



AmFIRST

Real Estate Investment Trust



Building **Strength**
in Diversity

Annual Report 2015

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Reaching for
CONTENTS

Five-Year Financial Summary

	←----- FYE 31 March ----->				
	2015	2014	2013	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000
SUMMARY OF FINANCIAL POSITION					
Investment Properties	1,332,200	1,301,900	1,277,226	1,179,844	1,024,000
Total Asset Value	1,370,131	1,314,092	1,297,589	1,198,542	1,045,262
Net Asset Value ("NAV")	841,597	849,864	836,903	617,765	605,985
Borrowings	491,300	429,079	426,400	550,000	407,000
Gearing (%)	35.86	32.65	32.86	45.89	38.94
Units in Circulation (Units) ('000)	686,402	686,402	686,402	429,001	429,001
NAV per Unit (RM)					
- Before proposed final distribution	1.2261	1.2381	1.2193	1.4400	1.4125
- After proposed final distribution	1.2017	1.2011	1.1828	1.3917	1.3631
- Highest NAV during the year (ex-distribution)	1.2488	1.2381	1.3941	1.3917	1.3631
- Lowest NAV during the year (ex-distribution)	1.2161	1.1967	1.1755	1.3617	1.3533
SUMMARY OF COMPREHENSIVE INCOME					
Gross Revenue	106,889	112,793	109,784	97,980	88,539
Net Rental Income	66,619	76,475	74,168	65,880	56,528
Net Income	38,340	63,068	51,797	52,192	45,362
Net Income for the year, consisting of:					
- Realised	37,944	50,267	46,920	39,994	41,750
- Unrealised	396	12,801	4,877	12,198	3,612
	38,340	63,068	51,797	52,192	45,362
Earnings Per Unit ("EPU") (sen)					
- Realised	5.53	7.32	7.87	9.32	9.73
- Unrealised	0.06	1.87	0.82	2.85	0.84
	5.59	9.19	8.69 ¹	12.17	10.57
Distribution Per Unit ("DPU") (sen) ²					
- Interim	3.09	3.65	3.16	4.48	4.81
- Final	2.44	3.70	3.65	4.83	4.94
	5.53	7.35	6.81	9.31	9.75
Distribution Yield (based on respective closing market price) (%)	5.91	7.54	6.31	7.82	8.41
Management Expense Ratio ("MER") (%) ³	0.96	0.88	1.00	1.06	0.95
Portfolio Turnover Ratio ("PTR") (Times) ⁴	-	-	0.11	0.22	0.01

Five-Year Financial Summary (CONTD.)

←-----FYE 31 March-----→

	2015	2014	2013	2012	2011
UNIT PRICE PERFORMANCE (RM)					
As at 31 March	0.94	0.98	1.08	1.19	1.16
Highest Traded Price during the year	1.00	1.09	1.23	1.22	1.24
Lowest Traded Price during the year	0.85	0.91	1.02	1.11	1.10
Average Traded Price during the year ⁵	0.95	1.03	1.14	1.18	1.13
Average Volume Traded per day ('000)	272	384	435	235	279

TOTAL RETURN (%) ⁶

Capital Growth	(4.19)	(10.22)	2.34	2.56	5.31
Income Distribution	5.79	7.15	6.38	7.92	8.63
Total Return	1.60	(3.07)	8.72	10.48	13.94

Average Annual Return (%) ⁷

	2015
One year	1.60
Three years	7.26
Since listing date (21 December 2006)	9.32

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

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

FYE	2015	2014	2013	2012	2011
Interim	23/12/14	05/12/13	12/12/12	30/11/11	30/11/10
Final	30/06/15	12/06/14	31/05/13	31/05/12	31/05/11

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

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.

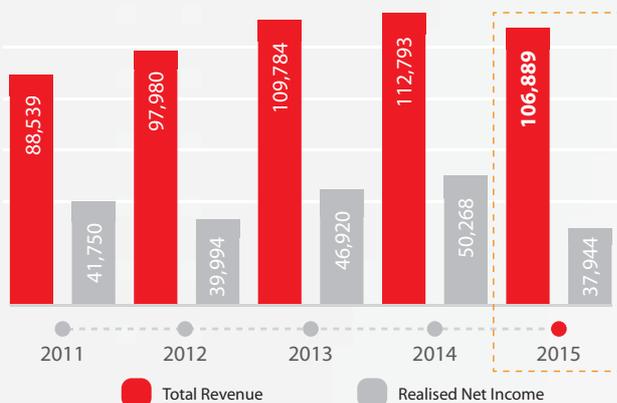
6. Total return is based on the actual gross income distribution and net change in unit price at the opening and closing of the financial year, over the average unit price of the opening and closing of the respective financial year. However, for FYE 2013, the opening unit price as at 1 April 2012 was 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.

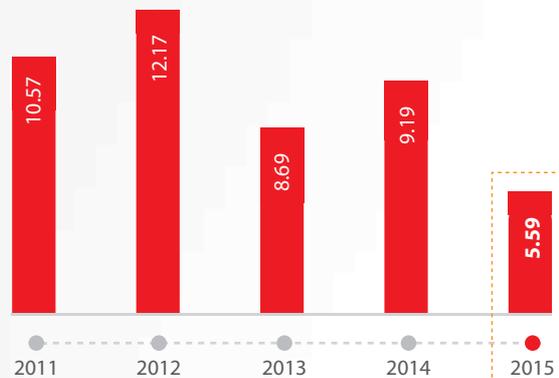
Past performance is not necessarily indicative of future performance, unit prices and investment returns may fluctuate.

Five-Year Financial Summary (CONTD.)

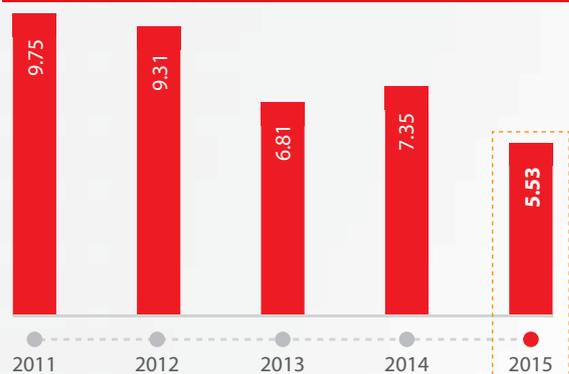
TOTAL REVENUE AND REALISED NET INCOME (RM'000)



EARNINGS PER UNIT (SEN)



DISTRIBUTION PER UNIT (SEN)



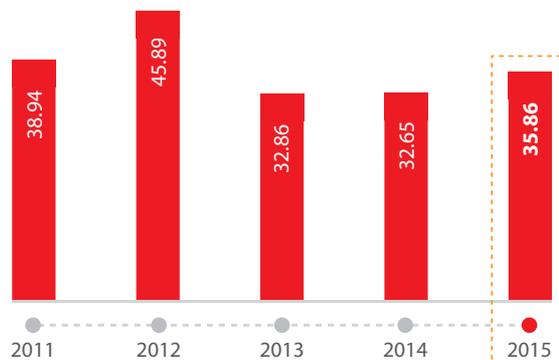
TOTAL ASSET VALUE AND NET ASSET VALUE ("NAV") (RM'000)



NAV PER UNIT AND CLOSING UNIT PRICE (RM)



GEARING (%)



Corporate Profile

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 for AmFIRST REIT (the “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 (“Bursa Securities”) on 21 December 2006.

AmFIRST REIT is one of the largest Malaysian-based commercial real estate investment trusts (“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

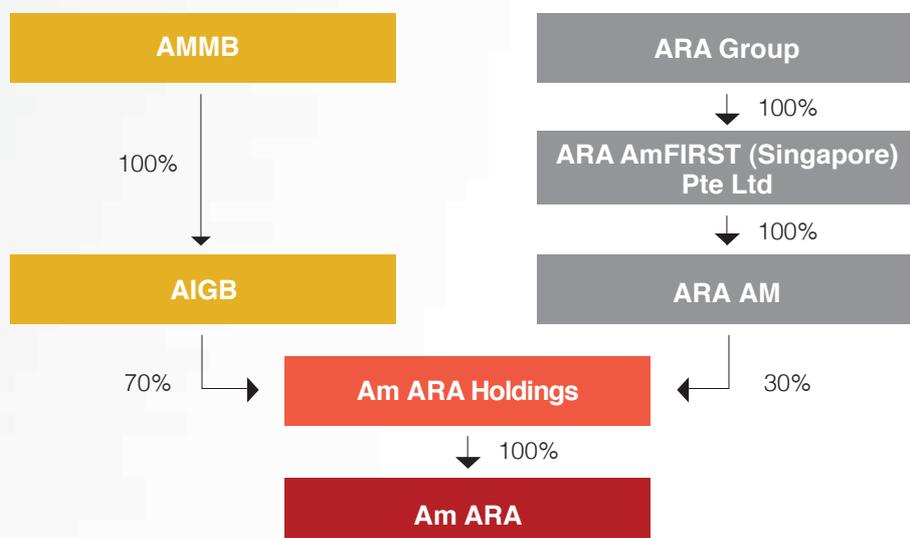
The Manager, appointed pursuant to the Deed, was incorporated in Malaysia on 20 April 2006 and is wholly-owned by Am ARA REIT Holdings Sdn Bhd (“Am ARA Holdings”), which in turn is 70% owned by AmInvestment Group Berhad (“AIGB”) and 30% owned by ARA Asset Management (Malaysia) Limited (“ARA AM”).

AIGB is a wholly owned subsidiary of AMMB Holdings Berhad (“AMMB”). AMMB is listed on the Main Market of Bursa Securities. 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 trusts and unit trust management services.

ARA AM 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 since November 2007.

ARA Group is a premier integrated real estate fund manager in Asia, founded on its core values of *Integrity, Excellence, Respect and Teamwork*.

Established in 2002, ARA Group has built a diverse suite of real estate investment trusts (“REITs”) and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and corporate finance advisory services. Today, it has over 1,100 professionals in 15 cities managing total assets in excess of S\$26.0 billion.



Mission and CORE VALUES

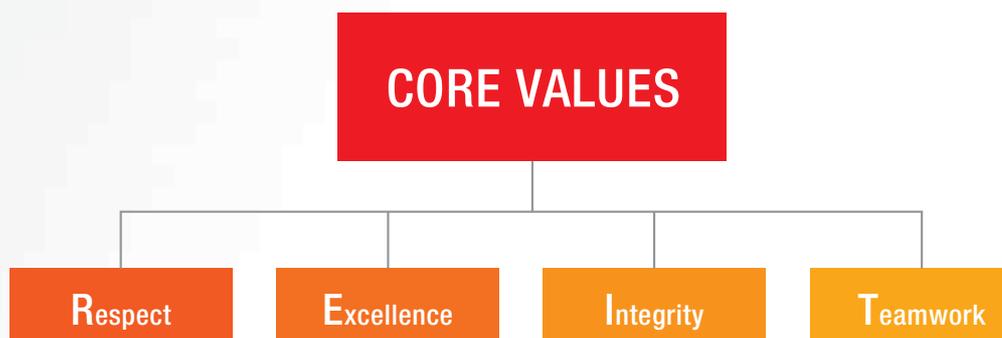
OUR MISSION

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

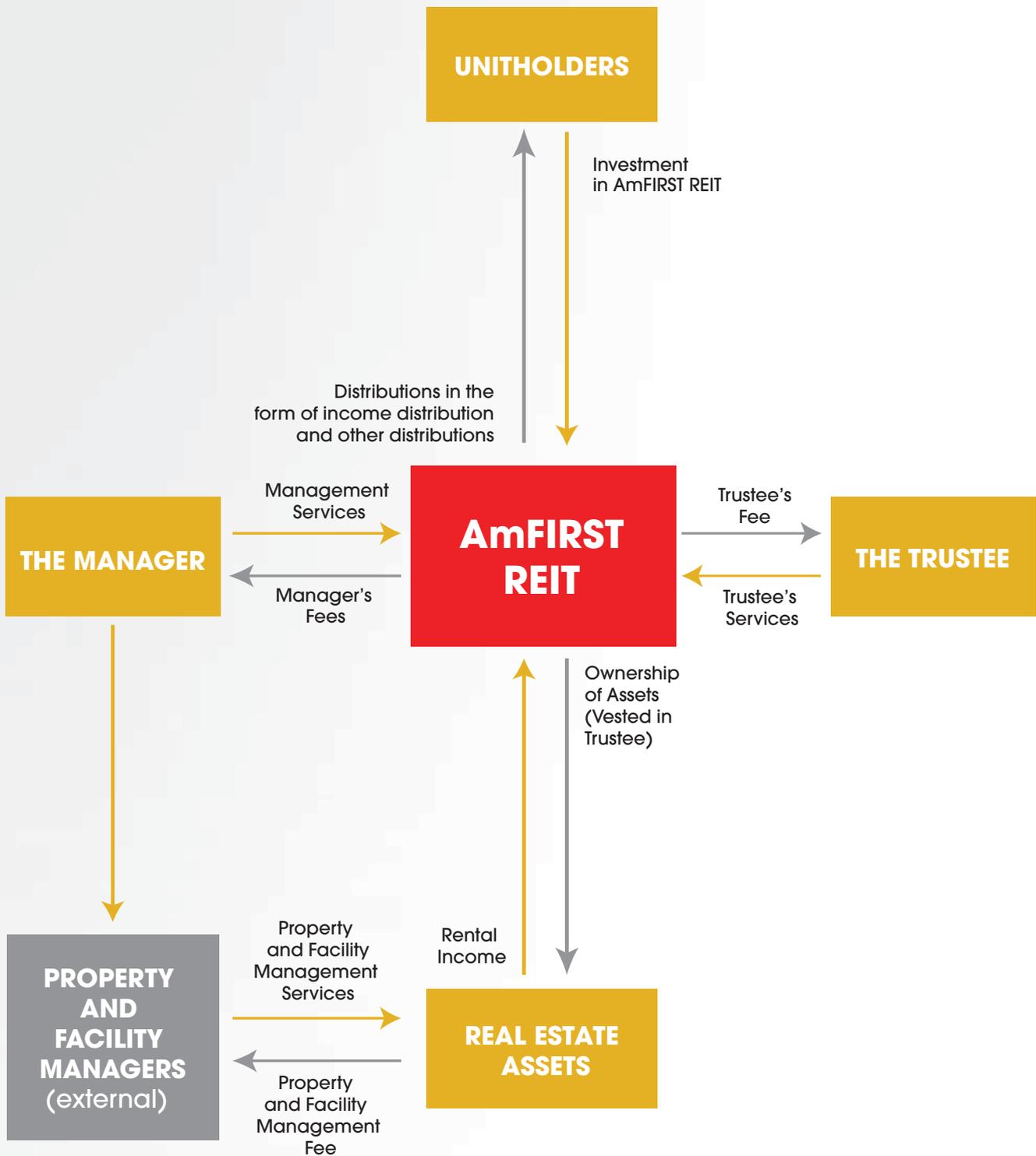


OUR CORE VALUES

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

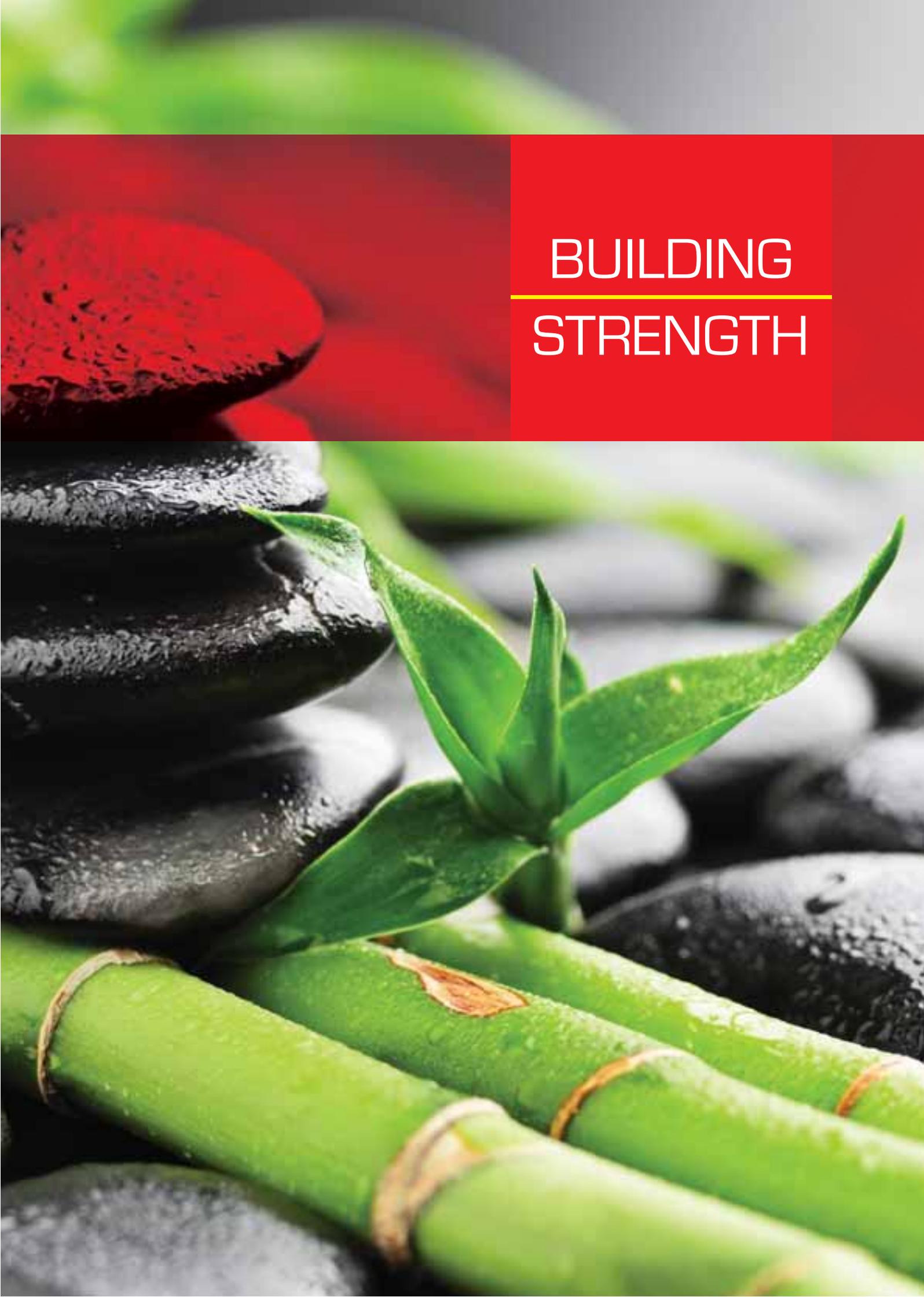


AmFIRST REIT's Structure



Trust Information

Item	Brief Description
Name of Trust	AmFIRST REIT
Category of Trust	Real Estate Investment Trusts
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 minimise property expenses; • Enhance the overall portfolio through acquisition of properties that meet the investment criteria; and • Employ prudent capital management strategy via optimising capital structure with debt and equity financing policies.
Authorised 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.
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	<p>Income distributions will be paid on a semi-annual basis (or such other intervals as the Manager shall determine).</p> <p>The Manager intends to distribute at least 90% of the distributable income for each financial year.</p>
Revaluation Policy	The properties will be revalued annually pursuant to Malaysian Financial Reporting Standard ("MFRS") 140 and at least once every three (3) years from the date of last revaluation pursuant to Clause 10.03 of the Securities Commission Malaysia's Guidelines on Real Estate Investment Trusts.



BUILDING
STRENGTH

Chairman's Statement

“ Dear Unitholders,

On behalf of the Board of Directors of Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”), I am pleased to present AmFIRST REIT’s 9th Annual Report together with its audited financial statements for the financial year ended 31 March 2015.”



OVERVIEW

The year 2014 ended with news of tumbling commodity prices, sliding ringgit and continuing capital outflow, a cause for concern which necessitated a revised Budget 2015 as announced by the Prime Minister.

On the economic front, the country’s GDP ended on an encouraging growth of 6.0 % (2013: 4.7%), sustained mainly by the strong export growth and resilient local consumption. This is reflected by the performance of the local bourse, which is holding up better than expected.

Investment activity towards the end of 2014 was largely from industrial and retail properties. The overall performance of purpose built office have been impacted, with lower absorption of 1.08 million sq. ft. against an absorption of 2.4 million sq. ft in 2013 (*Source : DTZ Research*). Growth in income distribution to REIT investors will therefore likely be weak given the various challenges and uncertainties affecting the industry.

Securing new tenants as well as renewing existing tenants to boost occupancy rates for our office property portfolio had been challenging as many private businesses are being very careful over the cost of their business operations. Foreign direct investments have also not seen much growth and therefore new space requirement from foreign firms is muted. New supply of office space continues to come into the market, putting office rental rates under extreme pressure.

On a more positive note, the challenging leasing conditions may present more opportunities for REITs to acquire better yielding assets. The REIT market have witnessed several announcements of asset acquisition to grow their yield accretive portfolio and to support and boost their respective share prices.

Chairman's Statement (CONTD.)



OPERATION REVIEW

During the year under review, the Trust has not made any acquisition and has maintained the nine (9) investment properties under its portfolio, consisting of a total net lettable area of 2.78 million sq ft and 5,577 car parks. The average occupancy of the existing portfolio as at 31 March 2015 has declined to 84.2% as compared to 88.7% recorded a year ago. The imbalance in the supply and demand of commercial office and retail space has continued to exert pressure on the Trust to maintain occupancy and rental rates. While we have some success in improving the occupancy of the office buildings in Petaling Jaya, the main challenges are in Cyberjaya and The Summit, due to strong market competition and the ongoing refurbishment exercise respectively.

The asset enhancement initiatives ("AEIs") at the AmBank Group Leadership Centre has been completed while those for Menara AmBank, Bangunan AmBank Group and The Summit Subang USJ are still in progress. We have targeted to complete these AEIs within the financial year ending 31 March 2016.

The Trust conducted a revaluation exercise for its nine (9) properties for the financial year ended 31 March 2015 and registered a positive fair value gain of RM2.3 million.

FINANCIAL REVIEW

The Trust recorded a muted performance as a result of the lower occupancy rates and rising expenses. Some of the key expense items which have contributed to the overall increased expenses include the increase in electricity tariff of 16.8% effective 1 January 2014, the higher assessment rates levied on the Kuala Lumpur properties and the increased interest expense due to additional borrowing to finance the AEIs and the 25 basis points increase in the Overnight Policy Rate ("OPR") effective from July 2014.

