents as at the end of the financial year	4,296,166	12,760,668
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	130,822	1,019,659
Deposits with financial institution	4,165,344	11,741,009
	4,296,166	12,760,668

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

1. GENERAL INFORMATION

AmFIRST Real Estate Investment Trust ("AmFIRST REIT" or the "Trust") was constituted pursuant to the execution of a Trust Deed dated 28 September 2006 ("Original Deed") (as amended by the First Supplemented, Revised and Restated Trust Deed dated 15 December 2006 ("First Deed") and the Second Restated Deed dated 13 September 2013 ("Second Deed" or the "Deed")) entered between the Manager, Am ARA REIT Managers Sdn Bhd, and the Trustee, Maybank Trustees Berhad. The Second Deed has superseded the Original Deed and the First Deed. 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.

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

The key objective of AmFIRST REIT 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 principal place of business of the Manager is located at Penthouse, Menara AmFIRST REIT, No. 1, Jalan 19/13, 46300 Petaling Jaya, Selangor.

The financial statements were authorized for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 12 May 2014.

2. CHANGES IN ACCOUNTING POLICIES

2.1 New and amended Malaysian Financial Reporting Standards ("MFRSs") and Interpretations Committee ("IC") Interpretations adopted

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and amended MFRSs and IC Interpretations which became effective for the Trust on 1 April 2013.

- MFRS 3, Business Combinations (IFRS 3, Business Combinations issued by IASB in March 2004)
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 127, Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2013)
- MFRS 127, Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
- MFRS 128, Investments in Associates and Joint Ventures
- Amendments to MFRS 7, Disclosures: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income
- Amendments to MFRSs contained in the document entitled "Annual Improvements 2009-2011 Cycle"

The adoption of these new and amended MFRSs and IC Interpretations did not have any significant impact on the financial position or performance of the Trust, except for the following:

MFRS 13 sets out a framework for measuring fair value and requires disclosure about fair value measurement. MFRS 13 is applicable to both financial instruments and non-financial instrument items, for which fair value measurement and/or disclosures are required or permitted by other MFRSs.

2. CHANGES IN ACCOUNTING POLICIES (contd.)

2.1 New and amended Malaysian Financial Reporting Standards (“MFRSs”) and Interpretations Committee (“IC”) Interpretations adopted (contd.)

MFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Trust had applied MFRS 13 prospectively. The adoption of MFRS 13 had resulted in the Trust providing additional disclosure. Adoption of MFRS 13 did not result in any significant impact on the amounts recognized in the Trust's financial statements.

2.2 Standards and interpretations issued but not yet effective

The following are MFRSs and IC Interpretations issued by the Malaysian Accounting Standards Board (“MASB”) that will be effective for the Trust in future years. The Trust intends to adopt the relevant standards when they become effective.

(a) Standards effective for financial periods beginning on or after 1 January 2014:

- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

(b) Standards effective for financial periods beginning on or after 1 July 2014:

- Amendments to MFRS 119, Defined Benefit Plans: Employee Contribution
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2010-2012 Cycle”
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2011-2013 Cycle”

(c) Standards effective for dates to be announced by MASB:

- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)
- MFRS 9, Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139

(d) Effect of adoption of standards issued but not yet effective

The Trust is in the process of assessing the impact of implementing these standards, amendments and interpretations in the respective years they become effective.

MFRS 9, Financial Instruments - MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 may have an effect on the classification and measurement of the Trust's financial assets, but will not have an impact on the classification and measurement of the Trust's financial liabilities. The Trust will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting - These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Trust does not have derivatives during the current period. However, these amendments would be considered for future novation.

3. ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements have been prepared on a historical cost basis except when otherwise indicated.

3.2 Statement of compliance

The financial statements of the Trust have been prepared in accordance with the provision of the Deed, the Securities Commission Malaysia's Guidelines on Real Estate Investment Trust ("REITs Guidelines"), Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), applicable securities laws and general accepted accounting principles in Malaysia.

3.3 Presentation of financial statements

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Trust.

3.4 Summary of significant accounting policies

(a) 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.

Subsequent to initial recognition, 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 for similar properties and is valued by registered independent valuers having an appropriate recognized professional qualification and recent experience in the location and category of property being valued. 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 benefit is expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognized in profit or loss.

(b) Financial instruments – initial recognition and subsequent measurement

(i) Date of recognition

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Trust becomes a party to the contractual provisions of the instrument. This includes regular way trades; purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

(ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

3. ACCOUNTING POLICIES (contd.)

3.4 Summary of significant accounting policies (contd.)

(b) Financial instruments – initial recognition and subsequent measurement (contd.)

(iii) Subsequent measurement

The subsequent measurement of financial instruments depends on their classification as described below:

(a) Financial assets at amortized cost – 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 profit or loss. The losses arising from impairment are recognized in profit or loss in "impairment losses on financial investments" for loans/financing or "other operating expenses" for receivables.