For the year ended 31 March 2015, the Trust's total gross revenue declined to RM106.9 million as compared to RM112.8 million a year earlier while the realised distributable income dropped to RM37.9 million from RM50.3 million recorded in the previous financial year.

DISTRIBUTION TO UNITHOLDERS

On 28 May 2015, the Board of Directors of Am ARA declared a final income distribution of 2.44 sen per unit for the period from 1 October 2014 to 31 March 2015 to be paid on 30 June 2015. The final income distribution, including the interim income distribution of 3.09 sen per unit for the period from 1 April 2014 to 30 September 2014 paid on 23 December 2014, represents a total distribution per unit ("DPU") of 5.53 sen for the financial year ended 31 March 2015. The total DPU of 5.53 sen translates to a distribution yield of 5.9% based on AmFIRST REIT's closing price of 93.5 sen as at 31 March 2015. The Trust will continue to maintain its income distribution policy of at least 90% of the distributable income for each year.

Chairman's Statement (CONTD.)

PROSPECTS

With the current challenging property market conditions, we believe that it will take time for owners to lower their asking price expectation. We will diversify our portfolio geographically and explore opportunities in other states and look forward to making yield accretive acquisitions to enlarge our portfolio and improve returns to our Unitholders.

In this respect, the Trust had entered into a Sale and Purchase Agreement on 15 April 2015 with the Mydin Group to acquire Mydin HyperMall at Bukit Mertajam, Penang, for a total consideration of RM250.0 million. We are targeting to complete the acquisition by the 3rd Quarter of 2015.



Meanwhile, we will continue to drive the occupancy of the current portfolio higher while keeping sight of the need to have good rental reversions despite the increasingly tough market. We will also be focusing on completing all the on-going AEl's so as to present a sound basis to support our aim to increase both occupancy and rental rates.

ACKNOWLEDGEMENT

On behalf of the Board of Directors of Am ARA, I would like to welcome Mr Wong Khim Chon, who was appointed as the Executive Director and Chief Executive Officer on 8 January 2015. With his appointment, the former Executive Director and Acting Chief Executive Officer, Encik Zuhairy bin Md Isa, has since resigned as the Executive Director and re-designated as the Deputy Chief Executive Officer.

My sincere appreciation goes to my fellow Directors for their guidance, as well as the Trustee, regulators, bankers, advisers, business associates and consultants for their contributions throughout the year.

I would also like to thank the Management and staff for their efforts and dedication, despite the challenging market conditions. I trust they will persevere and continue to deliver sustainable results for all stakeholders.

Last but not least, I would like to thank our Unitholders and tenants for their continued support for AmFIRST REIT.

Sincerely,

Dato' Azlan Bin Hashim
Chairman

28 May 2015

Manager's Report

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 2015.

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 Deeds provide 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 minimising 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 maximise growth:-

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

Manager's Report (CONTD.)

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, Asia's premier integrated real estate fund manager which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007. 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 utilise 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 utilising an active interest rate management strategy to manage the risks associated with interest rate fluctuations. The Manager believes the strategy will:-

- Optimise 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 estates, 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.

Manager's Report (CONTD.)

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:-

	←-----	As at 31 March	-----→		
	2015	2014	2013	2012	2011
Gearing (%)	35.86	32.65	32.86	45.89	38.94

There is capacity for an additional debt financing of approximately RM387.0 million prior to reaching the threshold of 50% under the REITs Guidelines.

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

REVIEW OF PERFORMANCE

	As at 31 March 2015	As at 31 March 2014
Net asset value (RM'000)	841,597	849,864
Units in circulation (Units) ('000)	686,402	686,402
Net asset value per Unit (RM)		
- Before proposed final distribution	1.2261	1.2381
- After proposed final distribution	1.2017	1.2011
Market price per Unit at close of financial year (RM)	0.94	0.98
Highest traded price per Unit during the financial year (RM)	1.00	1.09
Lowest traded price per Unit during the financial year (RM)	0.85	0.91

DISTRIBUTION OF INCOME

Total realised income available for distribution in respect of the current financial year ended 31 March 2015 was RM37,943,902, which translated to distribution per unit of 5.53 sen per unit.

During the financial year, AmFIRST REIT paid an interim income distribution of 3.09 sen per unit (subject to withholding tax) amounted to RM21,209,811 on 23 December 2014 for the six-month period from 1 April 2014 to 30 September 2014.

The Board of Directors of Am ARA declared a final income distribution of 2.44 sen per unit (of which 2.43 sen per unit is subject to withholding tax and 0.01 sen per unit is tax exempt) amounting to RM16,748,199 for the six-month period from 1 October 2014 to 31 March 2015 to be payable on 30 June 2015.

Manager's Report (CONTD.)

DISTRIBUTION OF INCOME (CONTD.)

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

The financial statements for the current financial year do not reflect the 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 2016.

INVESTMENTS OF THE TRUST

AmFIRST REIT's composition of investments as at 31 March 2015 are tabulated as follows:

	Amount RM million	% of Investment
At fair value		
AmBank Group Leadership Centre	22.8	1.7
Bangunan AmBank Group	257.0	19.2
Menara AmBank	310.0	23.2
Menara AmFIRST	71.7	5.4
Wisma AmFIRST	112.0	8.4
The Summit Subang USJ	320.2	24.0
Prima 9	77.0	5.8
Prima 10	68.0	5.1
Kompleks Tun Sri Lanang (also known as Jaya 99)	93.5	7.0
	1,332.2	99.8
Deposits with financial institution	4.2	0.2
	1,336.4	100.0

The values of investment properties have increased by RM30.3 million in the financial year ended 31 March 2015. The net effect was due to the AElS carried out mainly at The Summit Subang USJ, Menara AmBank and AmBank Group Leadership Centre and changes in the fair values on the revaluation of all investment properties during the financial year ended 31 March 2015.

BREAKDOWN OF UNIT HOLDINGS AS AT 31 MARCH 2015

	Number of Unitholders	Number of Units
5,000 and below	7,801	12,894,870
5,001 to 10,000	1,648	13,626,249
10,001 to 50,000	2,372	58,886,192
50,001 to 500,000	1,094	160,548,502
500,001 and above	119	440,445,787
	13,034	686,401,600

Manager's Report (CONTD.)

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	(Resigned with effect from 1 August 2014)
Pushparani a/p A Moothathamby	
Anthony Ang Meng Huat	(Ceased as Alternate Director to Lim Hwee Chiang and appointed as Director with effect from 1 August 2014)
Wong Khim Chon	(Appointed with effect from 8 January 2015)
Zuhairy bin Md Isa	(Resigned with effect from 8 January 2015)

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, 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 24 to the financial statements of the Trust.

DIRECTORS' INTEREST

None of the Directors of the Manager in office at the end of the financial year had any interest in the Trust during the financial year.

MANAGER'S FEES AND COMMISSION

Pursuant to the Deed, the Manager's fee consists of a base fee (excluding any taxes payable) of up to 0.5% per annum of the total asset value and a performance fee (excluding any taxes payable) of 3% 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.

MATERIAL LITIGATION

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

Operation Review

PROPERTY PORTFOLIO REVIEW

ASSET MANAGEMENT

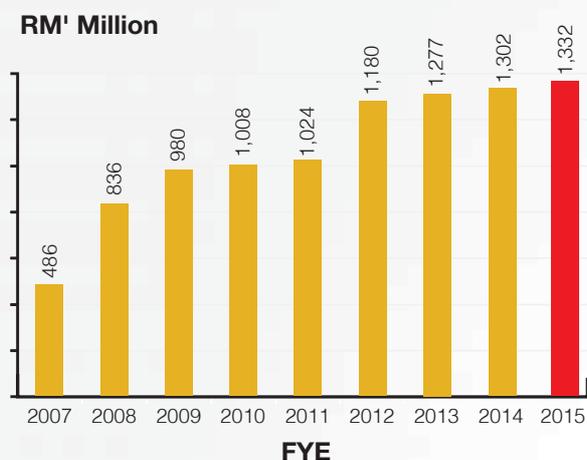
Asset management involves developing strategies across the investment portfolio of the Trust and these include:-

- Asset Enhancement
- Marketing and Leasing
- Property Management
- 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 eight (8) commercial office buildings and a mixed development comprising of office block, a retail mall and a hotel. The Summit Hotel is leased to an operator who is responsible for the maintenance except for the structural and common facility.

Asset management involves leveraging on and enhancing the competitive strengths of the 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 identification of 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 RM486.0 million to RM1.33 billion as at 31 March 2015. The increase was attributed by the acquisitions of five (5) new properties post IPO as well as capitalisation of asset enhancement 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.

Operation Review (CONTD.)

ASSET MANAGEMENT

Portfolio Occupancy

As at 31 March	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%
2015	100.0%	100.0%	87.0%	74.6%	80.9%	82.5%	73.0%	-	100.0%	100.0%	82.0%

Top Ten (10) Largest Tenants by Rental Income

Name	Trade Sector	%
AmBank Group	Banking & Financial Institutions	39.92%
Xperential Dynamic Sdn Bhd	Hospitality	5.72%
RBC Investor Services (M) Sdn Bhd	Services	4.73%
Hewlett-Packard Multimedia Sdn Bhd	IT	4.02%
Prudential Assurance Malaysia Berhad	Services	2.40%
Shook Lin & Bok	Advocates & Solicitors	2.17%
Sudong Sdn Bhd	Services	1.30%
Kimberly-Clark Trading (M) Sdn Bhd	Trading	1.13%
IMC Education Sdn Bhd	Education	1.02%
Suruhanjaya Pengangkutan Awam Darat (SPAD)	Services	0.82%
Total		63.23%

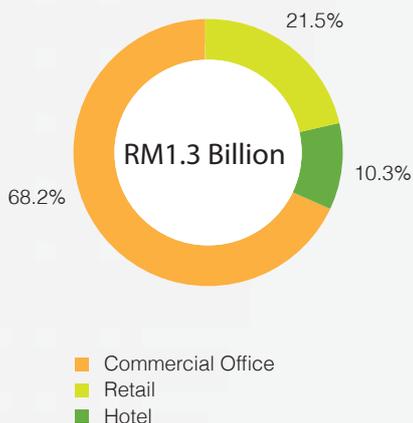
The top ten (10) tenants in the portfolio contributed 63.23% of the total rental income for the Trust in the financial year ended 31 March 2015, the majority of which are reputable banking and financial institutions multinational corporations and professional firms. Since AmBank Group is a related party to the Manager, the rental rates charged are ascertained and guided by an independent valuers appointed by the Trustee, based on comparable current market rental rates, to ensure transparency and rental rates are fair and pegged at arm's length.

Operation Review (CONTD.)

PORTFOLIO DIVERSIFICATION

AmFIRST REIT's portfolio of properties consists of Office, Retail and Hotel, each stood at 68.2%, 21.5% and 10.3% respectively at the close of the financial year

Portfolio Asset Diversification



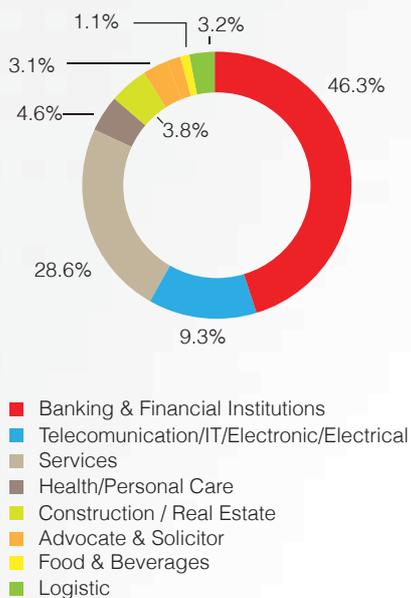
Revenue By Property



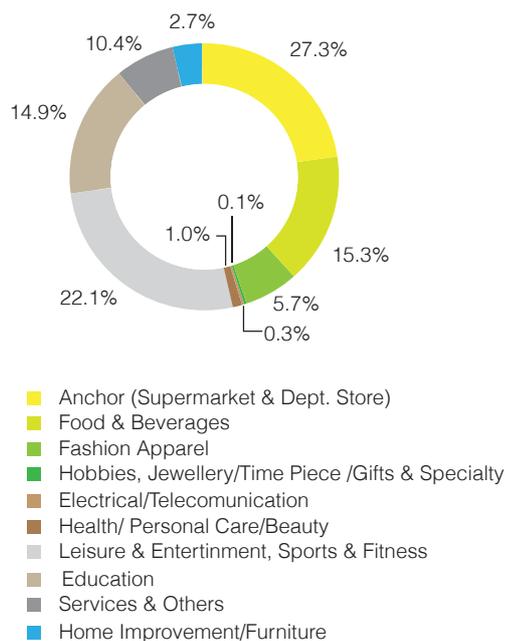
On the Gross Revenue contribution by each of the investment properties in the portfolio, the three (3) buildings in KL City Centre contribute 47.3% of the Gross Revenue and AmBank Group's tenancies account for 39.9% of it.

TENANT DIVERSIFICATION BY SECTOR

Office Sector



Retail Sector

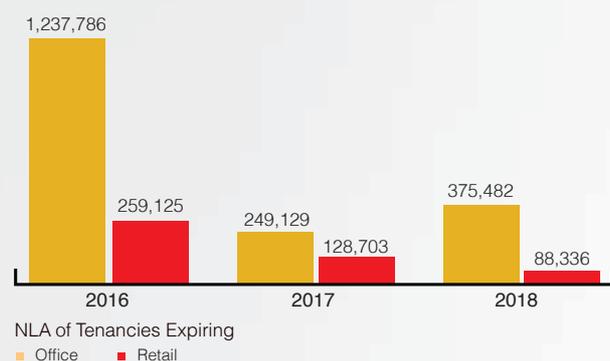


Operation Review (CONTD.)

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 upgrading works to come forth with tailor-made space solutions to meet our tenants' needs. We are also mindful of potential relocations by tenants to offices outside KL City Centre as a result of better logistics connectivity and will apply appropriate focus to tap into this market segment.

PORTFOLIO TENANCY EXPIRY PROFILE



The typical tenancies of the Trust are of two (2) to three (3) years with option to renew with certain anchor tenants having multiple renewal terms. As at 31 March 2015, those tenancies expiring in 2016 accounted for 43.31% of the office tenancies and 54.4% 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 (“AEIs”)

AmFIRST REIT constantly strengthens its portfolio through carrying out asset enhancements as part of its organic growth 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 AEIs 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

The AEIs has commenced and we have completed the security and surveillance system with a Visitors Management System (“VMS”). Refurbishment of multipurpose hall and Extra-Low Voltage (“ELV”) system is expected to complete by the third quarter of 2015, whilst external cleaning and repainting will be within the fourth quarter of 2015.

AmBank Group Leadership Centre

We have completed the work on the third quarter of 2014 with an enhancement of approximately RM7.0 million. The works involved the replacement of two (2) new passenger lifts, changing new cooling tower, upgrading of electrical component and firefighting system, toilets, car park system and external facade repainting.

Menara AmBank

We have commenced the refurbishment exercise with the approved budget of about RM25.0 million. As of to date we have completed changing new cooling towers, refurbishment of air-conditioning system, replaced main facade flood lightings with energy saving LED lights, gondola tracks, refurbishment of common toilets, lift lobbies and cafeteria whilst lift modernisation is anticipated to be fully completed by the second quarter of 2016.

The Summit Subang USJ

The refurbishment exercise has started with a budget of RM 70.5 million of which AmFIRST REIT's share is RM50 million basing on its share units owned. The works involve renovating of interior flooring, ceiling and lighting with more escalators in strategic locations of the common area. On the exterior, it will be modernised and clad with glass and aluminum cladding.

We have further allocated RM30 million for expansion of our anchor tenant, relocation of existing tenants as well as external facade of Menara Summit (Office block) and Summit Hotel (Hotel block). The refurbishment work is scheduled to complete by the first quarter of 2016.

Operation Review (CONTD.)

REVALUATION OF INVESTMENT PROPERTIES

The Manager conducted the year end revaluation of its investment properties and registered a fair value gain of RM2.3 million. The valuation methodology is using comparison and investment method.

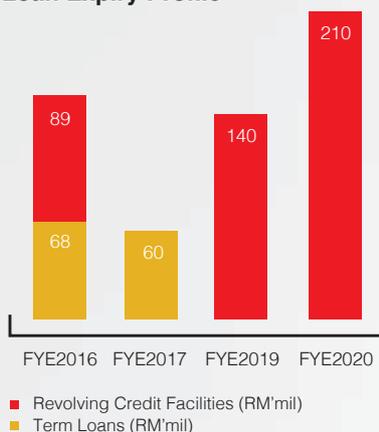
	Net Book Value As At 31 March 2015 (RM)	Market Value As At 31 March 2015 (RM)	Fair Value Gain/(Loss) (RM)
BAG	241,465,817	257,000,000	15,534,183
AGLC	26,164,915	22,800,000	(3,364,915)
MAB	316,064,401	310,000,000	(6,064,401)
MA	69,547,704	71,700,000	2,152,296
WA	110,000,593	112,000,000	1,999,407
The Summit	331,384,708	320,200,000	(11,184,708)
Prima 9	77,300,000	77,000,000	(300,000)
Prima 10	68,056,000	68,000,000	(56,000)
Jaya 99	89,875,415	93,500,000	3,624,585
TOTAL	1,329,859,553	1,332,200,000	2,340,447

Capital and Interest Rate Management

The Manager actively and prudently manages the capital of the Trust in order to optimise the Trust's capital structure and cost of borrowings by using a combination of debt and equity funding for acquisitions and AELs.

As at 31 March 2015, the Trust has a total bank facilities of RM601.0 million (2014: RM601.0 million), comprising a combination of RM128.0 million term loans (2014: RM128.0 million), RM439.0 million revolving credit facilities (2014: RM439.0 million) and RM34.0 overdraft facility (2014 : RM34.0 million) with an aggregate average maturities of up to 2.9 years. The Trust has drawn down RM491.3 million (2014: RM429.1 million) of its bank facilities.

Loan Expiry Profile

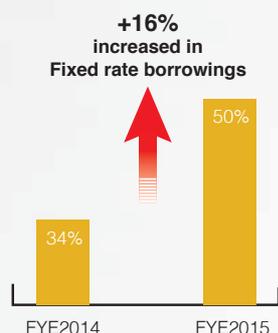


The Trust is subject to the gearing limit of 50% of its total asset value as defined by the REITs Guidelines. As at 31 March 2015, the Trust's gearing stood at 35.9%, increased from 32.7% as at 31 March 2014 due to the additional draw down of borrowings to finance the AELs undertaken during the year. The current gearing provides the Trust with additional debt headroom of approximately RM387.0 million to fund any potential acquisitions and AELs 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 35.0% - 40.0% and will consider fresh equity raising before this level is reached.

Interest Rate Management

The Trust uses interest rate swaps to manage its exposure to interest rate movements on its floating rate borrowings by swapping the interest expense from floating rates to fixed rates.

The Trust has entered into interest rate swap with a notional amount of RM100.0 million (2014 : nil) to provide fixed rate funding for the terms of five (5) years (2014: nil) at a fixed rate of 4.25% per annum (2014 : nil). At the close of the financial year, the Trust's fixed rate borrowings made up approximately 50.2% of its total utilized borrowings, thus mitigating risks brought on by volatile interest rate movements. This is in line with the Trust's capital and interest rate management strategy to have a balance in its fixed and floating rate interest bearing borrowings.



The Trust's average interest cost for the current financial year was 4.60%, an increased from 4.45% reported a year earlier principally due to the increased OPR by Bank Negara Malaysia in Jul 2014 by twenty-five (25) basis points.

The Manager will continue to 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 its interest cost at minimal and manageable level.

Other Statutory Information

- (a) Before the statement of comprehensive income and statement of financial position of the Trust were made out, the Manager took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to their estimated realisable 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

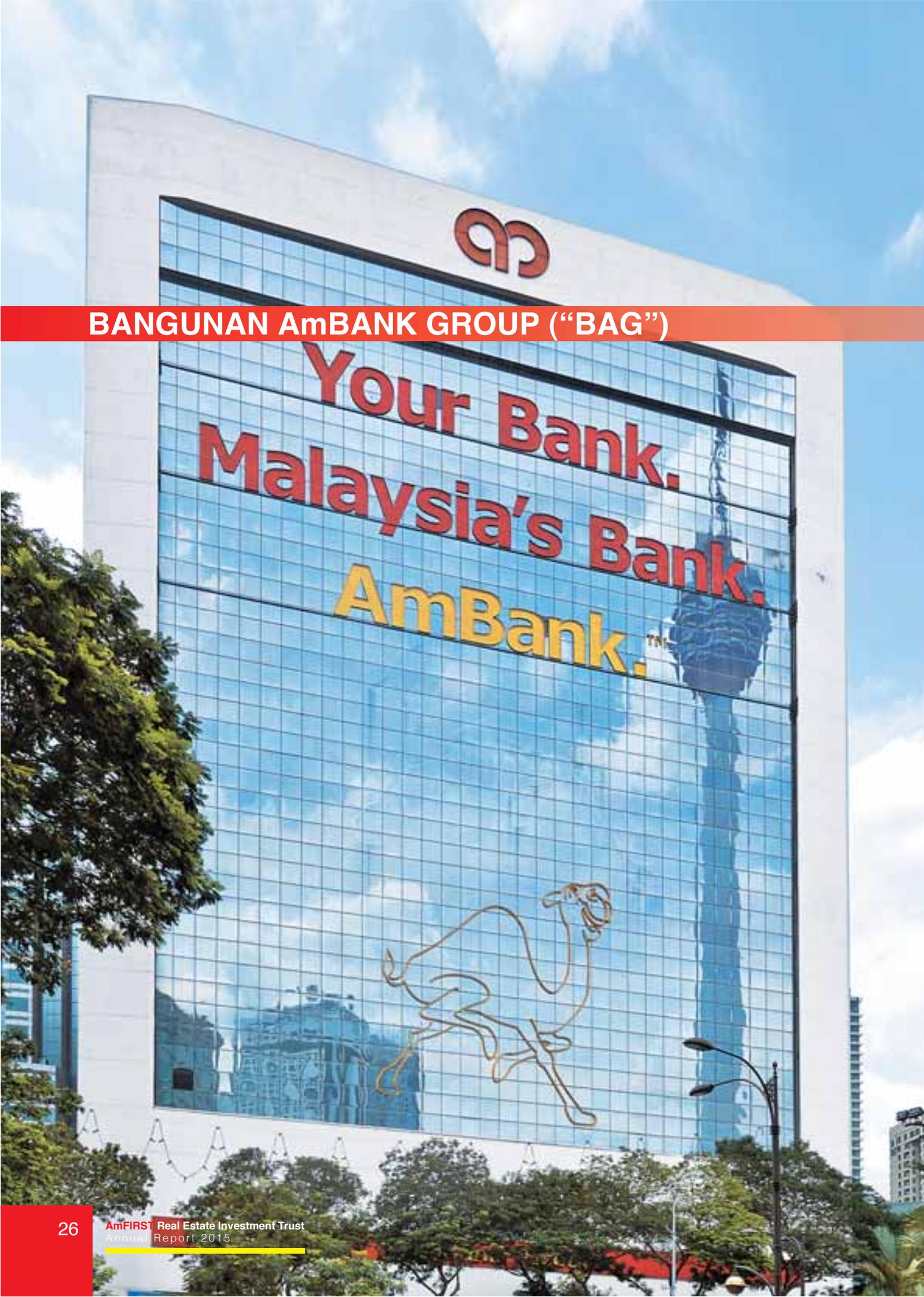
Kuala Lumpur, Malaysia
Date: 28 May 2015



TUAN HAJI MOHD SALLEH BIN AKRAM

A close-up photograph of several green bamboo stalks. The stalks are vertical and show distinct nodes. The background is a soft, out-of-focus green. A horizontal red band is overlaid across the middle of the image, containing the word "DIVERSITY" in white, uppercase, sans-serif font. A thin yellow horizontal line is positioned just below the word.

DIVERSITY



BANGUNAN AmBANK GROUP (“BAG”)

**Your Bank.
Malaysia's Bank.
AmBank.™**



Assets Profile (Contd.)



LOCATION

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

DESCRIPTION OF PROPERTY

26-storey office building comprising of a 21-storey office tower block, a 1-level cafeteria, gymnasium and a multi-purpose hall, 4-upper level car park and 3-basement car park

LAND TITLE

Title No. Pajakan Negeri 4512
Lot No. 1200 Section 57
Town and District of
Kuala Lumpur
State of Federal Territory
of Kuala Lumpur

TENURE

Leasehold 99 years expiring on
3 June 2084 (unexpired term of
approximately 69 years)

ENCUMBRANCES

Nil

YEAR OF COMPLETION

1987

AGE OF BUILDING

28 years

NET LETTABLE AREA

360,166 sq ft

EXISTING USE

Commercial Office

CAR PARK

522 bays

NUMBER OF TENANTS

9

DATE OF ACQUISITION

21 December 2006

ACQUISITION COST

RM180.15 million

LATEST REVALUATION

RM257.00 million

DATE OF REVALUATION

13 March 2015

OCCUPANCY RATE

100.00%

GROSS REVENUE

RM23.36 million

NET PROPERTY INCOME

RM16.83 million

MAJOR CAPITAL EXPENDITURE

RM1.47 million

AVERAGE TENANCY PERIOD

3 years

VALUER

Rahim & Co Chartered Surveyors
Sdn Bhd

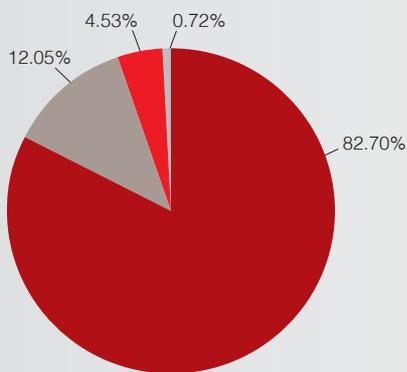
MAJOR TENANTS

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

PROPERTY MANAGER

Malik & Kamaruzaman Property
Management Sdn Bhd

TENANTS' TRADE MIX ANALYSIS

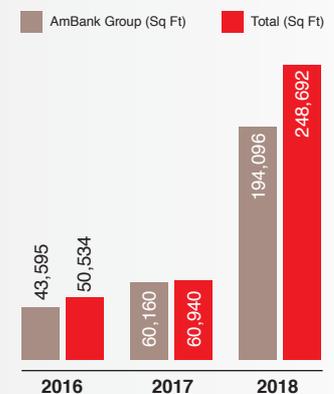


- Banking & Financial Institutions
- Advocates & Solicitors
- Food & Beverages
- Services & Others

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)	%
2016	43,595	86.27	50,534	14.03
2017	60,160	98.72	60,940	16.92
2018	194,096	78.05	248,692	69.05
TOTAL	297,851	82.70	360,166	100.00

TENANCY RENEWAL PROFILE





AmBANK GROUP LEADERSHIP CENTRE (“AGLC”)

AmBank
Group
Leadership
Centre



LOCATION

AmBank Group
Leadership Centre
Lorong P. Ramlee
50250 Kuala Lumpur

DESCRIPTION OF PROPERTY

13-storey office building comprising of a 10-storey office tower block, a penthouse and a 3-level car park

LAND TITLE

Title No. GRN 6312
Lot No. 1153, Section 57
Town and District of
Kuala Lumpur
State of Federal Territory
of Kuala Lumpur

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

1990

AGE OF BUILDING

25 years

NET LETTABLE AREA

57,801 sq ft

EXISTING USE

Commercial Office

CAR PARK

57 bays

NUMBER OF TENANTS

2

DATE OF ACQUISITION

21 December 2006

ACQUISITION COST

RM19.05 million

LATEST REVALUATION

RM22.80 million

DATE OF REVALUATION

3 March 2015

OCCUPANCY RATE

100.00%

GROSS REVENUE

RM2.38 million

NET PROPERTY INCOME

RM1.26 million

MAJOR CAPITAL EXPENDITURE

RM4.16 million

AVERAGE TENANCY PERIOD

3 years

VALUER

Messrs Cheston International (KL)
Sdn Bhd

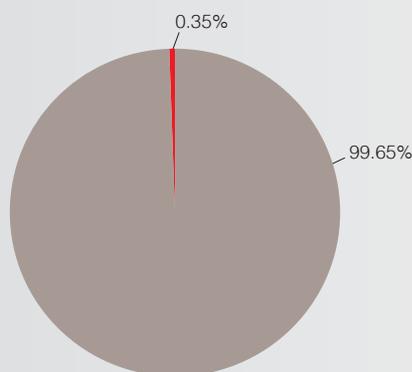
MAJOR TENANTS

AmBank Group
Juara Saji

PROPERTY MANAGER

Malik & Kamaruzaman Property
Management Sdn Bhd

TENANTS' TRADE MIX ANALYSIS

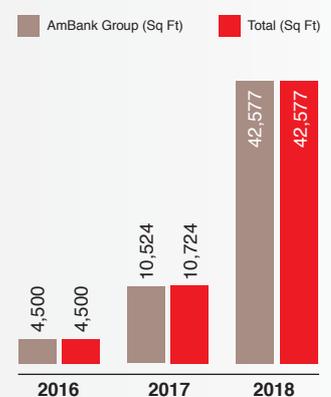


■ Banking & Financial Institutions
■ Food & Beverages

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

FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2016	4,500	100.00	4,500	7.79
2017	10,524	98.14	10,724	18.55
2018	42,577	100.00	42,577	73.66
TOTAL	57,601	99.65	57,801	100.00

TENANCY RENEWAL PROFILE





MENARA AmFIRST (“MA”)

Assets Profile (Contd.)



LOCATION

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

DESCRIPTION OF PROPERTY

22-storey purpose-built office building comprising of a 3-level basement car park

LAND TITLE

Title No. HSM 9104
PT No 29649
Mukim of Sungai Buluh
District of Petaling
State of Selangor

TENURE

Freehold

ENCUMBRANCES

Lien Holder's Caveat

YEAR OF COMPLETION

1994

AGE OF BUILDING

21 years

NET LETTABLE AREA

159,001 sq ft

EXISTING USE

Commercial Office

CAR PARK

324 bays

NUMBER OF TENANTS

27

DATE OF ACQUISITION

21 December 2006

ACQUISITION COST

RM57.08 million

LATEST REVALUATION

RM71.70 million

DATE OF REVALUATION

10 March 2015

OCCUPANCY RATE

74.56%

GROSS REVENUE

RM5.64 million

NET PROPERTY INCOME

RM2.92 million

MAJOR CAPITAL EXPENDITURE

RM0.04 million

AVERAGE TENANCY PERIOD

1-3 years

VALUER

Rahim & Co Chartered Surveyors
Sdn Bhd

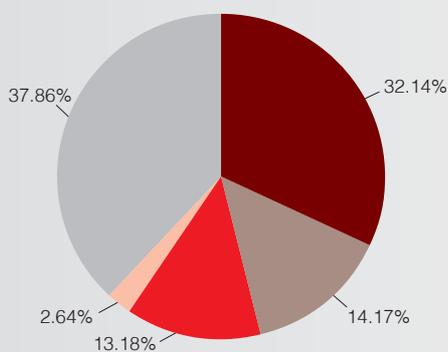
MAJOR TENANTS

KAO (M) Sdn Bhd
Groupon Sdn Bhd
Perfect Pentagon Sdn Bhd
AmTrustee Berhad
JVC Kenwood Malaysia Sdn Bhd

PROPERTY MANAGER

Savills (Malaysia) Sdn Bhd

TENANTS' TRADE MIX ANALYSIS

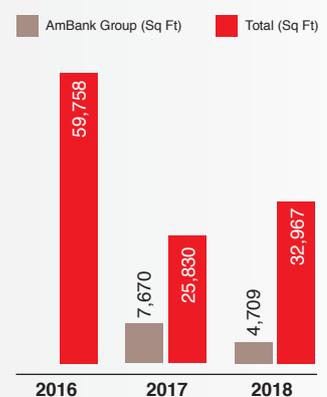


- Health / Personal Care / Beauty
- Telecommunication / IT / Electronic / Electrical
- Banking & Financial Institutions
- Construction / Real Estate
- Services & Others

CATEGORY	SQ FT	%
Health / Personal Care / Beauty	38,106	32.14
Telecommunication / IT / Electronic / Electrical	16,803	14.17
Banking & Financial Institutions	15,631	13.18
Construction / Real Estate	3,131	2.64
Services & Others	44,884	37.86
TOTAL	118,555	100.00

FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2016	-	-	59,758	50.41
2017	7,670	29.69	25,830	21.79
2018	4,709	14.28	32,967	27.81
TOTAL	12,379	10.44	118,555	100.00

TENANCY RENEWAL PROFILE





MENARA AmBANK (“MAB”)

Assets Profile (Contd.)



LOCATION

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

DESCRIPTION OF PROPERTY

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

LAND TITLE

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

TENURE

Freehold

ENCUMBRANCES

First Party First Legal Charge

YEAR OF COMPLETION

1997

AGE OF BUILDING

18 years

NET LETTABLE AREA

458,187 sq ft

EXISTING USE

Commercial Office

CAR PARK

776 bays

NUMBER OF TENANTS

14

DATE OF ACQUISITION

21 December 2006

ACQUISITION COST

RM230.16 million

LATEST REVALUATION

RM310.00 million

DATE OF REVALUATION

16 March 2015

OCCUPANCY RATE

87.04%

GROSS REVENUE

RM24.79 million

NET PROPERTY INCOME

RM15.42 million

MAJOR CAPITAL EXPENDITURE

RM6.06 million

AVERAGE TENANCY PERIOD

3 years

VALUER

Messrs Rahim & Co Chartered Surveyors Sdn Bhd

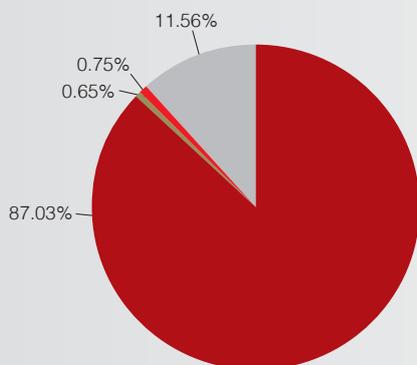
MAJOR TENANTS

AmBank Group
Acer Sales & Services Sdn Bhd
Mongoose Publishing (M) Sdn Bhd
M'sian German Chamber of Commerce

PROPERTY MANAGER

Savills (Malaysia) Sdn Bhd

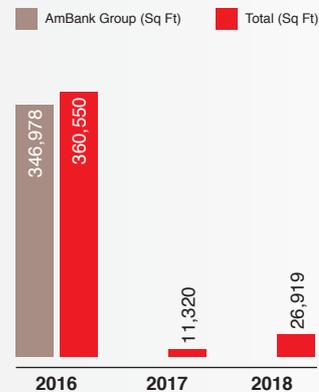
TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Banking & Financial Institutions	347,978	87.00
Construction / Real Estate	2,600	0.65
Health	3,005	0.75
Services & Others	46,206	11.58
TOTAL	398,789	100.00

FYE	AmBank Group (sq ft)	%	Total (sq ft)	%
2016	346,978	96.24	360,550	90.41
2017	-	0.00	11,320	2.84
2018	-	0.00	26,919	6.75
TOTAL	346,978	87.01	398,789	100.00

TENANCY RENEWAL PROFILE



WISMA AmFIRST (“WA”)



Assets Profile (Contd.)



LOCATION

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

TENURE

Leasehold 99 years expiring on 19 February 2094 (unexpired term of approximately 79 years)

ENCUMBRANCES

Lien Holder's Caveat

YEAR OF COMPLETION

2001

AGE OF BUILDING

14 years

NET LETTABLE AREA

285,461 sq. ft.

EXISTING USE

Commercial Office

CAR PARK

645 bays

NUMBER OF TENANTS

26

DATE OF ACQUISITION

21 June 2007

ACQUISITION COST

RM86.05 million

LATEST REVALUATION

RM112.00 million

DATE OF REVALUATION

12 March 2015

OCCUPANCY RATE

80.92%

GROSS REVENUE

RM8.39 million

NET PROPERTY INCOME

RM4.58 million

MAJOR CAPITAL EXPENDITURE

Nil

AVERAGE TENANCY PERIOD

1-3 years

VALUER

Messrs Rahim & Co Chartered Surveyors Sdn Bhd

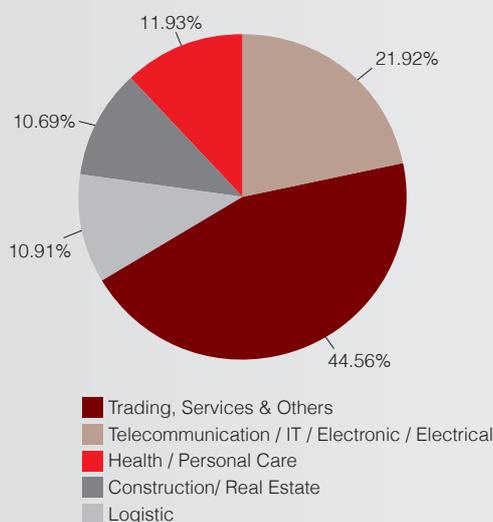
MAJOR TENANTS

Kimberly-Clark Group
MyTV Broadcasting Sdn Bhd
Suruhanjaya Pengangkutan Awam Darat
LG Electronics (M) Sdn Bhd
Gapurna Group

PROPERTY MANAGER

Malik & Kamaruzaman Property Management Sdn Bhd

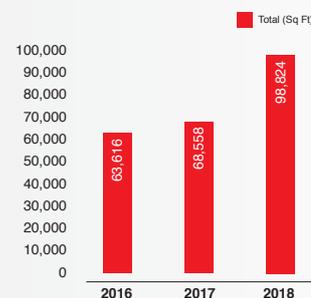
TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
Telecommunication / IT / Electronic / Electrical	50,624	21.92
Trading, Services & Others	102,927	44.56
Construction/ Real Estate	25,211	10.91
Logistic	24,686	10.69
Health / Personal Care	27,550	11.93
TOTAL	230,998	100.00

FYE	Total (sq ft)	%
2016	63,616	27.54
2017	68,558	29.68
2018	98,824	42.78
TOTAL	230,998	100.00

TENANCY RENEWAL PROFILE



PRIMA 9

PRIMA 9

Assets Profile (Contd.)



LOCATION

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

DESCRIPTION OF PROPERTY

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

LAND TITLE

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

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

2009

AGE OF BUILDING

6 years

NET LETTABLE AREA

111,224 sq ft

EXISTING USE

Commercial Office

CAR PARK

414 bays

NUMBER OF TENANT

Nil

DATE OF ACQUISITION

30 November 2011

ACQUISITION COST

RM72.89 million

LATEST REVALUATION

RM77.00 million

DATE OF REVALUATION

11 March 2015

OCCUPANCY RATE

0.00%

GROSS REVENUE

RM4.44 million

NET PROPERTY INCOME

RM3.09 million

MAJOR CAPITAL EXPENDITURE

RM0.30 million

AVERAGE TENANCY PERIOD

Nil

VALUER

Messrs Cheston International (KL)
Sdn Bhd

MAJOR TENANT

Nil

PROPERTY MANAGER

Malik & Kamaruzaman Property
Management Sdn Bhd

PRIMA 10



Assets Profile (Contd.)



LOCATION

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

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

2010

AGE OF BUILDING

5 years

NET LETTABLE AREA

100,272 sq ft

EXISTING USE

Commercial Office

CAR PARK

322 bays

NUMBER OF TENANT

1

DATE OF ACQUISITION

30 November 2011

ACQUISITION COST

RM61.75 million

LATEST REVALUATION

RM68.00 million

DATE OF REVALUATION

11 March 2015

OCCUPANCY RATE

100.00%

GROSS REVENUE

RM5.49 million

NET PROPERTY INCOME

RM4.60 million

MAJOR CAPITAL EXPENDITURE

RM0.05 million

AVERAGE LEASE PERIOD

3 years

VALUER

Messrs Cheston International (KL)
Sdn Bhd

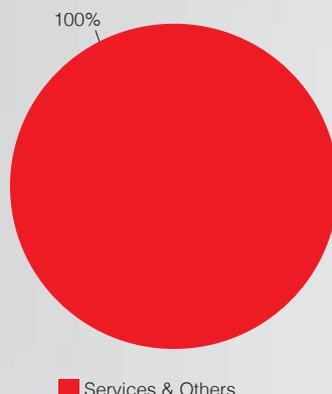
MAJOR TENANT

RBC Investor Services (Malaysia)
Sdn Bhd

PROPERTY MANAGER

Malik & Kamaruzaman Property
Management Sdn Bhd

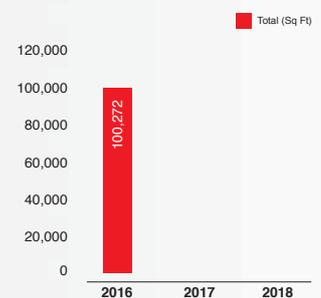
TENANTS' TRADE MIX ANALYSIS



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

FYE	Total (sq ft)	%
2016	100,272	100.00
2017	-	0.00
2018	-	0.00
TOTAL	100,272	100.00

TENANCY RENEWAL PROFILE



KOMPLEKS TUN SRI LANANG (also known as Jaya 99)



Assets Profile (Contd.)



LOCATION

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

DESCRIPTION OF PROPERTY

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

LAND TITLE

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

TENURE

Leasehold 99 years expiring on 7 October 2109 (unexpired term of approximately 94 years)

ENCUMBRANCES

Nil

YEAR OF COMPLETION

2011

AGE OF BUILDING

4 years

NET LETTABLE AREA

227,662 sq ft

EXISTING USE

Commercial Office

CAR PARK

551 bays

NUMBER OF TENANTS

22

DATE OF ACQUISITION

1 November 2012

ACQUISITION COST

RM87.23 million

LATEST VALUATION

RM93.50 million

DATE OF VALUATION

6 March 2015

OCCUPANCY RATE

98.57%

GROSS REVENUE

RM8.08 million

NET PROPERTY INCOME

RM5.83 million

MAJOR CAPITAL EXPENDITURE

RM0.38 million

AVERAGE LEASE PERIOD

3-6 years

VALUER

Messrs Cheston International (KL) Sdn Bhd

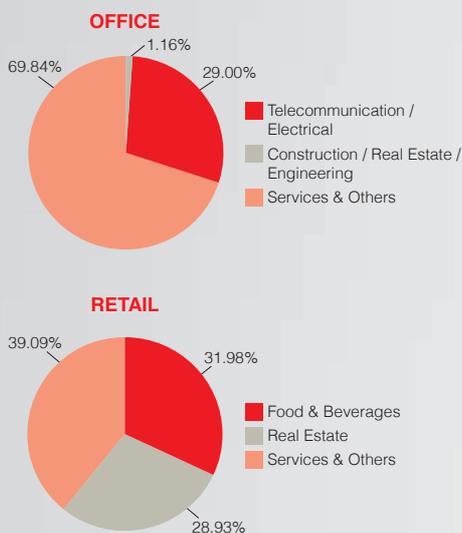
MAJOR TENANTS

Prudential Assurance Malaysia Berhad
Sudong Sdn Bhd
AIA Bhd

PROPERTY MANAGER

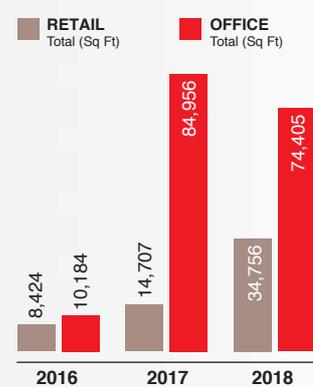
Malik & Kamaruzaman Property
Management Sdn Bhd

TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
OFFICE		
Construction / Real Estate / Engineering	1,970	1.16
Telecommunication / Electrical	49,170	29.00
Service & Others	118,405	69.84
TOTAL	169,545	100.00
RETAIL		
Food & Beverages	18,514	31.98
Real Estate	16,746	28.93
Service & Others	22,627	39.09
TOTAL	57,887	100.00
FYE		
	Retail	Office
	Total (sq ft)	Total (sq ft)
2016	8,424	10,184
2017	14,707	84,956
2018	34,756	74,405
TOTAL	57,887	169,545
	100.00	100.00

TENANCY RENEWAL PROFILE



THE SUMMIT SUBANG USJ (“THE SUMMIT”)



Assets Profile (Contd.)