(b) Financial liabilities at amortized cost

After initial measurement, term funding, borrowings and rental deposits are subsequently measured at amortized cost using the EIR method. 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.

(c) "Day 1" profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Trust immediately recognizes the difference between the transaction price and fair value (a "Day 1" profit or loss) in "gains/(loss) arising from measuring non-current financial liabilities at amortized cost". In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

(iv) Derecognition of financial assets and financial liabilities

(a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired.
- The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
 - the Trust has transferred substantially all the risks and rewards of the asset, or
 - the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. ACCOUNTING POLICIES (contd.)

3.4 Summary of significant accounting policies (contd.)

(b) Financial instruments – initial recognition and subsequent measurement (contd.)

(iv) Derecognition of financial assets and financial liabilities (contd.)

(a) Financial assets (contd.)

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

(b) Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. 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 recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

(c) Determination of fair value

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable prices exist, option pricing models and other relevant valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 24.

(d) Impairment of financial assets

The Trust assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(i) Financial assets carried at amortized cost – loans and receivables

For financial assets carried at amortized cost, the Trust first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Trust determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

3. ACCOUNTING POLICIES (contd.)

3.4 Summary of significant accounting policies (contd.)

(d) Impairment of financial assets (contd.)

(i) Financial assets carried at amortised cost – loans and receivables (contd.)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of trade receivables is reduced through the use of an allowance account while the carrying amount of other financial assets reduced are directly in that account. The associated loss is recognized in profit or loss. Trade receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Trust. If, in subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account and the particular financial asset account for trade receivables and other financial asset respectively. If a write-off is later recovered, the recovery is adjusted in profit or loss.

(e) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(f) 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 and net of outstanding bank overdrafts.

(g) 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. The following specific recognition criteria must be met before revenue is recognized.

(i) Interest/financing income and similar income and expense

For all financial assets and financial liabilities measured at amortized cost, interest/ financing income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Trust revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded in profit or loss.

3. ACCOUNTING POLICIES (contd.)

3.4 Summary of significant accounting policies (contd.)

(g) Recognition of income and expenses (contd.)

(ii) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

(iii) Property expenses

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

Property expenses are recognized on an accrual basis.

(iv) Manager's and Trustee's fees

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

The basis by which Manager's and Trustee's fee is derived is as explained in note 14 and note 15 respectively.

(h) Provisions

Provisions are recognized when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

(i) Income distribution of AmFIRST REIT's units

Income distributions are recognized as a liability and deducted from unitholders' funds when they are approved by the Trustee and the Board of Directors. Interim income distributions are deducted from unitholder's funds when they are paid.

Income distribution to unitholders of AmFIRST REIT that are declared after the reporting period are not recognized as a liability at the end of the reporting period.

(j) Taxes

(i) 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.

3. ACCOUNTING POLICIES (contd.)

3.4 Summary of significant accounting policies (contd.)

(j) Taxes (contd.)

(ii). 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:

- Where 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; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

No major judgements have been made by the Trust in applying the accounting policies other than those disclosed in Note 5.1 below. There are no key assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. INVESTMENT PROPERTIES

	2014 RM	2013 RM
As at beginning of the year	1,277,225,784	1,179,844,124
Acquisitions	-	87,225,784
Enhancements	12,346,728	5,103,176
Change in fair value	12,327,488	5,052,700
	<hr/>	<hr/>
As at 31 March	1,301,900,000	1,277,225,784

5.1 Fair valuation of investment properties

Investment properties are stated at fair value which has been determined based on valuations that reflect market conditions at the end of the reporting period by accredited independent valuers. The valuations were based on comparison and investment methods that makes comparison to comparable properties. The fair value measurement of the investment properties were based on significant inputs that are not observable in the market, which MFRS 13 refers to as Level 3 fair value hierarchy input. The significant unobservable input for all investment properties is the capitalization term yield and reversionary yield.

Description of Property	Valuation Date	Term Yield(%) ¹	Reversionary Yield (%) ²
i. Menara AmBank	10 March 2014	6.00%	6.25%
ii. Bangunan AmBank Group	17 March 2014	6.25%	6.50%
iii. Menara AmFIRST	20 March 2014	6.50%	6.90%
iv. AmBank Group Leadership Centre	12 March 2014	6.00%	6.25%
v. Wisma AmFIRST	13 March 2014	6.50%	6.75%
vi. The Summit Subang USJ	4 March 2014	6.50%-6.75%	6.75%-7.00%
vii. Prima 9	20 March 2014	6.50%	7.00%
viii. Prima 10	20 March 2014	7.00%-7.20%	7.00%
xi. Jaya 99	13 March 2014	6.25%	6.50%

1. Yield that the investment properties are expected to achieve and is derived from the current average rental rate, including reversion upon renewal of tenancies during the year.
2. Yield that the investment properties are expected to achieve upon expiring of current term rental.

Significant increases/(decreases) in estimated inputs in isolation would result in a significant higher/(lower) fair value.

5. INVESTMENT PROPERTIES (contd.)

Description of property	Land Title	Location	Existing use	Cost of Investment 31.3.2014 RM	Carrying value as at 31.3.2014 RM	% of Valuation to net asset value as at 31.3.2014 %	Carrying value as at 31.3.2013 RM	% of Valuation to net asset value as at 31.3.2013 %
(i) Menara AmBank	Freehold	Kuala Lumpur	Office	233,872,914	310,000,000	36.48	310,000,000	37.04
(ii) Bangunan AmBank Group	Leasehold [@]	Kuala Lumpur	Office	189,376,534	240,000,000	28.24	238,000,000	28.44
(iii) Menara AmFIRST	Freehold	Petaling Jaya	Office	63,861,772	69,500,000	8.18	68,000,000	8.13
(iv) AmBank Group Leadership Centre	Freehold	Kuala Lumpur	Office	21,998,355	22,000,000	2.59	22,000,000	2.63
(v) Wisma AmFIRST	Leasehold [#]	Kelana Jaya	Office	95,215,621	111,000,000	13.06	110,000,000	13.14
(vi) The Summit Subang USJ	Freehold	Subang Jaya	Mixed Commercial Complex	289,085,609	314,900,000	37.05	305,000,000	36.44
(vii) Prima 9	Freehold	CyberJaya	Office	72,924,077	77,000,000	9.06	75,000,000	8.96
(viii) Prima 10	Freehold	CyberJaya	Office	61,773,610	68,000,000	8.00	62,000,000	7.41
(ix) Jaya 99	Leasehold [^]	Melaka	Office	87,246,678	89,500,000	10.53	87,225,784	10.42
				<u>1,115,355,170</u>	<u>1,301,900,000</u>		<u>1,277,225,784</u>	

@ 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.

6. RECEIVABLES

	2014 RM	2013 RM
Trade receivables (a)	4,529,317	5,701,418
Less: Allowance for impairment	(770,745)	(1,169,842)
Trade receivables, net	3,758,572	4,531,576
Other receivables, deposits and prepayments, net (b)	4,137,456	3,071,162
Total receivables, net	<u>7,896,028</u>	<u>7,602,738</u>

(a) Included in trade receivables are rental outstanding from companies related to the Manager amounting to RM59,176 (2013: RM745,426) which are subject to normal trade terms.

(b) Included in other receivables in the current year are advances to the Management Corporation for the proposed re-development of The Summit Shopping Mall amounting to RM1,057,529 (2013: 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. The Trust seeks to maintain strict control over its outstanding receivables and has sound credit control processes in place to minimize credit risk. Overdue balances are reviewed regularly by management. The Trust's trade receivables relate to a large number of diversified customers, and other than AMMB Holdings Berhad and its subsidiaries and associates ("AmBank Group"), there is no significant concentration of credit risk.

7. DEPOSITS WITH FINANCIAL INSTITUTION

	2014 RM	2013 RM
Placements maturing within three (3) months placed with a licensed bank	4,165,344	11,741,009

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 24(b)(ii).

Included in placements with a licensed bank is an amount of RM1,584,733 (2013: 2,623,795) held by the Trust on behalf of the vendor of Jaya 99 (Note 10 (ii)).

8. RENTAL DEPOSITS

	2014 RM	2013 RM
<i>Non-current</i>		
Payable after twelve (12) months	12,163,692	10,482,474
<i>Current</i>		
Payable within twelve (12) months	14,293,635	16,157,889
	26,457,327	26,640,363

Included in the above are rental deposits received from companies related to the Manager amounting to:

	2014 RM	2013 RM
<i>Non-current</i>		
Payable after twelve (12) months	6,578,641	3,642,011
<i>Current</i>		
Payable within twelve (12) months	3,952,343	7,180,159
	10,530,984	10,822,170

9. BORROWINGS

	2014 RM	2013 RM
<i>Current</i>		
Term Loan	-	30,000,000
Revolving Credit	4,000,000	58,400,000
Overdraft	1,078,673	-
	5,078,673	88,400,000
<i>Non-Current</i>		
Term Loan	128,000,000	128,000,000
Revolving Credit	296,000,000	210,000,000
	424,000,000	338,000,000
Total borrowings	429,078,673	426,400,000

A term loan of RM57.0 million is secured by way of a lien holder caveat over Menara AmFIRST. A revolving credit of RM85.0 million is secured by way of a lien holder caveat over Wisma 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 24(b)(ii).