LOCATION

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

DESCRIPTION OF PROPERTY

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

LAND TITLE (PARENT LOT)

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

TENURE

Freehold

ENCUMBRANCES

Nil

YEAR OF COMPLETION

1998

AGE OF BUILDING

17 years

NET LETTABLE AREA

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

EXISTING USE

Commercial Office, Hotel
and Retail Mall

CAR PARK

1,966 bays

NUMBER OF TENANTS

Retail - 83
Office - 19

DATE OF ACQUISITION

31 March 2008

ACQUISITION COST

RM278.72 million

LATEST REVALUATION

RM320.00 million

DATE OF REVALUATION

12 March 2015

OCCUPANCY RATE

Retail - 73.03%
Office - 82.47%
Hotel - 57.02%

GROSS REVENUE

RM24.32 million

NET PROPERTY INCOME

RM12.09 million

MAJOR CAPITAL EXPENDITURE

RM16.48 million

AVERAGE TENANCY PERIOD

1 to 3 years

VALUER

Rahim & Co. Chartered Surveyors Sdn Bhd

MAJOR TENANTS – OFFICE

NOL Global Services Sdn Bhd
Bakat Pintar Sdn Bhd
Salcon Resources Sdn Bhd
CIB Net Station Sdn Bhd

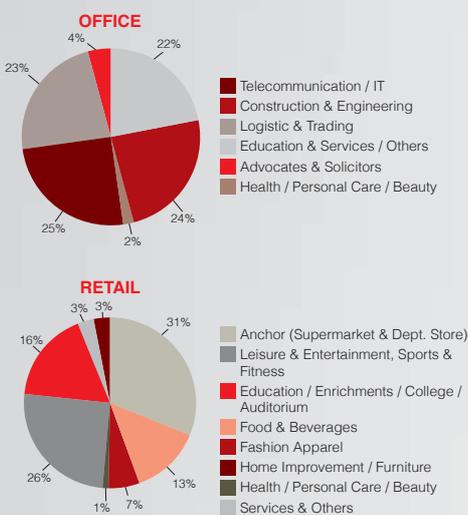
MAJOR TENANTS – RETAIL

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

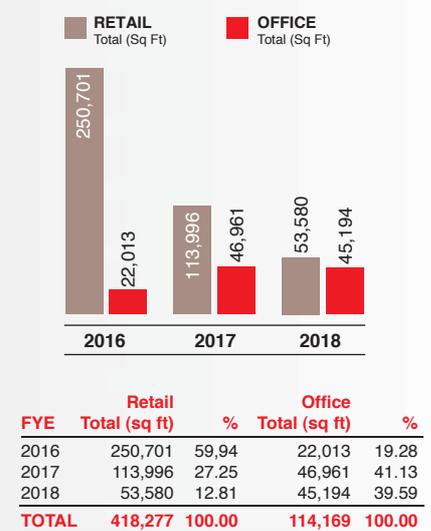
DTZ Nawawi Tie Leung
Consultants Sdn Bhd

TENANTS' TRADE MIX ANALYSIS



CATEGORY	SQ FT	%
OFFICE		
Education & Services / Others	28,073	25
Construction & Engineering	26,061	23
Health / Personal Care / Beauty	2,586	2
Telecommunication / IT	27,751	24
Logistic & Trading	25,595	22
Advocates & Solicitors	4,103	4
TOTAL	114,169	100
RETAIL		
Anchor (Supermarket & Dept. Store)	131,726	31
Food & Beverages	55,679	13
Fashion Apparel	27,611	7
Hobbies, Jewellery / Time Piece / Gift & Specialty	592	0
Electrical / Telecommunication	1,423	0
Health / Personal Care / Beauty	4,994	1
Leisure & Entertainment, Sports & Fitness	106,907	26
Education / Enrichments / College / Auditorium	64,969	16
Services & Others	11,125	3
Home Improvement / Furniture	13,250	3
TOTAL	418,277	100

TENANCY RENEWAL PROFILE

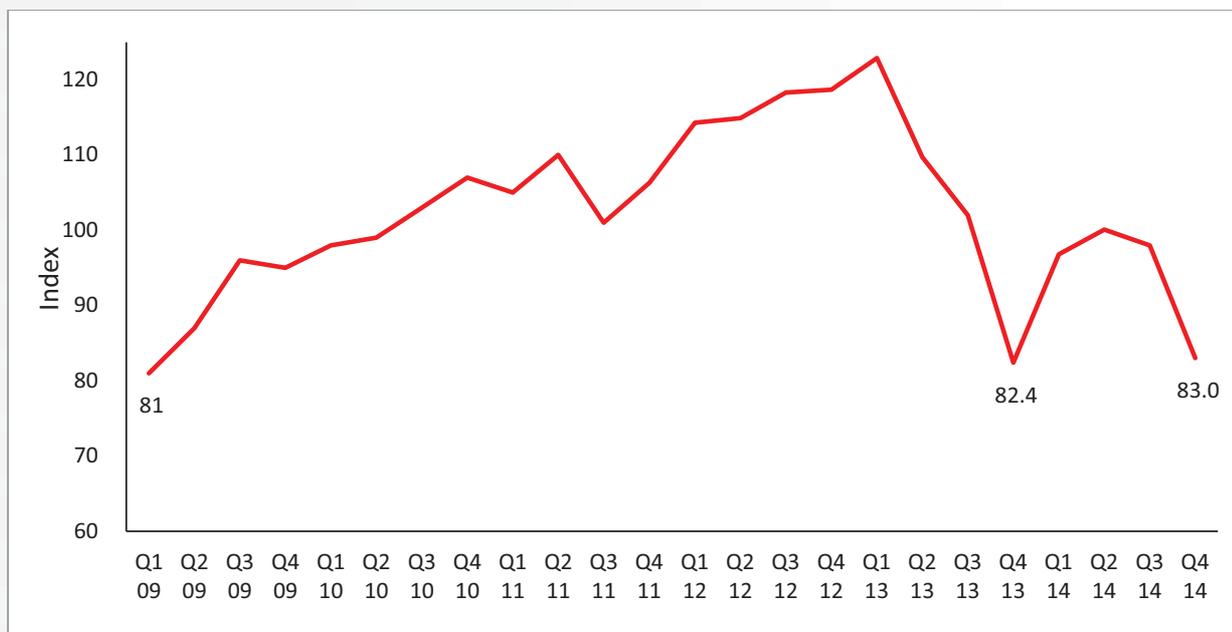


1 Retail Sector

1.1 Kuala Lumpur

Retail sale grew moderately at 3.4% in 2014, as the industry faced greater challenges. Although Goods and Services Tax (GST) was set to be implemented in April 2015, it already had significant impact on the market sentiments. The Consumer Sentiments Index (CSI), by Malaysian Institute of Economic Research (MIER), stayed low throughout the year, barely passing the 100-point threshold in Q2 at 100.1 points, before plummeting to 83.0 in Q4, the second lowest point since the 2009 financial crisis (Q4 2013: 82.4). Sentiments may see improvement in the second half of 2015 as consumers' spending pattern normalize after adjusting to the GST.

Figure 1: Trend in Consumer Sentiments Index



Source: MIER

The first quarter of 2014 saw retail sales, as reported by Retail Group Malaysia (RGM), improved with growth of 4.9% compared to 3.9% in the previous quarter. The growth, however, declined throughout the year, and in Q4, sales actually experienced a contraction of 0.8%. This is against the forecasted growth of 6.5% by RGM and 8.0% by Malaysian Retail Association (MRA).

Several factors affecting this decline can be identified such as the depreciation of Ringgit since August 2014, the increase of overnight policy rate (OPR), and consumers' declining confidence. Sales, however, is expected to improve in Q1 2015 after consumers receive their year-end bonus, BR1M handouts and pre GST purchases for big ticket items.

Figure 2: Retail Sale Value and Growth Rate



Source: DTZ Consulting & Research, RGM, MRA

Nonetheless, retail property market hold up throughout 2014. Occupancy rate of shopping malls in Kuala Lumpur stayed high, averaging at 91.3%. This is despite the addition of Quill City Mall at Jalan Sultan Ismail, and Nu Sentral at KL Sentral. The two malls added 1.4 million sq ft of retail space making the current stock in KL to amount to 24.4 million sq ft. The retail market is also expected to be livelier with numbers of incoming convenience store chains to the market such as Circle K, and Tesco's C-Store, as well as expansion of 7-Eleven outlets.

In light of new malls opening, several older malls had opted to conduct major refurbishment to their establishments as a rejuvenation exercise in order to enhance their attractiveness and stay competitive. Such malls include, CapSquare Mall at Jalan Munshi Abdullah which was acquired and renovated by Jakel, a major textile industry player.

Other acquisition of malls in 2014 include the conditional sale of Quill City Mall at Jalan Sultan Ismail to Employees Provident Fund (EPF) for a consideration of RM1.2 billion (RM1,561 psf) and the disposal of KL Festival Mall by Parkson Group worth RM349 million. The mall was acquired by AsiaMalls Sdn Bhd, a fund managed by Pramerica.

Looking ahead, several malls are expected to be completed in the near future including two projects by Sunway and a refurbished mall by Jakel of the former CapSquare Mall.

Figure 3: Incoming Malls in Kuala Lumpur

Mall	Nett Lettable Area (sq ft)	Expected completion
Sunway Velocity	1,000,000	2015
Sunway Putra Mall	580,000	2015
Jakel (CapSquare) Mall	330,000	2015

Source: DTZ Consulting & Research, 2015

The retail industry is expected to grow further in 2015 albeit at a slower pace with the focus now being on tourist spending as growth in domestic consumption will be hampered by high household debt, slower wage growth, and a more cautious rein on household spending. Higher tourist arrivals and receipts are expected with the launching of Malaysia's Year of Festival, MyFest2015, which is forecasted to bring RM89 billion in tourist receipt.

1.2 Petaling Jaya / Subang Jaya

Out of the 52 million sq ft of retail space in the Greater Klang Valley, approximately 22% (11.3 million sq ft) is located within Petaling Jaya/Subang Jaya, which consists of about 25 shopping malls. New malls in the area (completed in 2014) are listed in table below.

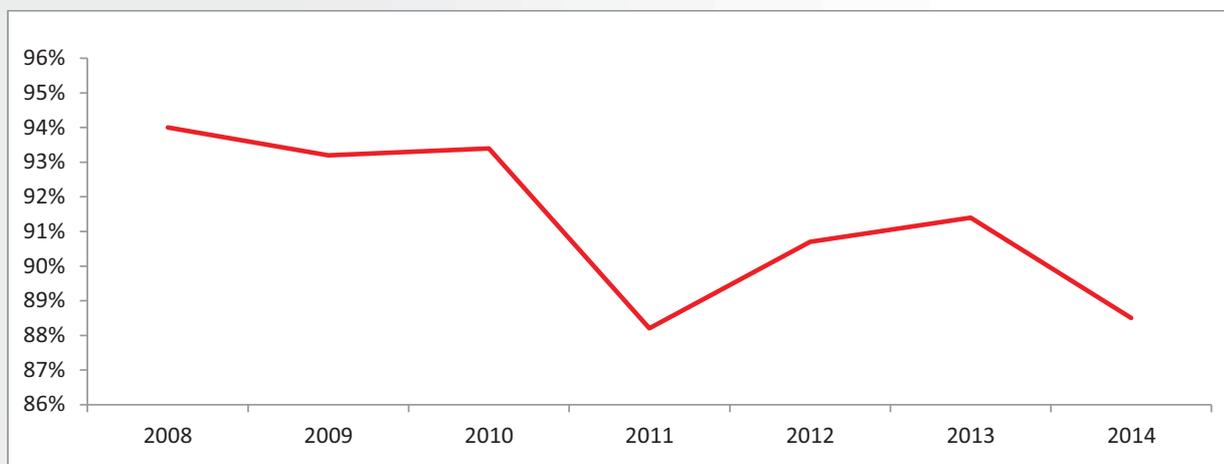
Figure 4: Newly Opened Malls in PJ / SJ

Mall	Location	Nett Lettable Area (sq ft)
Main Place	Subang Jaya	219,000
Jaya Shopping Centre	Petaling Jaya	260,000
The Strand Mall	Petaling Jaya	309,000

Source: DTZ Consulting & Research, 2015

After achieving higher occupancy rate in 2012 and 2013, malls occupancy has moderated to roughly 88.5% due to the opening of abovementioned malls with Encorp's Strand Mall that need more time to lease up.

Figure 5: Occupancy Rate of Malls in PJ / SJ



Source: NAPIC

Rental rates are reported to be stable with selective prime centres recording lease renewals at around the 10% increase over the lease cycle. Occupancy in the area is expected to face further challenges with new malls anticipated to enter the market in the coming years. One of the newer malls, SSTwo Mall which has struggled in the past few years, has announced plan to downsize the retail and redevelop the project to incorporate residential units.

Figure 6: Incoming Malls in PJ / SJ

Mall	Location	Nett Lettable Area (sq ft)	Expected Completion
DaMen Shopping Mall	USJ 1, Subang Jaya	400,000	2015
The Starling	Damansara Uptown	360,000	2016
Empire Remix Mall	USJ 1, Subang Jaya	1,500,000	2017
Sunway Pyramid phase 3	Bandar Sunway	62,000	2015
Empire City	Ara Damansara	2,000,000	2017
Atria Shopping Mall	Damansara Jaya	470,000	2015
Evolve Concept Mall	Ara Damansara	400,000	2017

Source: DTZ Consulting & Research, 2015

While it is observed that several malls are struggling to secure tenants, as shown above, this do not deters new malls from being planned and developed as developers' maintained their confidence on the market. The Empire City Mall is one project that will be the bellwether on the direction of the industry given its mega-size in a location that is already well served with retail facilities.

1.3 Melaka

With the recent opening of Melaka's latest shopping mall, The Shore off Jalan Munshi Abdullah, the total stock of retail space has reached 4.9 million sq ft with 27 shopping centres all over the state. The state capital, Bandar Melaka, being the center of development, houses 17 (or more than 2.5 million sq ft) of the overall stock in Melaka. The Shore is a 3½ storey mall located next to Malacca River. Above the mall is a 47-storey hotel, and three 27 storey serviced apartment. Among the tenants are FOS, Habib, Sushi Zanmai, Fitness Concept, and The Tangs being the anchor tenant.

Figure 7: New Malls in Melaka

Mall	Location	Nett Lettable Area (sq ft)
The Shore	Jln Munshi Abdullah	300,000
Dataran Pahlawan	Jln Merdeka	800,000
Hatten Square	Jln Merdeka	180,000

Source: DTZ Consulting & Research, 2015

Several more shopping malls are in the pipeline for Melaka City.

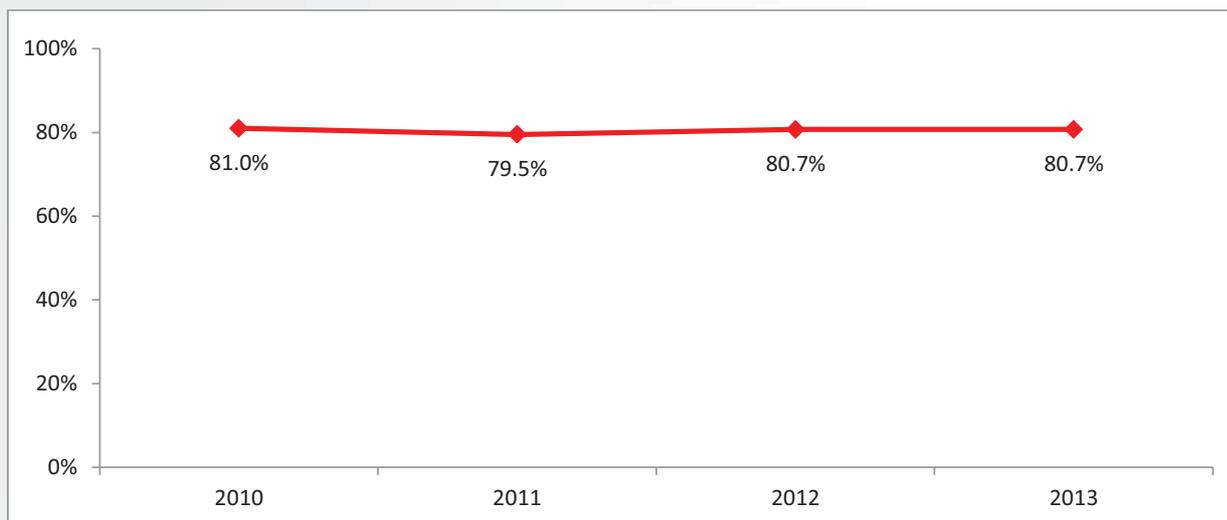
Figure 8: Incoming Malls in Melaka

Mall	Nett Lettable Area (sq ft)	Expected Completion
Elements Mall @ Hatten City	1,000,000	2016
Freeport A'Famosa Outlet Village	310,000	2016
Imperio Mall @ Hatten City	350,000	2018
Vedro Mall @ Bunga Raya	107,000	2018
Proposed Mall @ Harbour City, Pulau Melaka	1,000,000	2019

Source: DTZ Consulting & Research, 2015

Occupancy of malls in Melaka has been hovering at 80% over the last 5 years. However, the numerous new malls coming to Melaka City may pose greater challenge on securing tenants despite the city growing rapidly from its tourism industry.

Figure 9: Average Occupancy Rate of Malls in Melaka



Source: NAPIC

In February 2014, the government launched Melaka Gateway, a megaproject spanning across 246 hectares of reclaimed land including an artificial island. Among various other components, several malls are planned for the development such as Cruise Mall, and Ocean Themed Mall. Additionally, a Chinese developer, Xin Eco Marine Group Properties Sdn Bhd, a subsidiary of Xinyuan China, is also planning for a mixed development project spanning over 68 hectares of reclaimed land. The project's commercial component is to include a theme park and a shopping mall. Construction is slated to start off in 2016 and will take 6 years to complete.

2 Office Sector

2.1 Kuala Lumpur

The continuing concern in the office sector i.e. oversupply situation, loom throughout 2014. Despite this, the sector stayed resilient, maintaining confidence of industry players in years to come.

Year 2014 saw seven office buildings completed. In comparison, this is slightly higher than the six office buildings built in 2013 and 2012 each. With the seven buildings adding 2.9 million sq ft of supply, as of Q4 2014, KL now offers 70.1 million sq ft of office space. About half of this supply, i.e. 30.1 million sq ft, is located in the Golden Triangle.

Figure 10: New Office Buildings in Kuala Lumpur

Office	Location	Net Floor Area (sq ft)
The Crest	Jalan Sultan Ismail	273,000
Menara TH	Jalan Sultan Ismail	359,000
Menara Hap Seng	Jalan P Ramlee	318,000
Menara Bank Rakyat	Jalan Travers	980,000
Sentral Vista	Jalan Syed Putra	256,000
Nu Tower	Jalan Sentral	450,000
Menara MBMR	Jalan Syed Putra	240,000

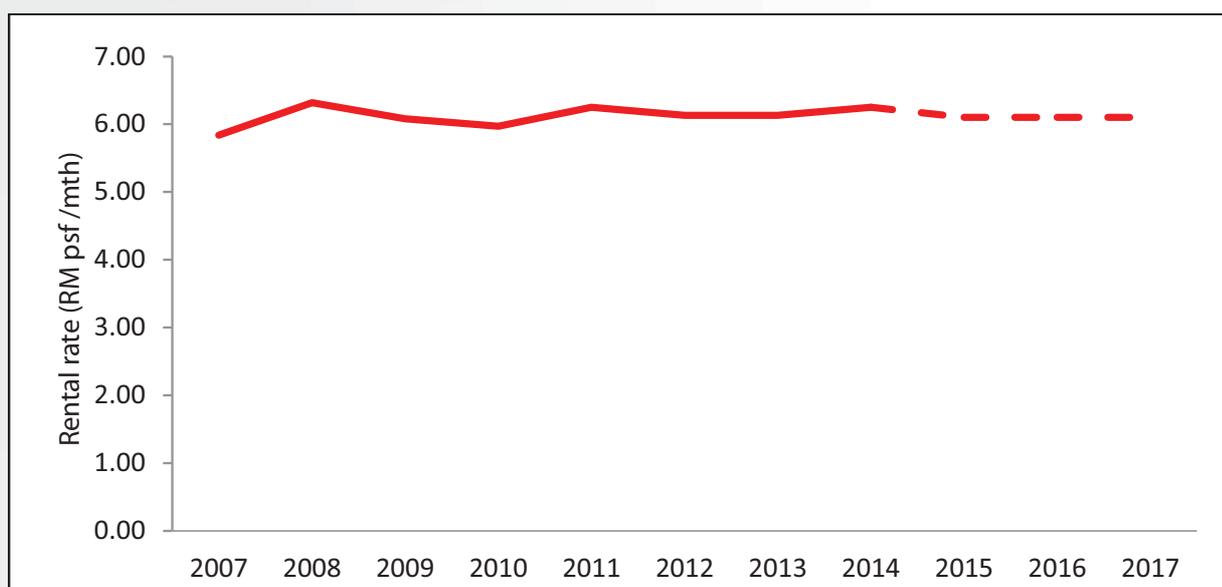
Source: DTZ Consulting & Research, 2015

Building owners continue to struggle throughout the year in order balancing between securing tenants and obtaining good rental returns. Year 2014 has been especially challenging due to several factors such as the continual increase in supply, upward adjustments of assessment rate by KL City Hall (DBKL), as well as the increase in electricity tariff. These factors affect rental yield resulting in lower returns to owners.

As the year recorded lower absorption rate i.e. one million sq ft (2013: 2.47 mil sq ft), average occupancy rate has recorded a gradual decline from 85% in the beginning of the year to 83% by year end.

Despite the challenges faced, rental rate has generally remained stable. The rate experienced marginal increase in Q2 before dropping back in Q3 and then stagnant through Q4. By end of the year, average rental rate stand at RM6.25 psf. This is attributed to owners' efforts to stay competitive in the market including refurbishments and renegotiations.

Figure 11: Average Rental Rates of Key Office Buildings in KL



Source: DTZ Consulting & Research, 2015

Key transactions recorded for 2014 are shown in table below.