10. PAYABLES

	2014 RM	2013 RM
Trade payables	1,033,353	91,064
Other payables and accruals	7,658,995	7,555,066
	<hr/> 8,692,348	<hr/> 7,646,130

Included in other payables and accruals are:

- (i) amounts owing to the Manager and Trustee of RM521,565 (2013: RM534,215) and RM28,328 (2013: RM27,891) respectively, and
- (ii) the balance of cash retention sum as at 31 March 2014 of RM1,415,442 (2013: RM2,623,795) from the vendor of Jaya 99 (also known as Kompleks Tun Sri Lanang). Deduction will be made from the cash retention sum when there is shortfall in the guaranteed gross proceed as stipulated in the Sales and Purchase Agreement. The gross annual proceed is guaranteed by the vendor from 1 November 2012 to 31 October 2018.

11. UNITHOLDERS' FUNDS

Unitholders' funds is represented by:

	2014 RM	2013 RM
Unitholders' capital	636,624,829	636,624,829
Undistributed income	25,462,341	25,302,132
Undistributed unrealized income	187,776,676	174,975,736
	<hr/> 849,863,846	<hr/> 836,902,697

Number of units in circulation:

	2014 Number of units	2013 Number of units
Issued and fully paid:		
At beginning of the year	686,401,600	429,001,000
Issued for cash	-	257,400,600
	<hr/> 686,401,600	<hr/> 686,401,600

	2014 RM	2013 RM
At beginning of the year	636,624,829	426,873,406
Issue of Right units: 257,400,600 units @ RM0.83 per unit	-	213,642,498
Issuing expenses	-	(3,891,075)
	<hr/> 636,624,829	<hr/> 636,624,829

11. UNITHOLDERS' FUNDS (contd.)

	2014 Number of Units	2014 Market Value RM	2013 Number of Units	2013 Market Value RM
Unitholdings of companies related to the Manager				
Amcorp Group Berhad	41,779,353	40,734,869	41,779,353	45,121,701
AmBank (M) Berhad	183,489,138	178,901,910	168,551,177	182,035,271
Jadeline Capital Sdn Bhd	36,968,000	36,043,800	36,968,000	39,925,440
AmGeneral Insurance Berhad on behalf of shareholder fund	9,450,000	9,213,750	10,000,000	10,800,000
AmInvestment Bank Berhad	-	-	14,937,961	16,132,998
AmGeneral Insurance Berhad on behalf of General Fund	4,031,700	3,930,908	4,800,000	5,184,000
AmLife Insurance Berhad on behalf of Life Fund	11,200,000	10,920,000	11,200,000	12,096,000
Direct unitholdings of Directors of the Manager				
Zuhairy bin Md Isa (appointed effective 28 March 2014)	7,400	7,215	7,400	7,992
Indirect unitholdings of Directors of the Manager				
Lim Hwee Chiang ¹	36,968,000	36,043,800	36,968,000	39,925,440
Chief Executive Officer of the Manager				
Lim Yoon Peng ² (resigned effective 1 August 2013)	-	-	92,000	99,360

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 REIT.

The market value is determined by multiplying the number of units with the market closing price of RM0.975 per unit as at 31 March 2014 (31 March 2013: RM1.08 per unit).

12. GROSS REVENUE

	2014 RM	2013 RM
Gross rental income	103,353,670	101,312,363
Car park income	9,047,249	8,220,461
Other income	392,055	250,817
	<u>112,792,974</u>	<u>109,783,641</u>

13. PROPERTY EXPENSES

Included in property expenses are the following:

	2014 RM	2013 RM
Property management fee*	1,861,094	1,423,834
Rates and assessment	5,578,432	5,471,619
Quit rent	172,498	154,356

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

14. 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 rental 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% (2013: 0.30%) per annum and performance fee of 3.00% (2013: 3.00%) per annum.

15. 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% (2013: 0.04%) per annum on the net asset value.

16. OTHER EXPENSES

Included in other expenses are:

	2014 RM	2013 RM
(Reversal)/provision of impairment loss on trade receivable	(399,097)	215,194

17. TAXATION

	2014 RM	2013 RM
Current tax expense	-	-

Domestic current income tax is calculated at the statutory tax rate of 25% (2013: 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 to income tax expense at the effective tax rate of the Trust is as follows:

	2014 RM	2013 RM
Income before taxation	63,068,436	51,797,455
Income tax using Malaysian tax rate of 25% (2013: 25%)	15,767,109	12,949,364
Effects of non-deductible expenses	84,618	120,681
Effect of fair value adjustment on investment properties not subject to tax	3,081,872	1,263,175
Effects of income exempted from tax	(18,933,599)	(14,333,220)
Tax expense	-	-

18. EARNINGS PER UNIT

	2014	2013
Net income for the year (RM)	63,068,436	51,797,455
Weighted average number of units in circulation during the year (units)	686,401,600	596,135,088
Basic EPU per unit (sen)	9.19	8.69

19. NET INCOME DISTRIBUTION

In respect of the current financial year ended 31 March 2014, the Manager had paid an interim income distribution of 3.65 sen per unit for the six-month financial period from 1 April 2013 to 30 September 2013 and has proposed a final income distribution of 3.70 sen per unit for the six-month financial period from 1 October 2013 to 31 March 2014 totalling RM25,396,859 which is line with the objectives of AmFIRST REIT to deliver regular and stable distributions to Unitholders. The total income distribution of 7.35 sen for the financial year ended 31 March 2014 is from the following sources:

	2014	2013
	RM	RM
Gross revenue	112,792,974	109,783,641
Interest income	140,888	316,057
Other income	152,639	1,488
	<hr/>	<hr/>
Less: Expenses	113,086,501 (62,819,005)	110,101,186 (63,180,585)
	<hr/>	<hr/>
Add: Distributable income at beginning of the year	50,267,496 248,811	46,920,601 72,155
	<hr/>	<hr/>
Total income available for distribution	50,516,307	46,992,756
Less: Undistributed income at end of the year	(65,793)	(248,811)
	<hr/>	<hr/>
Total income distribution for the year	50,450,514	46,743,945
	<hr/>	<hr/>
Distribution per unit (sen)	7.35	6.81
	<hr/>	<hr/>

20. PORTFOLIO TURNOVER RATIO

	2014	2013
Portfolio Turnover Ratio ("PTR") (Times)	-	0.11
	<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.

21. MANAGEMENT EXPENSE RATIO

	2014	2013
Management Expense Ratio ("MER") (%)	0.88	1.00
	<hr/>	<hr/>

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.

22. CAPITAL COMMITMENT

	2014 RM	2013 RM
<u>Approved but not contracted for:</u> Investment properties	72,948,062	10,042,588
<u>Approved and contracted for:</u> Investment properties	14,662,147	4,809,807

23. TRANSACTIONS WITH THE COMPANIES RELATED TO THE MANAGER

	2014 RM	2013 RM
Rental earned from AmBank Group	42,562,278	42,605,533
Interest earned from AmBank (M) Berhad	140,888	316,057
Interest paid to AmBank (M) Berhad	18,112,244	17,828,633

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

	2014 RM	2013 RM
AmBank Group		
Bank balances and deposits placed with AmBank (M) Berhad	4,239,105	12,749,408
Bank borrowing from AmBank (M) Berhad	429,078,673	396,400,000
Rental deposits received from AmBank Group	10,530,984	10,822,170
Am ARA REIT Managers Sdn Bhd		
1% acquisition fees paid to the Manager	-	860,000
AmInvestment Bank Berhad		
Corporate Advisory fee	77,450	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.

24. FINANCIAL INSTRUMENTS

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

(a) The following are classes of financial instruments that have carrying amounts which are reasonable approximations of their fair value.

	Note
<u>Loans and receivables</u>	
Receivables	(i)
Deposits with financial institution	(i)
Cash and bank balances	(i)
<u>Financial liabilities</u>	
Payables	(i)
Rental deposits	(ii)
Borrowings	(ii)

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 REIT 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 REIT'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.

24. FINANCIAL INSTRUMENTS (contd.)

(b) Financial risk management objectives and policies (contd.)

(i) Interest rate risk (contd.)

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

	2014	2013
	RM	RM
<u>Financial assets:</u>		
<i>Floating rate instrument</i>		
Deposits with financial institution	4,165,344	11,741,009
	<hr/>	<hr/>
<u>Financial liabilities:</u>		
<i>Fixed rate instrument</i>		
Term Loan	117,000,000	117,000,000
Revolving credit	30,000,000	-
	<hr/>	<hr/>
	147,000,000	117,000,000
	<hr/>	<hr/>
<i>Floating rate instrument</i>		
Term Loan	11,000,000	41,000,000
Revolving credit	270,000,000	268,400,000
Overdraft	1,078,673	-
	<hr/>	<hr/>
	282,078,673	309,400,000
	<hr/>	<hr/>

24. FINANCIAL INSTRUMENTS (contd.)

(b) Financial risk management objectives and policies (contd.)

(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
2014				
Financial assets				
Deposits with financial institution	2.89	4,165,344	4,165,344	-
Financial liabilities				
Term loans	4.45	128,000,000	-	128,000,000
Revolving credit facilities	4.43	300,000,000	4,000,000	296,000,000
Overdraft	4.48	1,078,673	1,078,673	-
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

(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 the 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
2014			
Current	2,063,755	-	2,063,755
Past due but not impaired:			
Past due 30 - 60 days	1,348,277	-	1,348,277
Past due 61 - 90 days	159,453	-	159,453
Past due more than 90 days	187,087	-	187,087
Impaired:			
Past due more than 90 days	770,745	(770,745)	-
	4,529,317	(770,745)	3,758,572

24. FINANCIAL INSTRUMENTS (contd.)

(b) Financial risk management objectives and policies (contd.)

(iii) Credit risk (contd.)