Figure 12: Transactions of Office Buildings in KL

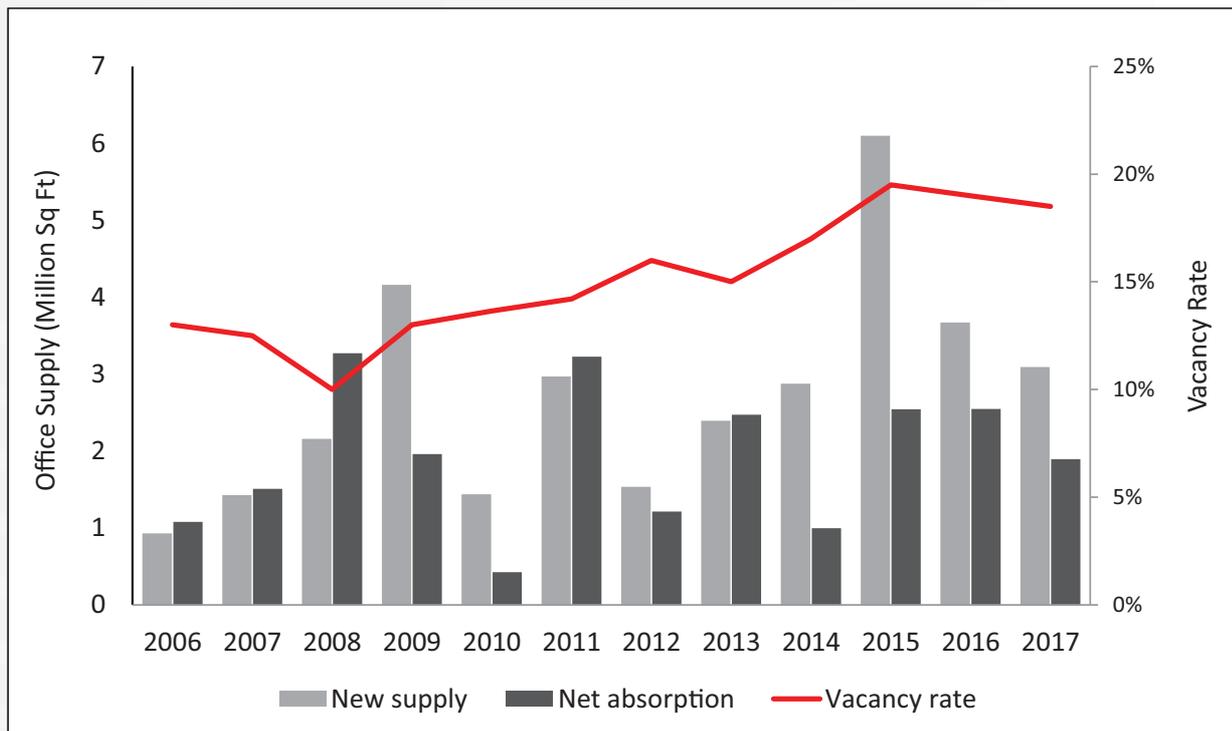
Building	Location	Date	Net Lettable Area (sq ft)	Consideration (RM psf)
Platinum Sentral	Jalan Sentral	Q2	475,857	1,576
Shell Semantan	Damansara Heights	Q2	212,867	648
Menara ING	Jalan Raja Chulan	Q4	160,413	825

Source: DTZ Consulting & Research, 2015

The ongoing oversupply situation offers plenty of choices to tenants, making the sector to be a tenants' market. One of the criteria favoured by tenants is office space in integrated developments i.e. those with hotels and podium retail components. Such developments offer shopping convenience to the tenants and provide ample parking space. As new supply is aplenty, tenants also favoured office building with extra certification especially Green Building Index (GBI), and/or Multimedia Super Corridor (MSC)-certified office.

The office sector shall continue to face challenging time. The coming years are expected to bring an influx of office space to KL market. Within three years, 13 million sq ft of office supply is estimated to be injected, of which, more than six million sq ft is slated for 2015 alone.

Figure 13: Pipeline of Office Space Supply in KL



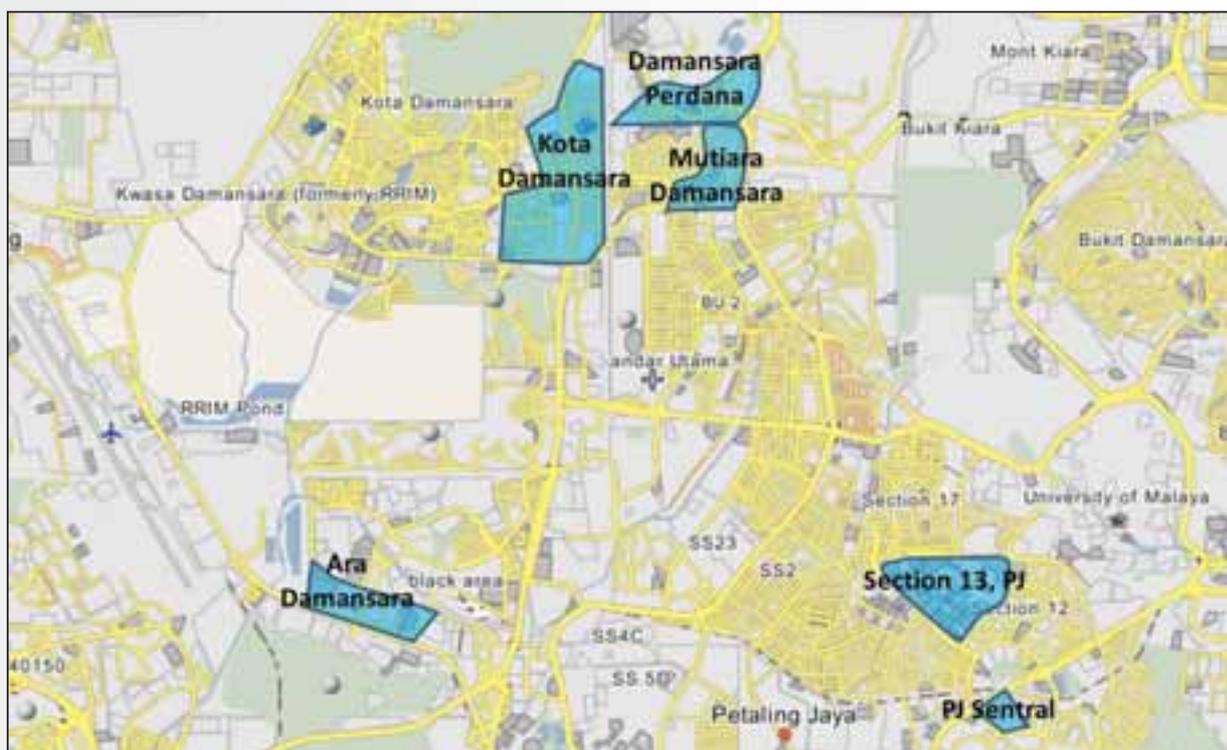
Source: DTZ Consulting & Research, 2015

Looking ahead, several mega projects are also in the pipeline. They include Tun Razak Exchange (TRX), KL Metropolis, Warisan Merdeka and KL EcoCity. Though the earliest phase(s) of these projects, is expected to complete in around 2017, they will nevertheless make a major impact on the market. Furthermore, Kuala Lumpur has a task of attracting MNC tenants from both local and foreign in order to compete with the likes of Hong Kong and Singapore.

2.2 Petaling Jaya / Subang Jaya

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

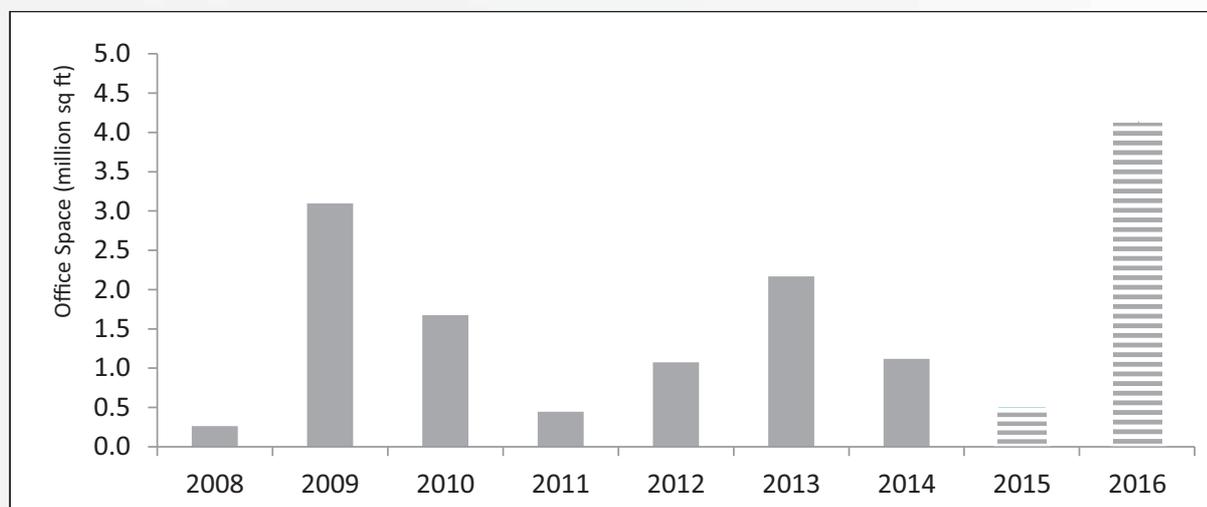
Figure 14: Emerging Office Locations



Source : DTZ Consulting and Research, 2015

The overall stock of office space in Petaling Jaya & Subang Jaya has reached 21.5 million sq ft with 2014 adding more than one million sq ft of supply. As comparison, 2013 had more than two million sq ft of office supply injected to the stock.

Figure 15: Trend of Office Space Supply in PJ / SJ



Source : DTZ Consulting and Research, 2015

Figure 16: New Office Buildings in PJ / SJ

Office Development	Location	Nett lettable Area (sq ft)
Centrestage Office Suites	Sect 13, PJ	312,000
Cascades Corporate Office	Kota Damansara	240,000
Jaya One	Section 13, PJ	165,000
Empire City	Damansara Perdana	400,000

Source : DTZ Consulting and Research, 2015

Although supply growth is seen to be moderating, a large supply of about 4 million sq ft is anticipated to come in 2016, with seven new offices.

Figure 17: Office Buildings in the Pipeline for PJ / SJ

Office Development	Location	Expected Completion	Nett lettable Area (sq ft)
Atria Twin SOFO Towers	Damansara Jaya	2015	240,000
Sunway Nexis Biz suite	Kota Damansara	2015	297,000
Tropicana Avenue	Tropicana Resort	2015	172,468

Office Development	Location	Expected Completion	Nett lettable Area (sq ft)
The Ascent, Paradigm	Kelana Jaya	2016	520,000
Oasis Corporate Park Centum	Ara Damansara	2016	327,000
One City - Corporate Office Tower	USJ	2016	1,500,000
HCK Tower @ Empire City	Damansara Perdana	2016	440,000
Mercu Mustapha Kamal	Damansara Perdana	2016	468,000
The Star Tower @ Pacific Star	Sect 13, PJ	2016	270,000

Source : DTZ Consulting and Research, 2015

Rental rate in PJ/ SJ has maintained throughout the year

Figure 18: Approximate Rental Rate of Key Offices in PJ/ SJ

Office	Rental Rate (RM psf /mth)
1 First Avenue	5.5
8 First Avenue	5.00 – 5.50
PJ8	3.50 – 4.50
Menara UAC	4
Surian Tower	4.8
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

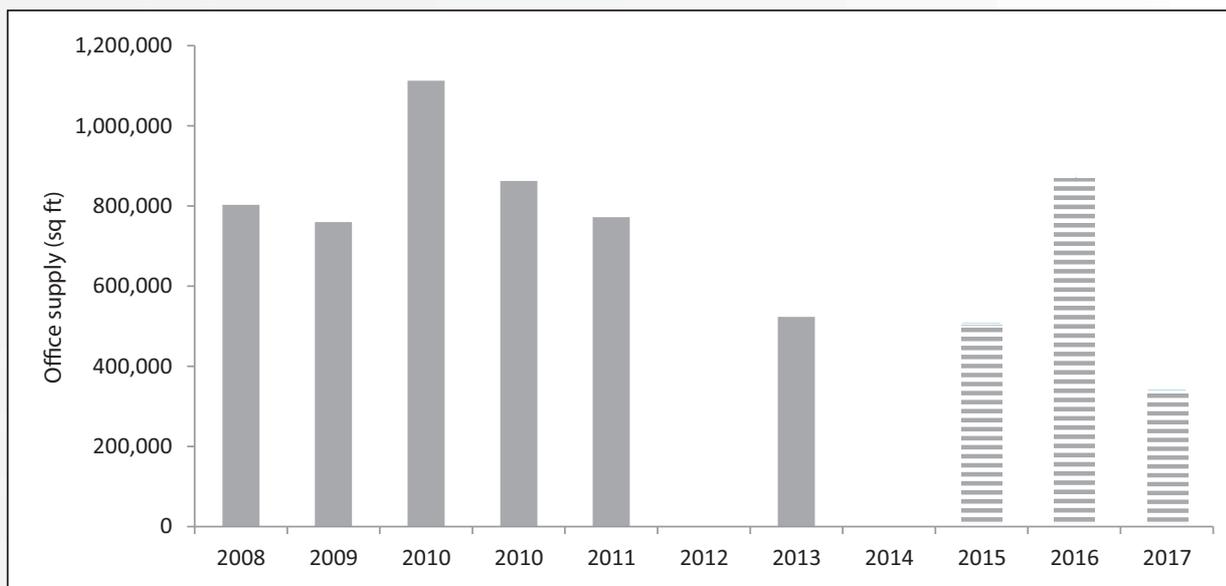
Source : DTZ Consulting and Research, 2015

While there was no significant office building transaction recorded in 2014, numerous office developments are still being developed as shown in Figure 17. This is despite reports of several existing developments struggling to secure tenants, and the current oversupply situation especially in central KL. In the near future, offices in PJ / SJ will likely to continue to face occupancy challenges as the office sector has become a tenants' market.

2.3 Cyberjaya

The recent years has seen slower growth in office supply to Cyberjaya. The year recorded no addition to the current supply of eight million sq ft with the latest addition being Quill 18 (523,000 sq ft) completed in 2013.

Figure 19: Trend of Office Supply in Cyberjaya



Source : DTZ Consulting and Research, 2015

Developers continue to introduce mixed-developments to Cyberjaya especially consisting SOHO, serviced apartments, and retail components. Several office developments are currently under construction and are slated in the incoming years.

Figure 20: Upcoming Office Buildings in Cyberjaya

Buildings	NLA (sq ft)	Completion Year
Shaftsbury Square – iTech Tower	207,000	2015
Office Tower at Glomac Cyberjaya 2	165,000	2015
Office Tower at Pan'gaea	135,000	2015
Star Central	860,000	2016
Office Tower 5 at Sky Park @ Cyberjaya	219,000	2017
Office Tower 6 at Sky Park @ Cyberjaya	123,000	2017

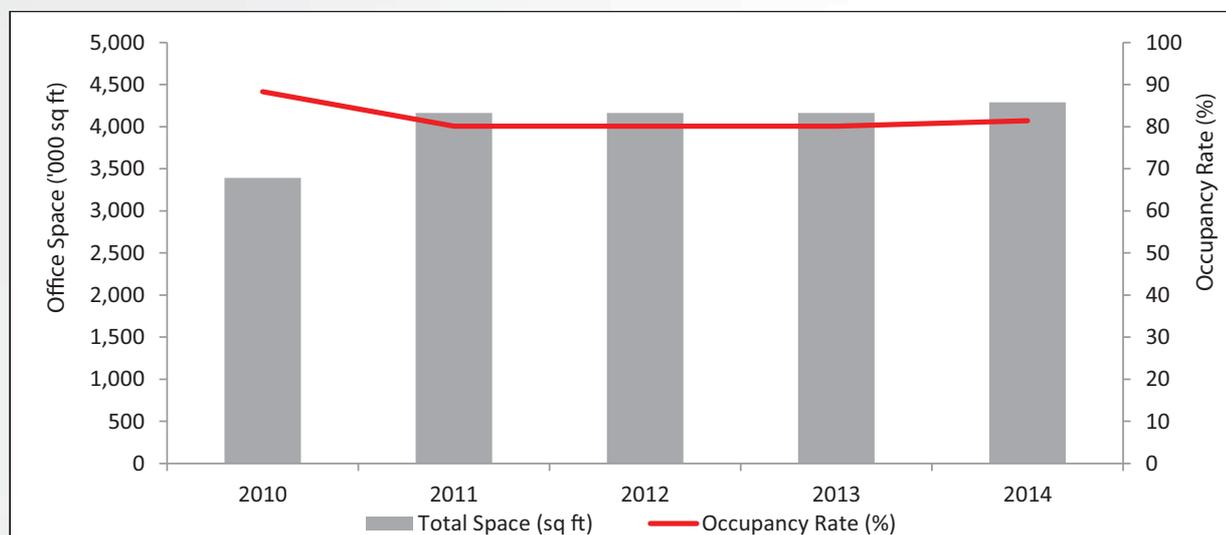
Source : DTZ Consulting and Research, 2015

With supply currently slowing down, rental has maintained its rate at RM4.50 to RM4.80 psf and occupancy at 68%. However, as demand continues to be healthy in Cyberjaya especially from IT-based companies, more office developments are in the pipeline as shown in Figure 19.

2.4 Melaka

Melaka currently houses close to 4.3 million sq ft of office space supply, of which about 3.5 million sq ft (81%) has been occupied.

Figure 21: Trend of Office Supply in Melaka



Source : NAPIC

Office buildings in Melaka Tengah are mainly located at Melaka International Trade Center (MITC), Ayer Keroh. It is noted that most of these buildings are occupied by the public sector. On the other hand, office buildings in Melaka Town are predominantly occupied by private companies.

Looking ahead, apart from one small office development in Melaka Tengah, there is no incoming development in the state. However, the aforementioned mega projects by Xin Eco Marine and the government, Melaka Gateway, will nevertheless have office components integrated into the projects.

Corporate Social Responsibilities

Corporate Social Responsibility (“CSR”) is part of the organisation 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 organisation 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 staffs to be environmentally friendly and adopt cost saving measures.



4 24 August 2014
5 UCMAS Mental Arithmetic Competition 2014

6 14 March 2015
The Malaysia Mensa Scrabble Competition 2015



1 13 & 14 March 2015
2 China Press Treasure Hunt 2015
(Briefing & Flag Off)
3 23 August 2014
3rd Juniors Open Chess Tournament



Corporate Social Responsibilities (CONTD.)

- 10 26 October 2014
E-Kids Idol 2014
- 11 28 – 30 November 2014
"E Star Arena" Online Game Challenge
- 12 20 December 2014
Himpunan Kartunis Malaysia 2014



- 7 31 August 2014
Eftan Cup 2014 Wushu Competition
- 8 6 September 2014
Lantern Party
- 9 28 September 2014
2nd Inter-School Sudoku Competition

Investor Relations and Communications

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 sound investor relation 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 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 23 June 2014, AmFIRST REIT convened its Second Annual General Meeting ("Second AGM") at Berjaya Times Square Hotel Kuala Lumpur to seek Unitholders' approval on the following:-

- (i) Proposed authority to allot and issue new units pursuant to clause 14.03 of the SC's 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.

All the resolutions as set out in the Notice of the Second AGM were put forward to Unitholders at the Second AGM. All resolutions put to Unitholders at the Second AGM were passed. The results of the Second AGM have been announced on the Bursa Securities and AmFIRST REIT's website on even date.

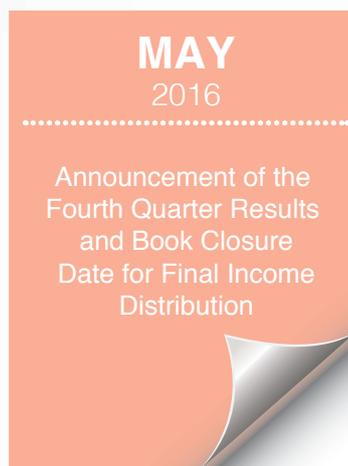
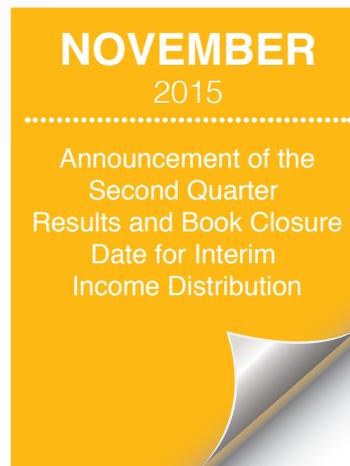
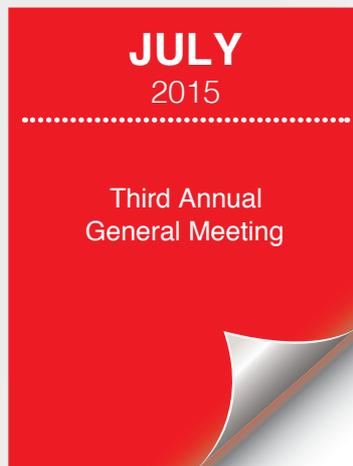
The Third Annual General Meeting is scheduled on 28 July 2015. This provides opportune time for the Manager to engage with Unitholders in their enquiries and discussion about the Trust's performance and strategies.

Website

The Trust's website is regularly 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.

Investor Relations and Communications (CONTD.)

Proposed AmFIRST REIT's 2015/2016 Calendar



** The above 2015/2016 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:

Mr Wong Khim Chon

Executive Director/Chief Executive Officer
E-mail: khimchon@ambankgroup.com

En. Abdul Rahman bin Mohd Joned

Senior Manager, Finance
E-mail: rahman-joned@ambankgroup.com

En. Zuhairy bin Md Isa

Deputy Chief Executive Officer
E-mail: zuhairy-isa@ambankgroup.com

Board of Directors



Y Bhg Dato' Azlan bin Hashim

Non-Independent Non-Executive Director/Chairman

Y Bhg Dato' Azlan bin Hashim, a Malaysian, aged 73, joined the Board of Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST REIT") on 24 August 2006.

Dato' Azlan is currently the Deputy Chairman of AMMB Holdings Berhad and Non-Executive Chairman of AmFraser International Pte Ltd and AmLabuan Holdings (L) Ltd (formerly known as AmInternational (L) Ltd). He also serves on the Boards of Metrod Holdings Berhad, Paramount Corporation Berhad and Sapura Industrial 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 The 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 66, was appointed to the Board of Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST REIT") 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 helped Paramount since 1989, driving it to become a successful group of companies today. Dato' Teo is currently the Executive Deputy Chairman and the Group Chief Executive Officer of Paramount.

Dato' Teo is also the Chairman and a substantial shareholder of ECS ICT Berhad ("ECS"), a Multimedia Super Corridor ("MSC") status company that he co-founded and 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.

Board of Directors (CONTD.)



Sr Tuan Haji Mohd Salleh bin Akram

Independent Non-Executive Director

Sr Tuan Haji Mohd Salleh bin Akram, a Malaysian, aged 66, was appointed to the Board of Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST REIT") on 24 August 2006. He is also a member of the Manager's Audit Committee of Directors.