	Gross RM	Individual Impairment RM	Net RM
2013			
Current	2,652,252	-	2,652,252
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)	-
	5,701,418	(1,169,842)	4,531,576

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:

	2014 RM	2013 RM
As at beginning of the year	1,169,842	1,352,327
Amount written off	-	(397,679)
(Charge)/ write back	(399,097)	215,194
As at 31 March	770,745	1,169,842

(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 summarizes 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
2014			
Rental deposits	14,293,635	12,163,692	26,457,327
Payables	8,692,348	-	8,692,348
Borrowings	5,078,673	424,000,000	429,078,673
Total financial liabilities	28,064,656	436,163,692	464,228,348

24. FINANCIAL INSTRUMENTS (contd.)

(b) Financial risk management objectives and policies (contd.)

(iv) Liquidity risk (contd.)

	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

25. 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 unitholders value.

Management monitors capital based on gearing. Under the REITs Guidelines, the Trust is required to maintain a gearing not exceeding 50% of its total asset value.

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 9.

	2014	2013
Total borrowings (RM)	429,078,673	426,400,000
Total assets (RM)	1,314,092,194	1,297,589,190
Gearing (%)	32.7%	32.9%

26. DISCLOSURE ON REALIZED AND UNREALIZED INCOME

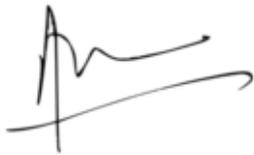
The breakdown of distributable undistributed income of the Trust into realized and unrealized profits, pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on 25 March 2010, are as follows:

	2014 RM	2013 RM
Realized		
Distributable undistributed income	25,462,341	25,302,132
Unrealized		
Cumulative net change arising from the fair value of investment properties	186,544,832	174,217,344
Gain arising from measuring non-current financial liabilities at amortized cost	1,231,844	758,392
	<hr/> 213,239,017	<hr/> 200,277,868

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 92 to 119 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 2014 and of the results and the cash flows of the Trust for the financial year then ended.

The information set out in page 120 of 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 Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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



DATO' AZLAN BIN HASHIM



TUAN HAJI MOHD SALLEH BIN AKRAM

Kuala Lumpur, Malaysia
12 May 2014

STATUTORY DECLARATION

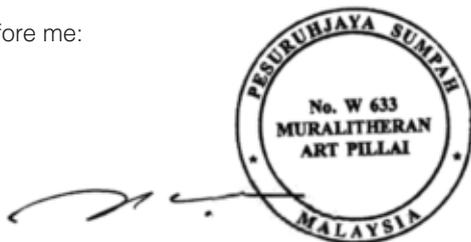
I, **Abdul Rahman bin Mohd Joned**, being the officer primarily responsible for the financial management of AmFIRST Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 92 to 120 are, to the best of my knowledge and belief, correct, and I make 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 Abdul Rahman bin Mohd Joned
at Kuala Lumpur in Wilayah Persekutuan
on 12 May 2014



ABDUL RAHMAN BIN MOHD JONED

Before me:



Commissioner for Oaths

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

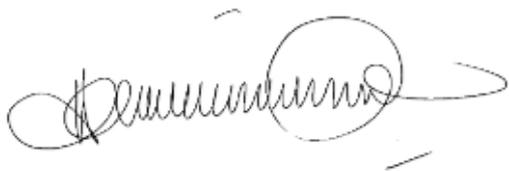
To the Unitholders of AmFIRST Real Estate Investment Trust

We have acted as the Trustee of AmFIRST Real Estate Investment Trust (the "Trust") for the financial year ended 31 March 2014. 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 Malaysia'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 2014.

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 income distributions declared and paid during the financial year ended 31 March 2014 are in line with and are reflective of the objectives of the Trust.

For Maybank Trustees Berhad



BERNICE LAU KAM MUN
Head, Operations

Kuala Lumpur, Malaysia
12 May 2014

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 2014 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 92 to 119.

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.

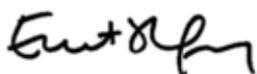
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2014 and of its financial performance, changes in net asset value and cash flows for the year ended 31 March 2014 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

The supplementary information as disclosed in Note 26 on page 120 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 and 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 the 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