Tuan Haji Mohd Salleh obtained his Diploma in Land Use Control from North-East London Polytechnic (now part of East London University) in 1973. He passed the Final Examinations of the Royal Institution of Chartered Surveyors (General Practice Section) United Kingdom in 1974 and became a Professional Associate and, soon after, a Fellow of the Royal Institution until his resignation in 2014. He remains a Fellow of the Royal Institution of Surveyors, Malaysia (FRISM). He is also a Registered Valuer and Estate Agent with The Board of Valuers, Appraisers and 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 Malaysia 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 and 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 57, was appointed to the Board of Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST REIT") on 1 April 2013. She is also a member of the Manager's Audit Committee of Directors.

Ms Pushpa joined AmBank Group in 1989 and has over 25 years of experience in the corporate, commercial and investment banking, capital markets and advisory. She has held various senior management positions, including the position of Executive Director of AmInvestment Bank in January 2005 and Managing Director of Corporate & Institutional Banking in July 2008. She has also been involved in corporate strategy and advisory work for AmBank Group.

Prior to joining AmBank Group, she was attached with Coopers & Lybrand (now known as PricewaterhouseCoopers), undertaking financial and consultancy related work. Ms Pushpa sits on the boards of several companies of AmBank Group, which include the Trustee Services, Offshore Banking, Venture Capital Management, REITs and Private Equity.

Ms Pushpa is the Alternate Chairman of the Malaysian Investment Banking Association (MIBA). She is actively involved in the financial sector market development and sits on Regulatory and Industry panels and working groups. She is also on the board of Financial Institutions Directors' Education (FIDE).

Ms Pushpa is a Fellow Member of The Chartered Association of Certified Accountants, United Kingdom and Member of The Malaysian Institute of Accountants.

Board of Directors (CONTD.)



Mr Anthony Ang Meng Huat

Non-Independent Non-Executive Director

Mr Anthony Ang Meng Huat, a Singaporean, aged 60, was appointed to the Board of Am ARA REIT Managers Sdn Bhd, the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST REIT") on 1 August 2014.

Mr Anthony Ang is currently an Advisor to the ARA Group and sits on several of its company's boards. He was previously the Chief Executive Officer 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. Mr Anthony Ang is the Executive Director and a Board member of ARA Asset Management (Fortune) Limited and ARA Asia Dragon Limited, the flagship private fund of ARA Asset Management Limited of Singapore.

Mr Anthony Ang began his career with the Singapore Economic Development Board ("SEDB") 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 Honors from the Imperial College, London University, and obtained a Master of Business Administration from the European Institution of Business Administration ("INSEAD") in 1982 on a scholarship from the Singapore and French governments. He also attended the Strategic Marketing program (for senior executives) at Stanford University, USA in 1992 under the sponsorship of the SEDB. Anthony is a Fellow of the Chartered Management Institute (United Kingdom). Mr Anthony Ang currently serves on the EXCO of the EDB Society - an alumni organization of the Singapore Economic Development Board; EXCO of REITAS - REIT Association of Singapore representing the S-REIT sector; the Business Management Advisory Committee of the Nanyang Polytechnic and The School Advisory Council of Bukit Panjang Government High School in Singapore.



Mr Wong Khim Chon

Executive Director/Chief Executive Officer

Mr Wong Khim Chon, a Malaysian, aged 55, joined the Board of Am ARA REIT Managers Sdn Bhd, the Manager of AMFIRST Real Estate Investment Trust ("AmFIRST REIT") on 8 January 2015. He is currently the Executive Director/Chief Executive Officer of the Manager.

Mr Wong has more than 30 years of experience in the real estate industry, in areas of building and civil construction, property development, project management and property management, including property-related asset management for a life insurance company.

Prior to joining the Manager, his last post was senior General Manager, Property with Hap Seng Consolidated Berhad, a well-diversified public listed group of companies with business activities in both East and Peninsular Malaysia. He was then Head of Property Management and Leasing Department responsible for the group's investment properties in Peninsular Malaysia, in addition to overseeing the Sale and Marketing Department for commercial and residential properties in the property development business unit.

Mr Wong holds a Master of Business Administration Degree from the University of Strathclyde, Glasgow, Scotland, a Bachelor of Engineering (Hons) Degree in Civil Engineering from the University of Malaya, and a postgraduate Diploma in Accounting and Finance from ACCA, United Kingdom.

Management Team



Encik Zuhairy bin Md. Isa
Deputy 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 the Executive Director/Acting Chief Executive Officer of Am ARA and responsible for the strategic direction, investment objectives and operations of AmFIRST REIT's and Am ARA as well as overseeing the roles as the Head, Asset Management.

On 8 January 2015, he resigned as the Executive Director and was re-designated to the Deputy Chief Executive Officer of the Manager overseeing the asset management and investment portfolios.

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 REIT, 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 Panneer Selvam a/l Narayanan
Senior Vice President 3, Finance

Mr Panneer Selvam a/l Narayanan was re-designated as the Senior Vice President, Finance effective on 1 December 2014.

He is responsible for all financial matters relating to AmFIRST REIT's including the review of financial and management reporting, capital management, treasury, risk management and compliance matters.

Prior to the re-designation, he was the Head of Investment, responsible for developing investment strategies and involved in the acquisition of Prima 9, Prima 10, Jaya 99 and initiated the proposed acquisition of Mydin HyperMall, Penang.

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's 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).

Management Team (CONTD.)



Heong Kim Meng

Vice President 1, Asset Management

Mr Heong Kim Meng joined Am ARA on 6 June 2014 as the Head, Asset Management. He is primarily responsible for the properties management, marketing and leasing of properties as well as planning and implementation of asset enhancement initiatives.

He has more than ten (10) years of related working experience prior to joining Am ARA. His last position was General Manager of Kwong Hing Group. He was responsible of group operation and administration, mainly involved in properties management, marketing and leasing of properties and properties investment.

He is an associate member of The Chartered Institute of Management Accountants CIMA, United Kingdom. He is also a member of the Malaysian Institute of Accountants.



Jayasuraes Naidu a/l Subramaniam

Vice President 1, Compliance & Risk

Mr Jayasuraes Naidu a/l Subramaniam joined Am ARA on 4 May 2015 as the Vice President 1, Compliance & Risk.

He is primarily responsible for compliance and risk management activities.

He has eighteen (18) years of related working experience prior to joining Am ARA. Mr. Jaya began his career with Arthur Andersen & Co, as an external auditor in the public accounting firm and later pursued his interest in internal audit function with IGB Corporation Berhad ("IGB"). He was one of the key members in the Group Internal Audit team in IGB during its initial establishment and implementation of internal audit function. Prior to joining Am ARA, he was with Turiya Technologies Pte Ltd, a semiconductor company based in Singapore. He was the Head of Finance and Risk Management for the Singapore Group of Companies. He was later promoted to General Manager to helm the Singapore and China Operations.

He holds a Bachelor Degree in Accountancy (Hons) from University Putra Malaysia and is a Certified Internal Auditor. He is currently a member of The Malaysian Institute of Accountants and Institute of Internal Auditors Malaysia.

Management Team (CONTD.)



Ms Carrie Chua Mooi Chu
Vice President 2, Tenancy Management

Ms Carrie Chua Mooi Chu joined Am ARA on 3 October 2008 as the Tenancy Manager of Am ARA. She is 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.



Encik Abdul Rahman bin Mohd Joned
Senior Manager, Finance

Encik Abdul Rahman bin Mohd Joned joined Am ARA in June 2007 as Assistant Manager, Finance. He is responsible for the full spectrum of financial matters relating to AmFIRST REIT's and this includes financial and management reporting, capital management and treasury. He is also the designated Compliance Officer, appointed as the Business Operational Coordinator ("BOC") that responsible for the overall risk management function and assist 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 with Abu Bakar Rajudin & Co and was involved in auditing, accounting, taxation, secretarial and due diligence work.

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

Management Team (CONTD.)



Encik Anuar bin Husin
Senior Manager, Property Management

Encik Anuar bin Husin was appointed as Manager, Property Management of Am ARA effective from 10 January 2010 and promoted to Senior Manager on 1 April 2014.

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

Currently, he reports to Head of Asset Management 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 is also appointed as Operational Control Coordinator ("OCC") that responsible for risk management for Asset Management Department.

He directly supervises the Facility and Property Managers of AmFIRST REIT's investment portfolio. He also participates actively in AmFIRST REIT'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.



Ms Lee Yoon Lien
Finance Manager

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

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

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

Corporate Governance

Am ARA REIT Managers Sdn Bhd (“Am ARA” or the “Manager”), the Manager of AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or the “Trust”) recognises the importance to have good and effective corporate governance culture to promote and safeguard the best interests of its Unitholders and 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 of the Manager (the “Board”) and the Management have the obligation to act honestly, with due care and diligence, and in the best interests of its Unitholders and other stakeholders by emphasising 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 REITs Guidelines, The Malaysian Code on Corporate Governance 2012 (“MCCG 2012” or the “Code”) and the Main Market Listing Requirements of Bursa Securities (“MMLR” or the “Listing Requirements”) and that the Manager’s obligations as described in the Deed.

UNITHOLDERS

The Manager, in particular, the Board and the Management recognise their responsibilities to protect the best interests of all Unitholders with the objective of maximising values of Unitholders.

The summary of Unitholders’ profiles and unitholdings are as set out on page 121 and 122 of this Annual Report.

Pursuant to Clause 15.33A of the 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 23 June 2014, AmFIRST REIT convened its Second 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 the 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.

All the resolutions put forward to Unitholders at the AGM have received the Unitholders’ approval.

Corporate Governance (CONTD.)

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 the Unitholders, with a view to provide long-term and sustainable distribution of income to the Unitholders and to achieve long-term growth in the net asset value per unit, in order to provide competitive investment return to the Unitholders. The primary roles and functions of the Manager as outlined 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. 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 optimising 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 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.

Risk Management

Responsible for the risk management of AmFIRST REIT which includes but not limited to identifying the principal risks associated with the business activities and ensuring 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. As at the date of this report, the Manager has three (3) Capital Markets and Services Representative License ("CMSRL") holders where the Executive Director/Chief Executive Officer 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 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 achievement of these goals.

Each Director has a duty to act honestly and in good faith, with due care and diligence, and in the best interests 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.

Corporate Governance (CONTD.)

THE BOARD OF DIRECTORS OF THE MANAGER (CONTD.)

The Board is supported by an Audit Committee of Directors (“Audit Committee”) 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:-

- (i) strategic business plans.
- (ii) key financial performance indicators.
- (iii) principal risks and their management.
- (iv) succession planning for senior management.
- (v) investors and Unitholders relations programs.
- (vi) system of internal control.

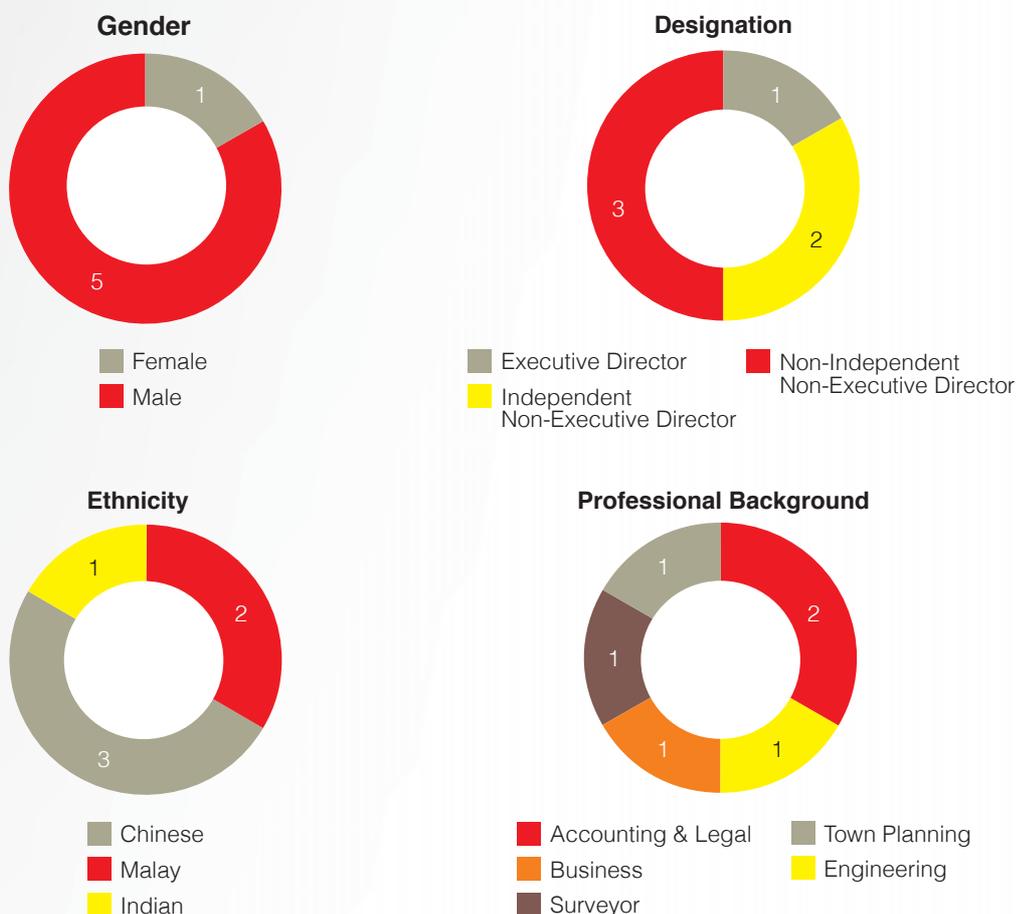
Board Composition

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



Corporate Governance (CONTD.)

THE BOARD OF DIRECTORS OF THE MANAGER (CONTD.)

Board Composition (Contd.)

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

The relationships among the Board members are disclosed on page 85 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 12 and Note 24 of this Annual Report.

The Board comprises business leaders and experienced professionals with fund management, property, banking and finance backgrounds. The profiles of the Directors are set out on page 62 to 64 of this Annual Report. The Board is of the view that its current composition comprises individuals who, as a group, provide 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.

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 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/Chief Executive Officer

The roles and responsibilities of the Chairman and Executive Director/Chief Executive Officer are separate and the positions are held by two (2) different individuals. Y Bhg Dato' Azlan bin Hashim is a Non-Independent Non-Executive Director/Chairman while Mr Wong Khim Chon, the Executive Director also holds the position as the 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/Chief Executive Officer's responsibilities to manage the Trust and the Manager.

Y Bhg Dato' Azlan bin Hashim, the Chairman, 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.

Mr Wong Khim Chon, the Executive Director/Chief Executive Officer has full executive responsibilities over the business directions and operational decisions of AmFIRST REIT. He leads the management and provides direction on the day-to-day operations and 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 the REITs Guidelines. In addition, he is also responsible for the overall planning for the future strategic development and growth of AmFIRST REIT.

Mr Wong Khim Chon was appointed to the Board of the Manager as an Executive Director/Chief Executive Officer on 8 January 2015. Arising from the above appointment, Encik Zuhairy bin Md Isa has resigned as the Executive Director of Am ARA and simultaneously re-designated from Acting Chief Executive Officer to Deputy Chief Executive Officer of Am ARA.

Corporate Governance (CONTD.)

THE BOARD OF DIRECTORS OF THE MANAGER (CONTD.)

Board Meetings

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 2015, the Board met four (4) times. Total number of meetings attended by the Board members are as follows:-

Directors	Designation	Number of Board Meeting	% of Attendance ⁽ⁱⁱⁱ⁾
Dato' Azlan bin Hashim	Non-Independent Non-Executive Director/Chairman	3/4	75%
Dato' Teo Chiang Quan	Independent Non-Executive Director	4/4	100%
Sr Tuan Haji Mohd Salleh bin Akram	Independent Non-Executive Director	4/4	100%
Pushpa Rajadurai	Non-Independent Non-Executive Director	3/4	75%
Anthony Ang Meng Huat ⁽ⁱ⁾	Non-Independent Non-Executive Director	3/3	100%
Wong Khim Chon ⁽ⁱⁱ⁾	Executive Director/ Chief Executive Officer	1/1	100%

⁽ⁱ⁾ Appointed to the Board of Am ARA on 1 August 2014.

⁽ⁱⁱ⁾ Appointed to the Board of Am ARA on 8 January 2015.

⁽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' Remunerations

The Directors' remuneration is paid by the Manager and not from the Trust. For Non-Executive Directors, they receive Director's fees, additional fees for serving on any of the Board 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 the Manager's shareholders. The Directors' fees for the financial year ended 31 March 2015 are shown in the table below:-

Director	FYE 2015 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
Anthony Ang Meng Huat	40,000	40,000

Corporate Governance (CONTD.)

THE BOARD OF DIRECTORS OF THE MANAGER (CONTD.)

Directors' Trainings

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 2015 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 Organisational Development of the ultimate holding company of the Manager, namely AMMB Holdings Berhad.

Mr Anthony Ang Meng Huat and Mr Wong Khim Chon who were appointed to the Board on 1 August 2014 and 8 January 2015 respectively had completed the Mandatory Accreditation Programme ("MAP") within four (4) months of their appointments pursuant to Clause 2.0 of the Practice Note 5 of the Listing Requirements on "Training for Directors".

The Board continues 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 (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 Secretaries work with the Chairman and the Management to ensure that Board papers and agenda are provided to the Directors ahead of meetings of the Board and Board Committees so that they can familiarise themselves with the matters prior to the meetings. Meetings are usually half-a-day affairs and include presentations by the Management, and when necessary, presentations by external consultants and experts on strategic issues relating to specific business areas.

The Board will take independent professional advice when it deems necessary for the proper and efficient discharge of its responsibilities and the Company Secretaries will assist the Board in obtaining such advice upon request.

Corporate Governance (CONTD.)

THE BOARD OF DIRECTORS OF THE MANAGER (CONTD.)

Access to Information (Contd.)

The Board has separate and independent access to the Management and the Company Secretaries, and vice versa. The Company Secretaries render necessary assistance to the Board, and ensure meeting procedures are followed and the applicable laws and regulations are complied with. Under the direction of the Chairman, the Company Secretaries' responsibilities include ensuring good information flows within the Board and the Board Committees and between the Management and Directors as well as facilitating orientation and assisting with professional development as required.

COMPANY SECRETARIES

The Company Secretaries report 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 Secretaries attend the Board and the Board Committees' meetings and responsible for the accuracy and adequacy of records of the proceedings of the Board and the Board Committees' meetings and resolutions.

MANAGEMENT PERSONNEL

The Management 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 as guided by the Deed, the REITs Guidelines, the Listing Requirements, other applicable laws and regulations together with the established policies and procedures.

The details and profiles of the Senior Management are as set out on page 65 to page 68 of this Annual Report.

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 Securities'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 website 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.

Statement on Risk Management and Internal Control

Pursuant to Paragraph 15.26 (b) of Bursa Securities's Listing Requirements ("MMLR" or the "Listing Requirements")

RISK MANAGEMENT

The Board has established a sound risk management framework which has been implemented by the Manager that enables it to continuously identify, evaluate, mitigate and monitor risks that affect the Trust and the Manager 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 and which are incorporated within the Trust's and the Manager's Risk Profile Register. The Risk Profile Register is reviewed by the Audit Committee on a half-yearly basis or as and when required:-

- (i) business model, objectives and strategies.
- (ii) assessment of the internal and external environment.
- (iii) identify events that may affect 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 and report to the Board.

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's 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 Chief Executive Officer and Head of Departments of the Managers with the support from AmBank Group's Operational Risk and Infrastructure. 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 of the Manager 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.

During the current financial year, the Manager enhanced its existing Risk Management Framework by establishing additional functional roles and responsibilities for the management of risk, i.e. the First Line of Defense ("FLOD"). The FLOD comprise newly appointed coordinators for Business Operational Controls ("BOC") at the Manager's level and Operational Controls Coordinators ("OCC") appointed at each functional department of the Manager.

The objectives of the establishment of FLOD are:-

- (i) To establish continuity of competent personnel who appreciate risk management principles within the business;
- (ii) To enhance accountability within the business in executing risk management controls within their span of authority; and
- (iii) To promote proactive risk management culture in the business.

Statement on Risk Management and Internal Control (CONTD.)

Pursuant to Paragraph 15.26 (b) of Bursa Securities's Listing Requirements ("MMLR" or the "Listing Requirements")

INTERNAL CONTROL

The Board has voluntarily adopted the best practices in corporate governance by establishing an Audit Committee and internal audit function, the latter of which is undertaken by the AmBank Group's 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.

As part of the effective and ongoing internal control and governance processes, the Trust is reviewing on the adequacy and effectiveness of its internal control systems to ensure it remain relevant, effective and able to meet the ongoing changes and challenges faced by the Trust. This involves reviewing for improvement opportunities in the areas of financial, operational and compliance controls. The Trust will implement recommendations made by the External Auditors, Messrs Ernst & Young ("EY"), and Group Internal Audit in respect of the accounting and operational controls in their audit reports issued during the financial year.

Internal Audit Function

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

Statement on Risk Management and Internal Control (CONTD.)

Pursuant to Paragraph 15.26 (b) of Bursa Securities's Listing Requirements ("MMLR" or the "Listing Requirements")

INTERNAL CONTROL (CONTD.)

External Auditors

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 EY as the External Auditors to conduct the statutory audit for the financial year ended 31 March 2015. EY have 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.

Compliance Officer

The Manager has a designated Compliance Officer working towards ensuring the compliance with the Deed as well as all rules and guidelines issued by SC, 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 its 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 review by the Group Internal Audit and 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.

Statement on Risk Management and Internal Control (CONTD.)

Pursuant to Paragraph 15.26 (b) of Bursa Securities's Listing Requirements ("MMLR" or the "Listing Requirements")

INTERNAL CONTROL (CONTD.)

Dealings with Related Parties (Contd.)

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

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 2015 are as disclosed in Note 24 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 17 of the Manager's Report) and the transactions with companies related to the Manager (as disclosed in Note 24 of the financial statements), 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 policies to its Directors and employees which prohibit dealings in AmFIRST REIT's units while in possession of material unpublished price-sensitive information. Under these policies, the Directors and employees of the Manager are prohibited from dealing in AmFIRST REIT's units during the period commencing on and from one (1) month prior to the targeted date of announcement of AmFIRST REIT's quarterly results to Bursa Securities, up to one (1) 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.

Statement on Risk Management and Internal Control (CONTD.)

Pursuant to Paragraph 15.26 (b) of Bursa Securities's Listing Requirements ("MMLR" or the "Listing Requirements")

WHISTLEBLOWER PROTECTION POLICY (THE "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 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/Chief Executive Officer that the risk management and internal control system is operating adequately and effectively, in all material aspects. Pursuant to paragraph 15.23 of MMLR, the External Auditors have reviewed this Statement for inclusion in the 2015 Annual report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraph 41 and 42 of the Statement of Risk Management and Internal Control Guidelines for Directors of Listed Issuer, nor is the Statement is factually inaccurate.

The Board is of the view that the system of internal control and risk management is in place for the year under review and up to the date of approval of this statement is sound and provides a level of confidence on which the Board relies for assurance.

Audit Committee Report

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

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

COMPOSITION

The Audit Committee 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 Audit Committee members have the relevant expertise to discharge the functions of an Audit Committee.

The primary role and responsibilities of the Audit Committee 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 Audit Committee 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 Audit Committee 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 and review and report to the Board in relation to:-
 - (a) fulfilling the statutory and fiduciary responsibilities of the Manager; and
 - (b) monitoring of the accounting and financial reporting practices of the Trust and the Manager.
- (ii) To determine that the Trust and the Manager 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.

Audit Committee Report (CONTD.)

TERMS OF REFERENCE (CONTD.)

Primary Roles and Responsibilities (Contd.)

- (iv) To review the quarterly and annual financial statements of the Trust prior to the approval by the Board in particular, with reference to:-
 - (a) changes in or implementation of major accounting policy;
 - (b) significant and unusual events; and
 - (c) compliance with accounting standards and other regulatory requirements.
- (v) To review and approve the scope of audits, audit plans and audit reports of both the external and internal Auditors.
- (vi) To evaluate the 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, organisational 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 works.
- (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 which considered necessary.
- (x) To prepare when necessary, periodic reports to the Board summarising the works deemed performed in fulfilling the Audit Committee's primary responsibilities.
- (xi) To review any related party transaction and conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of the Manager's integrity.
- (xii) To review the annual appointment of the external Auditors or letter of resignation from external Auditors, to negotiate and approve the annual audit fees and/or special audit fees and evaluate basis of billings therewith.

MEETING

The Audit Committee shall meet at quarterly intervals or such other intervals as the Audit Committee shall decide. The quorum necessary for the transaction of the business of the Audit Committee shall be two (2) members.

For the financial year ended 31 March 2015, the Audit Committee had met a total of five (5) times. The frequency of meetings and the attendance of the Audit Committee members held for the financial year ended 2015 are as follows:-

Member	Designation	AC Meeting
Y Bhg Dato' Teo Chiang Quan	Independent Non-Executive Director/Chairman	5/5
Sr Tuan Haji Mohd Salleh bin Akram	Independent Non-Executive Director	5/5
Ms Pushpa Rajadurai	Non-Independent Non-Executive Director	4/5

Audit Committee Report (CONTD.)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial year ended 31 March 2015 included the following:-

- (i) Reviewed the adequacy and relevance of the scope, functions, resources, risk based internal audit plan and results of the internal audit with the internal Auditors.
- (ii) Reviewed the audit activities carried out by the internal Auditors and the audit reports to ensure corrective actions were taken to address the issues reported.
- (iii) Reviewed with the external Auditors, the audit plan for the year (inclusive of risk and audit approach, system evaluation, audit fees and issues raised and the Manager's responses) prior to the commencement of the annual statutory audit.
- (iv) Reviewed the financial statements, audit report, issues and reservations arising from the statutory audit with the external Auditors.
- (v) Reviewed and discussed the financial performance with the Manager.
- (vi) Reviewed the quarterly results and financial statements of AmFIRST REIT for recommendation to the Board 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 on the significant issues and concerns discussed during the Audit Committee meetings, together with applicable recommendations. Minutes of the Audit Committee meetings were tabled, discussed and noted by the Board.
- (xii) Reviewed and recommended on re-appointment of external Auditors to the Board for approval.

Directors’ Responsibility Statement

(Pursuant to paragraph 15.26(A) of the Main Market of Listing Requirement)

The Board of Directors of the Manager is responsible to ensure that the financial statements for the financial year ended 31 March 2015 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 2015 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 2015, 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.

Additional Disclosures

A Non-Audit Fee

The non-audit fees paid/payable to the External Auditors, Ernst & Young, for the financial year ended 31 March 2015 amounted to RM4,500.

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 2015.

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 by virtue of his direct and indirect interest in AMFIRST REIT through Amcorp Group Berhad.

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.





FINANCIAL STATEMENTS

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Statement of Financial Position

As At 31 March 2015

	Note	2015 RM	2014 RM
ASSETS			
Non-Current Assets			
Investment properties	5	1,332,200,000	1,301,900,000
Current Assets			
Receivable	6	33,228,264	7,896,028
Deposit with financial institution	7	4,197,124	4,165,344
Cash and bank balances		505,716	130,822
		37,931,104	12,192,194
TOTAL ASSETS		1,370,131,104	1,314,092,194
UNITHOLDERS' FUNDS			
Unitholders' capital	12	636,624,829	636,624,829
Undistributed income	12	204,971,887	213,239,017
Total unitholders' funds		841,596,716	849,863,846
LIABILITIES			
Non-Current Liabilities			
Rental deposits	8	10,540,261	12,163,692
Borrowings	9	365,200,000	424,000,000
Derivative	10	1,419,077	-
		377,159,338	436,163,692
Current Liabilities			
Payables	11	9,045,605	8,692,348
Rental deposits	8	15,616,775	14,293,635
Borrowings	9	126,100,000	5,078,673
Derivative	10	612,670	-
		151,375,050	28,064,656
TOTAL LIABILITIES		528,534,388	464,228,348
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES		1,370,131,104	1,314,092,194
NET ASSET VALUE		841,596,716	849,863,846
NUMBER OF UNITS IN CIRCULATION		686,401,600	686,401,600
NET ASSET VALUE PER UNIT			
- before proposed final distribution		1.2261	1.2381
- after proposed final distribution		1.2017	1.2011

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

Statement of Comprehensive Income

For the Financial Year Ended 31 March 2015

	Note	2015 RM	2014 RM
Gross revenue	13	106,889,417	112,792,974
Property expenses	14	(40,270,514)	(36,318,265)
Net rental income		66,618,903	76,474,709
Interest income		105,927	140,888
Changes in fair value of investment properties	5	2,340,447	12,327,488
Gain from initial recognition, net of amortisation of financial liabilities		87,158	473,452
Unrealised loss on revaluation of derivative		(2,031,747)	-
Other income		531,580	152,639
		67,652,268	89,569,176
Administrative expenses			
Manager's fee	15	(6,126,904)	(6,245,149)
Trustee's fee	16	(337,590)	(333,371)
Valuation fee		(164,120)	(254,000)
Auditors' remuneration			
- Current year		(46,000)	(30,000)
- Prior year under provision		-	(5,000)
Tax agent's fee		(99,324)	(12,000)
Other expenses	17	(1,305,910)	(449,938)
Interest expense		(21,232,660)	(19,171,282)
		29,312,508	26,500,740
Profit before taxation		38,339,760	63,068,436
Taxation	18	-	-
Profit for the financial year		38,339,760	63,068,436
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		38,339,760	63,068,436
Total comprehensive income for the year is made up as follows:-			
- Realised		37,943,902	50,267,496
- Unrealised		395,858	12,800,940
		38,339,760	63,068,436

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

Statement of Comprehensive Income (CONTD.)

For the Financial Year Ended 31 March 2015

	Note	2015	2014
Earnings per unit (sen)	19		
- after manager's fee		5.59	9.19
- before manager's fee		6.48	10.10
<hr/>			
Net income distribution (RM)	20		
Interim income distribution of 3.09 sen per unit paid on 23 December 2014 (FYE 2014: 3.65 sen per unit paid on 5 December 2013)		21,209,811	25,053,655
Proposed final income distribution of 2.44 sen per unit payable on 30 June 2015 (FYE 2014: Final income distribution of 3.70 sen per unit paid on 12 June 2014)		16,748,199	25,397,079
		<hr/>	<hr/>
		37,958,010	50,450,734
<hr/>			
Income distribution per unit * (sen)			
- Interim		3.09	3.65
- Final		2.44	3.70
		<hr/>	<hr/>
		5.53	7.35
<hr/>			

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

	2015	2014
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%
	<hr/>	<hr/>

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

Statement of Changes in Net Asset Value

For the Financial Year Ended 31 March 2015

	← Undistributed Income →			
	Unitholders' Capital	Realised Income	Unrealised Income	
	RM	RM	RM	
			Unitholders' Fund	
			RM	
2015				
As at 1 April 2014	636,624,829	25,462,341	187,776,676	849,863,846
Total comprehensive income for the year	-	37,943,902	395,858	38,339,760
	636,624,829	63,406,243	188,172,534	888,203,606
Unitholders' transactions				
Distribution to Unitholders				
- 2014 final	-	(25,397,079)	-	(25,397,079)
- 2015 interim	-	(21,209,811)	-	(21,209,811)
	-	(46,606,890)	-	(46,606,890)
As at 31 March 2015	636,624,829	16,799,353	188,172,534	841,596,716
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
Unitholders' transactions				
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

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

Statement of Cash Flows

For the Financial Year Ended 31 March 2015

	2015	2014
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	38,339,760	63,068,436
<i>Adjustments for:-</i>		
Interest income from placements with financial institution	(105,927)	(140,888)
Interest expense	21,232,660	19,171,282
Provision/(reversal) of impairment loss on trade receivables	311,509	(399,097)
Change in fair value of investment properties	(2,340,447)	(12,327,488)
Gain from initial recognition, net of amortisation of financial liabilities	(87,158)	(473,452)
Unrealised loss on revaluation of derivative	2,031,747	-
Operating profit before working capital changes	59,382,144	68,898,793
<i>Changes in working capital:-</i>		
(Increase)/ decrease in receivables	(23,143,745)	105,807
Increase in payables	215,810	1,425,578
(Decrease)/ increase in rental deposits	(213,133)	290,416
Net cash generated from operating activities	36,241,076	70,720,594
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit on acquisition of investment properties	(2,500,000)	-
Enhancements of investment properties	(27,959,553)	(12,346,728)
Interest income	105,927	140,888
Net cash used in investing activities	(30,353,626)	(12,205,840)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(21,095,213)	(19,550,642)
Distributions paid to Unitholders	(46,606,890)	(50,107,287)
Drawdown of borrowings (net)	62,221,327	2,678,673
Net cash used in financing activities	(5,480,776)	(66,979,256)
Net increase/(decrease) in cash and cash equivalents	406,674	(8,464,502)
Cash and cash equivalents at the beginning of the financial year	4,296,166	12,760,668
Cash and cash equivalents at the end of the financial year	4,702,840	4,296,166
Cash and cash equivalents included in the statement of cash flows comprise the following:-		
Cash and bank balances	505,716	130,822
Deposits with financial institution (Note 7)	4,197,124	4,165,344
	4,702,840	4,296,166

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

Notes to the Financial Statements

1. GENERAL INFORMATION

AmFIRST Real Estate Investment Trust (“AmFIRST REIT” or 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”)) executed into 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.

There have been no significant changes in these activities during the financial year.

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

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 28 May 2015.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis unless otherwise indicated in the financial statements.

2.2 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 Trusts (“REITs Guidelines”), Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), applicable securities laws and general accepted accounting principles in Malaysia.

2.3 Presentation of financial statements

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

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 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 recognised 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 derecognised 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 recognised in profit or loss.

b. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) The Trust as a lessor

Leases in which the Trust does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

c. Financial instruments – initial recognition and subsequent measurement

(i) Date of recognition

All financial assets and liabilities are initially recognised 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 recognised 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.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

c. 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 and financial liabilities at fair value through profit or loss: derivatives

The Trust uses derivative instrument i.e. interest rate swap to hedge its risk associated with interest rates. Such derivative financial instrument is initially recognised at fair value on the date on which derivative contract is entered into and it is subsequently re-measured at fair value. Derivative is recorded at fair value and carried as asset when its fair value is positive and as liabilities when its fair value is negative. Changes in its fair value of derivative is included in “investment and trading income”.

(b) Financial assets at amortised 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 amortised cost using the effective interest rate (“EIR”) method, less allowance for impairment. Amortised 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 amortisation is included in “interest income” in profit or loss. The losses arising from impairment are recognised in profit or loss as “impairment losses on financial investments” for loans/financing or “other operating expenses” for receivables.

(c) Financial liabilities at amortised cost

Financial liabilities issued by the Trust, that are not designated at fair value through profit or loss, are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Trust having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset.

After initial measurement, borrowings and rental deposits are subsequently measured at amortised cost using the EIR method. Amortised 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.

(d) “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 recognises the difference between the transaction price and fair value (a “Day 1” profit or loss) in “gain/(loss) arising from measuring non-current financial liabilities at amortised cost”. In cases where fair value is determined using data which is determined using data which is not observable, the difference between the transaction price and model value is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

c. Financial instruments – initial recognition and subsequent measurement (Contd.)

(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 derecognised when:-

- The contractual 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.

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 recognised to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognises 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 derecognised 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 recognised in the income statement.

d. Fair value measurement

The Trust measures certain financial instruments such as derivative, and non-financial assets such as investment property, at fair value at the end of each reporting period.

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:-

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the Trust.

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

d. Fair value measurement (Contd.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Trust uses valuation techniques that are in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

e. 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 amortised cost – loans and receivables

For financial assets carried at amortised 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, recognised are not included in a collective assessment of impairment.

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.

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

e. Impairment of financial assets (Contd.)

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

The carrying amount of trade receivables is reduced through the use of an allowance account while the carrying amount of other financial assets are reduced directly in that account. The associated loss is recognised 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 realised 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 recognised, the previously recognised 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.

f. 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g. 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 institution, 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.

h. Provisions

Provisions are recognised 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 recognised 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. Contingent liabilities and contingent assets

A contingent liability is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or in extremely rare cases whereby there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised but instead is disclosed in the financial statements. A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust is also disclosed as a contingent liability unless the probability of outflow or economic resources is remote.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. The Trust does not recognise contingent assets in the financial statements but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

j. Recognition of income and expenses

Revenue is recognised 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 recognised.

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

For all financial assets and financial liabilities measured at amortised 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.

(ii) Rental income

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

k. Property expenses

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

(i) Manager's and Trustee's fees

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

The basis by which Manager's and Trustee's fee is derived is as explained in Note 15 and Note 16 respectively.

l. Income distribution of AmFIRST REIT's units

Income distributions are recognised as a liability and deducted from Unitholders capital when they are approved by Trustee and the Board of Directors of the Manager. Interim distributions are deducted from Unitholders' fund when they are paid.

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

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

m. Taxation

(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.

(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 recognised 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 recognised 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 utilised, 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 recognised 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 utilised.

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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised 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 realised 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 recognised outside profit or loss is recognised 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.

Notes to the Financial Statements (CONTD.)

2. ACCOUNTING POLICIES (CONTD.)

2.4 Summary of significant accounting policies (Contd.)

m. Taxation (Contd.)

(ii) Deferred tax (Contd.)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised 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 income statement.

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and amended standards and 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 standards and interpretations which became effective for the Trust on 1 April 2014:-

- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities.
- Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities.
- 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.

The adoption of these new and amended standards and interpretations did not have any material impact on the financial statements of the Trust.

3.2 Standards issued but not yet effective

The following are standards issued but not yet effective up to the date of issuance of the Trust's financial statements. The Trust intends to adopt the relevant standards when they become effective.

	Effective for annual periods beginning on or after
Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101 Disclosure Initiatives	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018

Notes to the Financial Statements (CONTD.)

3. CHANGES IN ACCOUNTING POLICIES (CONTD.)

3.3 Effect of adoption of standards issued but not yet effective

The nature of the Standards that are issued but not yet effective are described below. The Trust is assessing the financial effects of their adoption.

a. Amendments to MFRS 101 Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:-

- Materiality.
- Disaggregation and subtotals.
- Notes structure.
- Disclosure of accounting policies.
- Presentation of items of other comprehensive income arising from equity accounted investments.

b. MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

c. MFRS 9 Financial Instruments

In November 2014, the Malaysian Accounting Standard Board (“MASB”) issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

d. Annual Improvements to MFRSs 2010-2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below:-

(i) MFRS 124 Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Notes to the Financial Statements (CONTD.)

3. CHANGES IN ACCOUNTING POLICIES (CONTD.)

3.3 Effect of adoption of standards issued but not yet effective (Contd.)

e. Annual Improvements to MFRSs 2011-2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below:-

(i) MFRS 13 Fair Value Measurement

The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable).

(ii) MFRS 140 Investment Property

The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether:-

- the property meets the definition of investment property in terms of MFRS 140; and
- the transaction meets the definition of a business combination under MFRS 3, to determine if the transaction is a purchase of an asset or is a business combination.

f. Annual Improvements to MFRSs 2012-2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below:-

(i) MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to MFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

(ii) MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

(iii) MFRS 134 Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report".

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

Notes to the Financial Statements (CONTD.)

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. 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

	2015 RM	2014 RM
As at beginning of the year	1,301,900,000	1,277,225,784
Enhancements	27,959,553	12,346,728
Change in fair value	2,340,447	12,327,488
As at end of year	<u>1,332,200,000</u>	<u>1,301,900,000</u>

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 inputs. The significant unobservable input for all investment properties are the capitalisation term yield and the reversion yield.

Description of property	Valuation date	Term Yield ¹	Reversion Yield ²
(i) Menara AmBank	16 March 2015	5.75%	6.00%
(ii) Bangunan AmBank Group	13 March 2015	6.00%	6.25%
(iii) Menara AmFIRST	10 March 2015	6.00%	6.25%
(iv) AmBank Group Leadership Centre	3 March 2015	6.00%	6.25%
(v) Wisma AmFIRST	12 March 2015	6.25%	6.50%
(vi) The Summit Subang USJ	12 March 2015	6.00%	6.25%
(vii) Prima 9	11 March 2015	-*	6.50%
(viii) Prima 10	11 March 2015	6.25%	6.50%
(ix) Jaya 99	6 March 2015	6.25%	6.50%

¹ yield that the investment properties are expected to achieve and is derived from the current average rental rate, including revision upon renewal of tenancies during the year.

² yield that the investment properties are expected to achieve upon expiry of current term rental.

* No yield is expected to achieve upon expiry of current term rental due to the subject property is vacant as at valuation date.

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

Notes to the Financial Statements (CONTD.)

5. INVESTMENT PROPERTIES (CONTD.)

Description of property	Land Title	Location	Existing use	Cost of Investment 31.3.2015 RM	Carrying value as at 31.3.2015 RM	% of valuation to net asset value as at 31.3.2015 %	Carrying value as at 31.3.2014 RM	% of valuation to net asset value as at 31.3.2014 %
(i) Menara AmBank	Freehold	Kuala Lumpur	Office	239,937,314	310,000,000	36.83	310,000,000	36.48
(ii) Bangunan AmBank Group	Leasehold [®]	Kuala Lumpur	Office	190,842,352	257,000,000	30.54	240,000,000	28.24
(iii) Menara AmFIRST	Freehold	Petaling Jaya	Office	63,909,476	71,700,000	8.52	69,500,000	8.18
(iv) AmBank Group Leadership Centre	Freehold	Kuala Lumpur	Office	26,163,270	22,800,000	2.71	22,000,000	2.59
(v) Wisma AmFIRST	Leasehold [#]	Kelana Jaya	Office	94,216,214	112,000,000	13.31	111,000,000	13.06
(vi) The Summit Subang USJ	Freehold	Subang Jaya	Mixed Commercial Complex	305,570,316	320,200,000	38.05	314,900,000	37.05
(vii) Prima 9	Freehold	CyberJaya	Office	73,224,077	77,000,000	9.15	77,000,000	9.06
(viii) Prima 10	Freehold	CyberJaya	Office	61,829,610	68,000,000	8.08	68,000,000	8.00
(ix) Jaya 99	Leasehold [^]	Melaka	Office	87,622,093	93,500,000	11.11	89,500,000	10.53
				<u>1,143,314,722</u>	<u>1,332,200,000</u>		<u>1,301,900,000</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

	2015 RM	2014 RM
Trade receivables (a)	4,260,744	4,529,317
Less: Allowance for impairment	(997,737)	(770,745)
Trade receivables, net	<u>3,263,007</u>	<u>3,758,572</u>
Other receivables, deposits and prepayments, net (b)	29,965,257	4,137,456
Total receivables, net	<u>33,228,264</u>	<u>7,896,028</u>

(a) Included in trade receivables are rental outstanding from companies related to the Manager amounting to RM50,421 (2014: RM59,176) 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 RM22,190,047 (2014: RM1,057,529).

The Trust's primary exposure to credit risk arises through its trade receivables. The Trust's trading terms with its tenants are mainly on credit. The credit period is generally for a period of seven (7) days as stipulated in the tenancy agreement. The Trust seeks to maintain strict control over its outstanding receivables and has a sound credit control processes in place to minimise 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.

Notes to the Financial Statements (CONTD.)

7. DEPOSITS WITH FINANCIAL INSTITUTION

	2015 RM	2014 RM
Placements maturing within three months placed with a licensed bank	4,197,124	4,165,344

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 25(b)(ii).

Included in placements with a licensed bank is an amount of RM899,412 (2014: 1,584,733) held by the Trust on behalf of the vendor of Jaya 99 (Note 11 (ii)).

8. RENTAL DEPOSITS

	2015 RM	2014 RM
<i>Non-current</i>		
Payable after 12 months	10,540,261	12,163,692
<i>Current</i>		
Payable within 12 months	15,616,775	14,293,635
	<u>26,157,036</u>	<u>26,457,327</u>

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

	2015 RM	2014 RM
<i>Non-current</i>		
Payable after 12 months	3,722,564	6,578,641
<i>Current</i>		
Payable within 12 months	7,040,767	3,952,343
	<u>10,763,331</u>	<u>10,530,984</u>

9. BORROWINGS

	2015 RM	2014 RM
<i>Current</i>		
Term Loan	68,000,000	-
Revolving Credit	58,100,000	4,000,000
Overdraft	-	1,078,673
	<u>126,100,000</u>	<u>5,078,673</u>
<i>Non-Current</i>		
Term Loan	60,000,000	128,000,000
Revolving Credit	305,200,000	296,000,000
	<u>365,200,000</u>	<u>424,000,000</u>
Total borrowings	<u>491,300,000</u>	<u>429,078,673</u>

A term loan of RM57.0 million and revolving credit of RM4.0 million are 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.