Yeo Beng Yean
No. 3013/10/14 (J)
Chartered Accountant

**THIRTY (30) LARGEST UNITHOLDERS
AS AT 12 MAY 2014**

Nos.	Names	No. of Unit Held	% of Unitholdings
1.	AmBank (M) Berhad*	183,489,138	26.73
2.	Amcorp Group Berhad*	41,779,353	6.09
3.	UOBM Nominees (Tempatan) Sdn Bhd*	36,968,000	5.39
4.	Pledged Securities For Jadeline Capital Sdn Bhd (PCB) Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	22,750,832	3.31
5.	AMSEC Nominees (Tempatan) Sdn Bhd AmLife Insurance Berhad (FM-AMAB-LF)	11,200,000	1.63
6.	HwangDBS Investment Bank Berhad iVT (JBD)	9,143,520	1.33
7.	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Bhd for AmGeneral Insurance Berhad-Shareholders' Fund	8,956,700	1.30
8.	Lim Soon Huat	5,122,272	0.75
9.	DFN Resources Sdn Bhd	5,000,000	0.73
10.	Tan Kim Chuan	4,600,000	0.67
11.	AMSEC Nominees (Tempatan) Sdn Bhd Ng Bee Lan (9917--2101)	4,400,000	0.64
12.	AMSEC Nominees (Tempatan) Sdn Bhd AmTrustee Bhd for AmGeneral Insurance Berhad-Shareholders' Fund	4,031,700	0.59
13.	AmanahRaya Trustees Berhad Public Optimal Growth Fund	4,000,000	0.58
14.	Wing Kwong @ Chan Wing Kwong	3,008,724	0.44
15.	Sze See Chuen	2,261,700	0.33
16.	Seng Siaw Wei	2,250,000	0.33
17.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ramanathan A/L L.Manickavasagam	2,115,400	0.31
18.	Lim Kew Seng	2,083,080	0.30
19.	Radhakrishnan A/L Menon	2,000,000	0.29
20.	Che King Tow	1,920,000	0.28
21.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc	1,694,840	0.25
22.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Tigarar Berkat Sdn Bhd (PB)	1,600,000	0.23
23.	Oh Eng Hoe	1,600,000	0.23
24.	Tan Ka Leh	1,500,000	0.22
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pee Siew Boon (8057713)	1,485,000	0.22
26.	Cimsec Nominees (Tempatan) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Lte (Retail Clients)	1,430,664	0.21
27.	Yap Ah Ngah @ Yap Neo Nya	1,400,000	0.20
28.	Wong Soh Har @ Wong Yin Teck	1,396,600	0.20
29.	Neoh Choo Ee & Company, Sdn. Berhad	1,357,142	0.20
30.	Maybank Nominees (Tempatan) Sdn Bhd Chau Mei Lan	1,272,751	0.19
	Total	371,817,416	54.17

* Substantial Unitholders (More than 5% of the unit in circulation)

**DISTRIBUTION SCHEDULE OF UNIT
AS AT 12 MAY 2014**

Category	No. of Unitholders	No. of Units held	% of Unitholdings
Less than 100	518	21,558	0.01
100 - 1,000	3,364	2,209,331	0.32
1,001 - 10,000	5,673	24,362,172	3.55
10,001 - 100,000	2,911	98,184,562	14.30
100,001 to less than 5% of issued unit	673	299,387,486	43.62
5% and above of issued the unit	3	262,236,491	38.20
Total	13,142	686,401,600	100.00

**CLASSIFICATION OF UNITHOLDERS
AS AT 12 MAY 2014**

Category of Shareholders	No. of Unitholders		No. of Unit Held		% of Total Unitholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1. Individuals	10,701	193	221,979,891	7,247,417	32.34	1.06
2. Body Corporate						
a. Banks/Finance Companies	9	-	198,359,338	-	28.90	-
b. Investment Trusts/ Foundation/Charities	3	-	376,308	-	0.05	-
c. Industrial and Commercial Companies	172	7	59,951,866	440,073	8.73	0.06
3. Government Agencies/Institutions	2	-	51,421	-	0.01	-
4. Nominees	1,886	169	185,271,041	12,724,245	27.00	1.85
Total	12,773	369	665,989,865	20,411,735	97.03	2.97

THE MANAGER

Am ARA REIT Managers Sdn Bhd
(Company No. 730964-X)

REGISTERED OFFICE OF THE MANAGER

22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : 603 – 2036 2633
Facsimile No. : 603 – 2032 1914

BUSINESS ADDRESS OF THE MANAGER

Penthouse, Menara AmFIRST
No. 1, Jalan 19/3
46300 Petaling Jaya
Selangor
Telephone No. : 603 – 7955 8780/8782
Facsimile No. : 603 – 7955 8360/80
Website: www.amfirstreit.com.my

BOARD OF DIRECTORS OF THE MANAGER**Y Bhg Dato' Azlan bin Hashim**

Non-Independent Non-Executive Director/Chairman

Y Bhg Dato' Teo Chiang Quan

Independent Non-Executive Director

Sr. Tuan Haji Mohd Salleh bin Akram

Independent Non-Executive Director

Ms Pushpa Rajadurai

Non-Independent Non-Executive Director

Mr. Lim Hwee Chiang

Non-Independent Non-Executive Director

Encik Zuhairy bin Md Isa

Executive Director / Acting Chief Executive Officer

Mr. Anthony Ang Meng Huat

(Alternate Director to Mr. Lim Hwee Chiang)

COMPANY SECRETARIES

Ms Koid Phaik Gunn (MAICSA 7007433)
Ms Koh Suet Peng (MAICSA 7019861)
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : 603 – 2036 2633
Facsimile No. : 603 – 2032 1914

TRUSTEE

Maybank Trustees Berhad
(Company No. 5004-P)
8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Telephone No. : 603 – 2078 8363
Facsimile No. : 603 – 2070 9387