Notes to the Financial Statements (CONTD.)

9. BORROWINGS (CONTD.)

Details of the interest rate and maturity of the borrowings are disclosed in Note 25(b)(ii).

The Trust has pledged part of its short-term deposits of RM2,657,712 (2014: RM2,580,612) as a requirement for the RM57.0 million Term Loan, RM85.0 million and RM210.0 million Revolving Credit Facilities.

10. DERIVATIVE

	2015 RM	2014 RM
<i>Interest rate swap contract</i>		
Non-current	1,419,077	-
Current	612,670	-
	2,031,747	-

The Trust has entered into a 5-year Interest Rate Swap ("IRS") contract with AmBank (M) Berhad with a notional amount of RM100,000,000 to hedge the Trust's floating interest rate for fixed rate in order to mitigate the risk on fluctuating interest rate. In this IRS contract, the Trust pays fixed rate of 4.25% per annum on the notional amount in exchange of the 3-month KLIBOR.

11. PAYABLES

	2015 RM	2014 RM
Trade payables	1,775,545	1,033,353
Other payables and accruals	7,270,060	7,658,995
	9,045,605	8,692,348

Included in other payables and accruals are:-

- (i) amounts owing to the Manager and Trustee of RM500,625 (2014: RM521,565) and RM28,123 (2014: RM28,328) respectively; and
- (ii) the balance of retention sum as at 31 March 2015 of RM901,222 (2014: RM1,415,442) from the vendor of Jaya 99 (also known as Kompleks Tun Sri Lanang). Deduction/additions were made from/to the cash retention sum of RM899,412 (2014: RM1,584,733) when there is shortfall/excess 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.

12. UNITHOLDERS' FUNDS

Unitholders' funds is represented by:-

	2015 RM	2014 RM
Unitholders' capital	636,624,829	636,624,829
Undistributed income	16,799,353	25,462,341
Undistributed unrealised income	188,172,534	187,776,676
	841,596,716	849,863,846

Notes to the Financial Statements (CONTD.)

12. UNITHOLDERS' FUNDS (CONTD.)

	2015 Number of units	2014 Number of units
<i>Number of units in circulation:</i>		
At 1 April / 31 March	686,401,600	686,401,600
	2015 RM	2014 RM
<i>Issued and fully paid:</i>		
At 1 April / 31 March	636,624,829	636,624,829

	2015		2014	
	Number of Units	Market Value RM	Number of Units	Market Value RM
Unitholdings of companies related to the Manager				
Amcorp Group Berhad	41,779,353	39,063,695	41,779,353	40,734,869
AmBank (M) Berhad	183,489,138	171,562,344	183,489,138	178,901,910
Jadeline Capital Sdn Bhd	36,168,000	33,817,080	36,968,000	36,043,800
AmGeneral Insurance Berhad on behalf of Shareholder Fund	-	-	9,450,000	9,213,750
AmGeneral Insurance Berhad on behalf of General Fund	-	-	4,031,700	3,930,908
AmMetLife Insurance Berhad on behalf of Life Fund	11,200,000	10,472,000	11,200,000	10,920,000
Direct unitholdings of Directors of the Manager				
Zuhairy bin Md Isa (resigned effective 8 January 2015)	7,400	6,919	7,400	7,215
Indirect unitholdings of Directors of the Manager				
Lim Hwee Chiang ¹ (resigned effective 1 August 2014)	36,168,000	33,817,080	36,968,000	36,043,800

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

The market value is determined by multiplying the number of units with the market closing price of RM0.935 per unit as at 31 March 2015 (31 March 2014: RM0.975 per unit).

All of the Directors of the Manager do not have any unitholdings in the Trust during the current financial year end.

13. GROSS REVENUE

	2015 RM	2014 RM
Gross rental income	98,704,643	103,353,670
Car park income	7,767,406	9,047,249
Other income	417,368	392,055
	106,889,417	112,792,974

Notes to the Financial Statements (CONTD.)

14. PROPERTY EXPENSES

Included in property expenses are the following:-

	2015 RM	2014 RM
Property management fee*	1,985,555	1,861,094
Rates and assessment	6,162,861	5,578,432
Quit rent	170,115	172,498

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

15. MANAGER'S FEE

Pursuant to the Deed, the Manager is entitled to receive a base fee up to 0.50% per annum of the total asset value of the Trust (excluding any taxes payable) and a performance fee of 3.00% per annum of net property income (excluding any taxes payable), accruing monthly but before deduction of property management fee. The Manager's fee for the current financial year consists of a base fee of 0.30% (2014: 0.30%) per annum and performance fee of 3.00% (2014: 3.00%) per annum.

16. 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% (2014: 0.04%) per annum on the net asset value.

17. OTHER EXPENSES

Included in other expenses are:-

	2015 RM	2014 RM
Provision/(reversal) of impairment loss on trade receivables (Note 25(b)(iii))	311,509	(399,097)

18. TAXATION

	2015 RM	2014 RM
Current tax expense	-	-

Domestic current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

Notes to the Financial Statements (CONTD.)

18. TAXATION (CONTD.)

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:-

	2015 RM	2014 RM
Income before taxation	38,339,760	63,068,436
Income tax using Malaysian tax rate of 25% (2014: 25%)	9,584,940	15,767,109
Effects of non-deductible expenses	754,760	84,618
Effect of fair value adjustment on investment properties not subject to tax	585,112	3,081,872
Effects of income exempted from tax	(10,924,812)	(18,933,599)
Tax expense	-	-

19. EARNINGS PER UNIT

	2015	2014
Net income for the year (RM)	38,339,760	63,068,436
Number of units in circulation during the year (units)	686,401,600	686,401,600
Basic earnings per unit (sen)	5.59	9.19

20. NET INCOME DISTRIBUTION

In respect of the current financial year ended 31 March 2015, the Manager had paid an interim income distribution of 3.09 sen per unit for the six-month financial period from 1 April 2014 to 30 September 2014 and has proposed a final income distribution of 2.44 sen per unit for the six-month financial period from 1 October 2014 to 31 March 2015 totalling RM16,748,199 which is in line with the objectives of AmFIRST REIT to deliver regular and stable distributions to Unitholders. The total income distribution of 5.53 sen per unit for the financial year ended 31 March 2015 is from the following sources:-

	2015 RM	2014 RM
Gross revenue	106,889,417	112,792,974
Interest income	105,927	140,888
Other income	531,580	152,639
Less: Expenses	107,526,924 (69,583,022)	113,086,501 (62,819,005)
	37,943,902	50,267,496
Add: Undistributed income at beginning of the year	65,573	248,811
Total income available for distribution	38,009,475	50,516,307
Less: Undistributed income at end of the year	(51,465)	(65,573)
	37,958,010	50,450,734
Distribution per unit (sen)	5.53	7.35

Notes to the Financial Statements (CONTD.)

21. PORTFOLIO TURNOVER RATIO

	2015	2014
Portfolio Turnover Ratio ("PTR") (Times)	-	-

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.

22. MANAGEMENT EXPENSE RATIO

	2015	2014
Management Expense Ratio ("MER") (%)	0.96	0.88

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.

23. CAPITAL COMMITMENT AND CONTINGENCIES

	2015 RM	2014 RM
<i>Approved but not contracted for:</i> Investment properties	16,606,089	72,948,062
<i>Approved and contracted for:</i> Investment properties	29,879,148	14,662,147

24. TRANSACTIONS WITH THE COMPANIES RELATED TO THE MANAGER

	2015 RM	2014 RM
Rental earned from AmBank Group	42,674,742	42,562,278
Interest earned from AmBank (M) Berhad	105,927	140,888
Interest paid to AmBank (M) Berhad	21,095,213	18,112,244

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

	2015 RM	2014 RM
AmBank Group		
Bank balances and deposits placed with AmBank (M) Berhad	4,646,197	4,239,105
Bank borrowing from AmBank (M) Berhad	491,300,000	429,078,673
Rental deposits received from the AmBank Group	10,763,331	10,530,984
Loan Facilities agreement fee	40,000	-
AmInvestment Bank Berhad		
Corporate Advisory fee	60,000	77,450

Notes to the Financial Statements (CONTD.)

24. TRANSACTIONS WITH THE COMPANIES RELATED TO THE MANAGER (CONTD.)

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.

25. 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.

Loans and receivables	Note
Receivables	(i)
Deposits with financial institution	(i)
Cash and bank balances	(i)
Financial liabilities	
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.

Notes to the Financial Statements (CONTD.)

25. 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:-

	2015 RM	2014 RM
Financial assets:		
<i>Floating rate instrument</i>		
Deposits with financial institution	4,197,124	4,165,344
Financial liabilities:		
<i>Fixed rate instrument</i>		
Term Loan	117,000,000	117,000,000
Revolving credit	30,000,000	30,000,000
	147,000,000	147,000,000
<i>Floating rate instrument</i>		
Term Loan	11,000,000	11,000,000
Revolving credit	333,300,000	270,000,000
Overdraft	-	1,078,673
	344,300,000	282,078,673

(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
2015				
Financial assets				
Deposits with financial institution	2.58	4,197,124	4,197,124	-
Financial liabilities				
Term loans	4.53	128,000,000	68,000,000	60,000,000
Revolving credit facilities	4.63	363,300,000	58,100,000	305,200,000
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	-

Notes to the Financial Statements (CONTD.)

25. FINANCIAL INSTRUMENTS (CONTD.)

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

(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
2015			
Current	1,863,008	-	1,863,008
Past due but not impaired:			
Past due 30 - 60 days	676,040	-	676,040
Past due 61 - 90 days	612,028	-	612,028
Past due more than 90 days	111,931	-	111,931
Impaired:			
Past due more than 90 days	997,737	(997,737)	-
	4,260,744	(997,737)	3,263,007
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

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:-

	2015 RM	2014 RM
As at beginning of the year	770,745	1,169,842
Amount written off	(84,517)	-
Charge/(write back) (Note 17)	311,509	(399,097)
As at 31 March	997,737	770,745

Notes to the Financial Statements (CONTD.)

25. FINANCIAL INSTRUMENTS (CONTD.)

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

(iv) Liquidity risk

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

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

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

	Within one year RM	1 - 5 years RM	Total RM
2015			
Rental deposits	15,616,775	10,540,261	26,157,036
Payables	9,045,605	-	9,045,605
Borrowings	126,100,000	365,200,000	491,300,000
Total financial liabilities	150,762,380	375,740,261	526,502,641
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

26. EVENTS AFTER REPORTING PERIOD

On 15 April 2015, an announcement was made to Bursa Securities for the proposed acquisition of a three (3) storey hypermall building, each floor with a mezzanine level together with 1,242 car park bays and 1,236 motorcycle bays identified as Mydin Hypermall, which is currently being built for a cash consideration of RM250,000,000 from Mydin Wholesale Cash And Carry Sdn Bhd.

The proposed acquisition is pending the fulfillment of condition precedents as stipulated in the Sale and Purchase Agreement agreed and dated 15 April 2015. The lands and building will be leased to Mydin Mohamed Holdings Berhad for a tenure of thirty (30) years, with a 10% rent increment every five (5) years, commencing immediately upon completion of the proposed acquisition.

Notes to the Financial Statements (CONTD.)

27. 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 maximise Unitholders' value.

The Manager monitors capital using the gearing of the Trust. Under the SC's REITs Guidelines, the Trust is required to maintain a gearing not exceeding 50%.

The gearing is calculated as gross borrowings divided by total assets value of the Trust, based on the latest valuations. Gross borrowings refer to the gross interest-bearing borrowings as set out in Note 9.

	2015 RM	2014 RM
Total borrowings	491,300,000	429,078,673
Total assets	1,370,131,104	1,314,092,194
Gearing (%)	35.9%	32.7%

Supplementary Information

Required by Bursa Malaysia Securities Berhad

28. DISCLOSURE ON REALISED AND UNREALISED INCOME

The breakdown of undistributed income of the Trust into realised and unrealised profits, pursuant to the directive issued by Bursa Malaysia Securities Berhad on 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad's Listing Requirements, as issued by the Malaysian Institute of Accountants, is as follows:

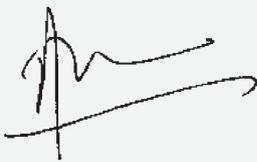
	2015 RM	2014 RM
Realised		
Distributable undistributed income	16,799,353	25,462,341
Unrealised		
Cumulative net change arising from the fair value of investment properties	188,885,279	186,544,832
Gain from initial recognition, net of amortisation of financial liabilities	1,319,002	1,231,844
Unrealised loss on revaluation of derivative	(2,031,747)	-
	<hr/> 204,971,887	<hr/> 213,239,017

Statement by the Directors of the Manager

We, Dato' Azlan bin Hashim and Tuan Haji Mohd Salleh bin Akram, being two of the Directors of the Manager, do hereby state that, in the opinion of the Directors of the Manager, the financial statements of AmFIRST Real Estate Investment Trust (the "Trust") as set out on pages 88 to 116 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 2015 and of the results and the cash flows of the Trust for the financial year then ended.

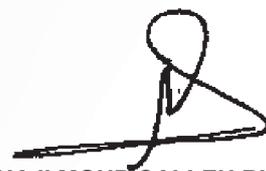
The information set out in page 117 of the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the context of disclosure pursuant to Bursa Securities's Listing Requirements, as issued by the Malaysian 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

Kuala Lumpur, Malaysia
28 May 2015



TUAN HAJI MOHD SALLEH BIN AKRAM

Statutory Declaration

I, Panneer Selvam a/l Narayanan, 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 88 to 117 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 Panneer Selvam a/l Narayanan
at Kuala Lumpur in Wilayah Persekutuan
on 28 May 2015



PANNEER SELVAM A/L NARAYANAN

Before me:



Tkt. 28, AmBank Building
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

Commissioner for Oaths

Trustee's Report

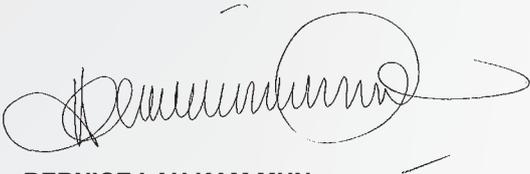
To the Unitholders of AmFIRST Real Estate Investment Trust

We have acted as the Trustee of AmFIRST Real Estate Investment Trust (the "Trust") for the financial year ended 31 March 2015. 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 2015.

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 2015 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
28 May 2015

Independent Auditors' Report

to the Unitholders of AmFIRST Real Estate Investment Trust

Report on the financial statements

We have audited the financial statements of AmFIRST Real Estate Investment Trust (the "Trust"), which comprise the statement of financial position as at 31 March 2015, 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 information, as set out on pages 88 to 116.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determine is 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 judgement, 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 Trust's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by 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

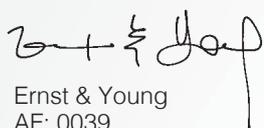
In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2015 and of its financial performance, changes in net asset value and cash flows for the year ended 31 March 2015 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Reporting Responsibilities

The supplementary information as disclosed in Note 28 on page 117 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 Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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



Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
28 May 2015



Chan Hooi Lam
No. 2844/02/16 (J)
Chartered Accountant

Analysis of Unitholders

THIRTY (30) LARGEST UNITHOLDERS AS AT 31 MARCH 2015

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* Pledged Securities For Jadeline Capital Sdn Bhd (PCB)	36,168,000	5.27
4.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For American International Assurance Berhad	21,265,332	3.10
5.	AMSEC Nominees (Tempatan) Sdn Bhd AmMetLife Insurance Berhad (FM-AMAB-LF)	11,200,000	1.63
6.	CIMB Group Nominees (Tempatan) Sdn Bhd Exempt An For Khazanah Nasional Berhad (VCAM)	10,000,000	1.46
7.	Affin Hwang Investment Bank Berhad IVT (JBD)	9,143,520	1.33
8.	AmanahRaya Trustees Berhad Public Optimal Growth Fund	8,500,000	1.24
9.	DFN Resources Sdn Bhd	5,710,400	0.83
10.	Lim Soon Huat	5,122,272	0.75
11.	Tan Kim Chuan	4,600,000	0.67
12.	AMSEC Nominees (Tempatan) Sdn Bhd Ng Bee Lan (9917-2101)	4,400,000	0.64
13.	Wing Kwong @ Chan Wing Kwong	3,228,724	0.47
14.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ramanathan A/L L.Manickavasagam	3,104,900	0.45
15.	Cimsec Nominees (Asing) Sdn Bhd Exempt AN for CIMB Securities (Singapore) Pte Lte (Retail Clients)	2,369,960	0.35
16.	Seng Siaw Wei	2,250,000	0.33
17.	Lim Kew Seng	2,083,080	0.30
18.	Radhakrishnan A/L Menon	2,000,000	0.29
19.	Sze See Chuen	1,971,700	0.29
20.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Hong Leong Asset Management Berhad for Che King Tow (ND100-JA)	1,920,000	0.28
21.	AmanahRaya Trustees Berhad Public Mutual PRS Growth Fund	1,800,000	0.26
22.	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc.	1,788,940	0.26
23.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Tigarar Berkat Sdn Bhd (PB)	1,687,700	0.25

Analysis of Unitholders (CONTD.)

THIRTY (30) LARGEST UNITHOLDERS AS AT 31 MARCH 2015 (CONTD.)

Nos.	Names	No. of Unit Held	% of Unitholdings
24.	Oh Eng Hoe	1,600,000	0.23
25.	Yap Ah Ngah @ Yap Neo Nya	1,500,000	0.22
26.	Wong Soh Har @ Wong Yin Teck	1,465,000	0.21
27.	Neoh Choo Ee & Company, Sdn. Berhad	1,357,142	0.20
28.	Maybank Nominees (Tempatan) Sdn Bhd Chau Mei Lan	1,272,751	0.19
29.	Goh Beng Beng	1,245,656	0.18
30.	Guan Brothers Realty Sdn Bhd	1,212,000	0.18
Total		375,235,568	54.68

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

DISTRIBUTION SCHEDULE OF UNITS AS AT 31 MARCH 2015

Category	No. of Unitholders	No. of Units Held	% of Unitholdings
Less than 100	539	22,089	0.00
100 to 1,000	3,296	2,159,629	0.32
1,001 to 10,000	5,614	24,339,401	3.55
10,001 to 100,000	2,883	97,075,156	14.14
100,001 to less than 5% of issued units	699	301,368,834	43.90
5% and above of issue units	3	261,436,491	38.09
Total	13,034	686,401,600	100.00

CLASSIFICATION OF UNITHOLDERS AS AT 31 MARCH 2015

Category of Unitholders	No. of Unitholders		No. of Unit Held		% of Total Unitholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1. Individual	10,633	189	220,148,881	7,695,432	32.07	1.12
2. Body Corporate						
a. Banks/Finance Companies	13	-	205,196,738	-	29.89	-
b. Investment Trusts/ Foundation/Charities	4	-	384,308	-	0.06	-
c. Industrial and Commercial Companies	177	8	60,776,942	36,608,073	8.85	5.34
3. Government Agencies/ Institutions	2	-	51,421	-	0.01	-
4. Nominees	1,847	161	141,520,119	14,019,686	20.62	2.04
Total	12,676	358	628,078,409	58,323,191	91.50	8.50

Corporate Directory

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 Anthony Ang Meng Huat

Non-Independent Non-Executive Director

Mr Wong Khim Chon

Executive Director/Chief Executive Officer

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

Savills (Malaysia) Sdn Bhd
#9-1, Level 9, Menara Millennium
Jalan Damanlela
Pusat Bandar 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 Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Telephone No. : 603 – 7495 8000
Facsimile No. : 603 – 2095 5332

Corporate Directory (CONTD.)

TAX ADVISER

PricewaterhouseCoopers Taxation Services Sdn Bhd
(Company No. 464731-M)
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 – 7849 0777 (Helpdesk)
Facsimile No. : 603 – 7841 8151/8152

STOCK EXCHANGE LISTING

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

Notice of Third Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting (“AGM”) of the Unitholders of AmFIRST Real Estate Investment Trust (“AmFIRST REIT”) will be held at Taming Sari 1 & 2, Ground Floor, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Tuesday, 28 July 2015 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 2015 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.”

Notice of Third Annual General Meeting (CONTD.)

(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 Directors and Maybank Trustees Berhad (the “Trustee”), 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
29 May 2015

Notes:-

- (1) *In respect of deposited securities, only Unitholders whose names appear in the Record of Depositors of AmFIRST REIT on 21 July 2015 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 Unitholder 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 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 Third 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 in AmFIRST REIT.**
Ordinary Resolution No. 2, if passed, would facilitate the allotment and issuance of Units pursuant to Ordinary Resolution No. 1.



AmFIRST

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 AmARA 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"

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

and/or failing *him/her,

Second Proxy "B"

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

100%

or *failing him/her, *the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Third Annual General Meeting ("AGM") of the Unitholders of AmFIRST REIT to be held at Taming Sari 1 & 2, Ground Floor, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Tuesday, 28 July 2015 at 10.30 a.m. or at any adjournment thereof.

No.	Resolution	For	Against
1	Ordinary Resolution No. 1		
2	Ordinary Resolution No. 2		

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

Date this _____ day of _____, 2015.

Signature of Unitholder/Common Seal

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

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

Notes:-

- (1) In respect of deposited securities, only Unitholders whose names appear in the Record of Depositors of AmFIRST REIT on 21 July 2015 shall be eligible to attend the AGM.
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- (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 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

REQUEST FORM

To : Am ARA REIT Managers Sdn Bhd

Please send to me/us a printed copy of AmFIRST Real Estate Investment Trust - Annual Report 2015:

Name of Unitholder:	
NRIC No. / Passport No. / Company No.:	
CDS Account No.:	
Address:	
Contact No./E-mail Address:	
Signature of Unitholder:	

Contact details of Am ARA REIT Managers Sdn Bhd for a printed copy of the Annual Report 2015:

- Telephone No. : 03-7955 8027/03-7955 8120 through En. Abdul Rahman bin Mohd Joned.
- Email Address : rahman-joned@ambankgroup.com
- Facsimile No. : 03-7955 8360/80

The printed copy of AmFIRST REAL ESTATE INVESTMENT TRUST - Annual Report 2015 will be sent to Unitholder within four (4) market days from the date of receipt of your written or verbal request.

PLEASE FOLD HERE TO SEAL

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Am ARA REIT Managers Sdn Bhd
The Manager for AmFIRST Real Estate Investment Trust
Penthouse, Menara AmFIRST
No. 1, Jalan 19/3
46300 Petaling Jaya
Selangor

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

www.amfirstreit.com.my