PROPERTY MANAGERS

Malik & Kamaruzaman Property Management Sdn Bhd
3rd Floor, Wisma Yakin
Jalan Melayu
50100 Kuala Lumpur
Telephone No. : 603 – 2698 5522
Facsimile No. : 603 – 2692 5202

CB Richard Ellis (Malaysia) Sdn Bhd
#9-1, Level 9, Menara Millennium
Jalan Damanela, Bukit Damansara
50490 Kuala Lumpur
Telephone No. : 603 – 2092 5955
Facsimile No. : 603 – 2092 5966

DTZ Nawawi Tie Leung Property Consultants Sdn Bhd
Suite 34.01, Level 34
Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
Telephone No. : 603 – 2161 7228
Facsimile No. : 603 – 2161 1633

AUDITORS

Messrs. Ernst & Young (AF: 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanela
Pusat Bandar Damansara
50490 Kuala Lumpur
Telephone No. : 603 – 7495 8000
Facsimile No.: 603 – 2095 5332

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd (AF: 1146)
Level 10, 1 Sentral Jalan Travers
Kuala Lumpur Sentral
50470 Kuala Lumpur
P.O. Box 10192, 50706 Kuala Lumpur
Telephone No. : 603 – 2173 1188
Facsimile No. : 603 – 2173 1288

PRINCIPAL BANKER

AmBank (M) Berhad
Level 18, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone No.: 603 – 2026 3939
Facsimile No. : 603 – 2026 6855

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Telephone No. : 603 – 7841 8000
Facsimile No. : 603 – 7841 8151/8152

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name ; AmFIRST
Stock Code : 5120

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting (“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 Monday, 23 June 2014 at 10.30 a.m. or at any adjournment thereof, for the following purpose:

ORDINARY BUSINESS

- (1) To receive the Audited Financial Statements for the financial year ended 31 March 2014 of AmFIRST REIT together with the Reports of the Trustee and Auditors 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 (“REITs GUIDELINES”)** **ORDINARY RESOLUTION NO. 1**

“THAT pursuant to the REITs 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.”

(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.”

**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)
Koh Suet Peng (MAICSA 7019861)
Company Secretaries

Kuala Lumpur
30 May 2014

Notes:-

- (1) *In respect of deposited securities, only unitholders whose names appear in the Record of Depositors of AmFIRST REIT on 16 June 2014 shall be eligible to attend the AGM.*
- (2) *A unitholder entitled to attend and vote at the AGM is entitled to appoint another person (whether a unitholder or not) as its proxy to attend and vote instead of him/her. There shall be no restrictions as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the unitholder to speak at the AGM.*
- (3) *A unitholders shall not be entitled to appoint more than two (2) proxies to attend and vote at the AGM. 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.*
- (4) *Where a unitholder is a corporation, its duly authorised representative shall be entitled to attend and vote at the AGM 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.*
- (5) *If a unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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.*
- (6) *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.*
- (7) *The instrument appointing a proxy 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 AGM 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 Second 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.



Real Estate Investment Trust

AmFIRST REAL ESTATE INVESTMENT TRUST

[Established in Malaysia under the Trust Deed dated 28 September 2006 ("Original Deed") (as amended by the First Supplemental, Revised and Restated Trust Deed dated 15 December 2006 ("First Deed") and the Second Restated Deed dated 13 September 2013 ("Second Deed")) entered into between Am ARA REIT Managers Sdn Bhd and 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"

Table with 4 columns: Full Name, NRIC No./Passport No., Full Address, and Proportion of Unitholdings Represented (No. of Units, Percentage).

and/or failing *him/her,

Second Proxy "B"

Table with 4 columns: Full Name, NRIC No./Passport No., Full Address, and Proportion of Unitholdings Represented (No. of Units, Percentage).

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 Second Annual General Meeting ("AGM") 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 Monday, 23 June 2014 at 10.30 a.m. or at any adjournment thereof.

Table with 4 columns: No., Resolution, For, Against. Rows for Ordinary Resolution No. 1 and 2.

Date this _____ day of _____, 2014.

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

Signature of Unitholder/Common Seal

Tel : _____ (Office/House) _____ (Mobile)

Notes:-

- (1) In respect of deposited securities, only unitholders whose names appear in the Record of Depositors of AmFIRST REIT on 16 June 2014 shall be eligible to attend the AGM.
(2) A unitholder entitled to attend and vote at the AGM is entitled to appoint another person (whether a unitholder or not) as its proxy to attend and vote instead of him/her. There shall be no restrictions as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the unitholder to speak at the AGM.
(3) A unitholders shall not be entitled to appoint more than two (2) proxies to attend and vote at the AGM. 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.
(4) Where a unitholder is a corporation, its duly authorised representative shall be entitled to attend and vote at the AGM 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.
(5) If a unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, 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.
(6) 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.
(7) The instrument appointing a proxy 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 AGM or any adjournment thereof.

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

Am ARA 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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